

South Carolina General Fund Revenue FY 2022-23 Year-End Update

August 24, 2023



FY 2022-23 Final Revenue



REVENUES V. BEA MONTHLY ESTIMATES

FINAL FY 2022-23

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate Full Yr. / ¹	Actual Full Yr. / ²		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate Full Yr. / ¹	Actual Full Yr. / ²
Total General Fund Revenue	\$13,033.0	\$13,094.2	\$61.2	(4.6%)	(4.1%)	Other Revenue Items, Sub-Total	\$988.0	\$1,047.4	\$59.5	(2.4%)	26.6%
Sales Tax	4,649.2	4,660.1	10.9	5.6%	5.9%	Admissions Tax	41.0	45.4	4.4	(10.4%)	(0.8%)
Individual Income Tax	5,796.5	5,758.2	(38.3)	(15.1%)	(15.7%)	Alcoholic Liquors Tax	114.7	118.1	3.3	2.0%	5.0%
Withholdings	6,848.5	6,903.1	54.6	(0.2%)	0.6%	Bank Tax	64.9	95.0	30.2	(10.3%)	31.3%
Non-withholdings	1,769.2	1,688.4	(80.8)	(13.8%)	(17.7%)	Beer and Wine Tax	116.0	113.4	(2.7)	(0.8%)	(3.1%)
Refunds	2,821.2	2,833.3	12.1	35.0%	35.6%	Corporate License Tax	168.0	170.1	2.1	3.0%	4.3%
Corporate Income Tax	1,236.3	1,262.2	26.0	9.5%	11.8%	Deed Rec. (Doc. Tax)	120.9	123.2	2.3	(22.9%)	(21.4%)
Insurance Tax	363.0	366.2	3.3	28.0%	29.2%	Earned on Investments	170.0	180.5	10.5	144.1%	159.2%
Other Revenue Items, Sub-Total	988.0	1,047.4	59.5	(2.4%)	26.6%	Residual Revenue	192.5	201.7	9.2	(30.0%)	(26.6%)

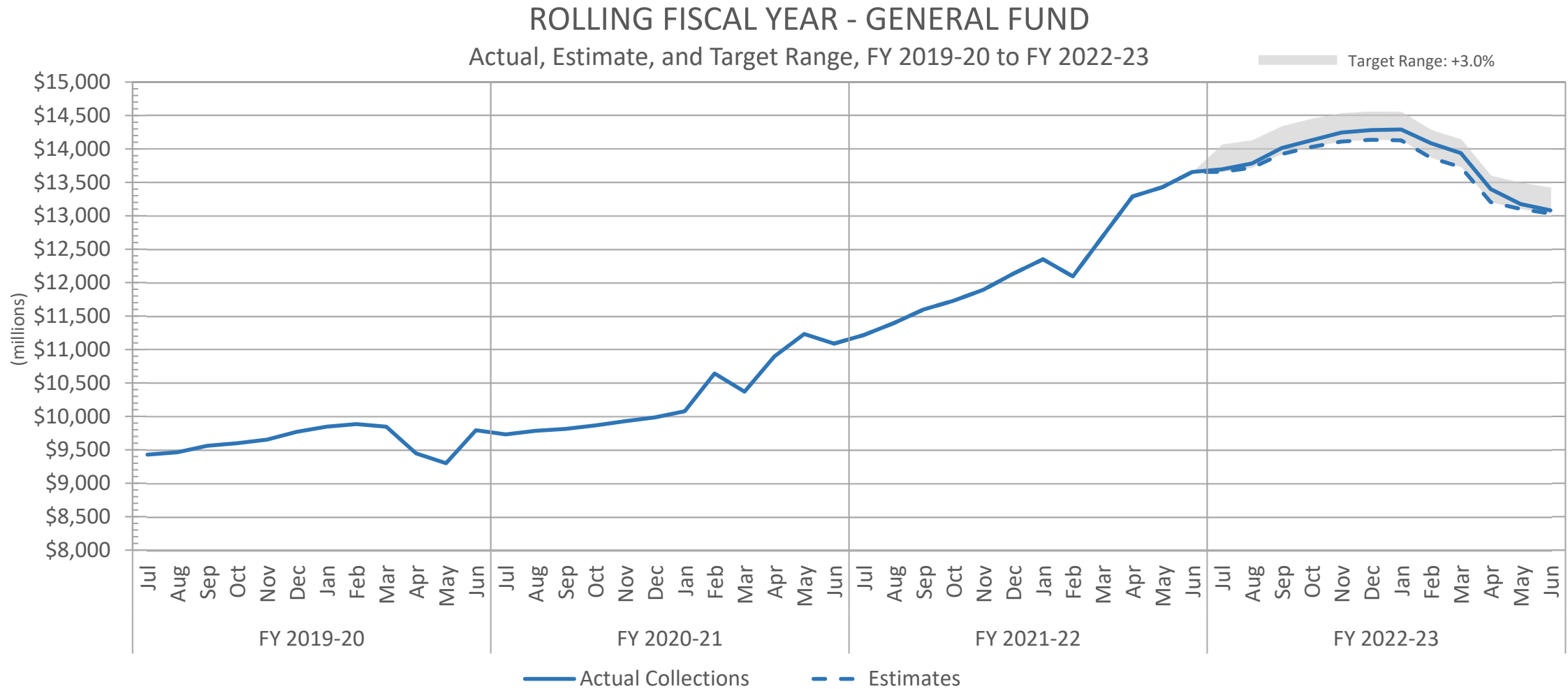
Based on BEA Forecast as of May 09, 2023

/1 Estimate full year reflects projected growth for the full fiscal year over the prior year.

/2 Actual full year reflects actual growth for the full fiscal year over the prior year.

General Fund – Actuals vs. Estimates

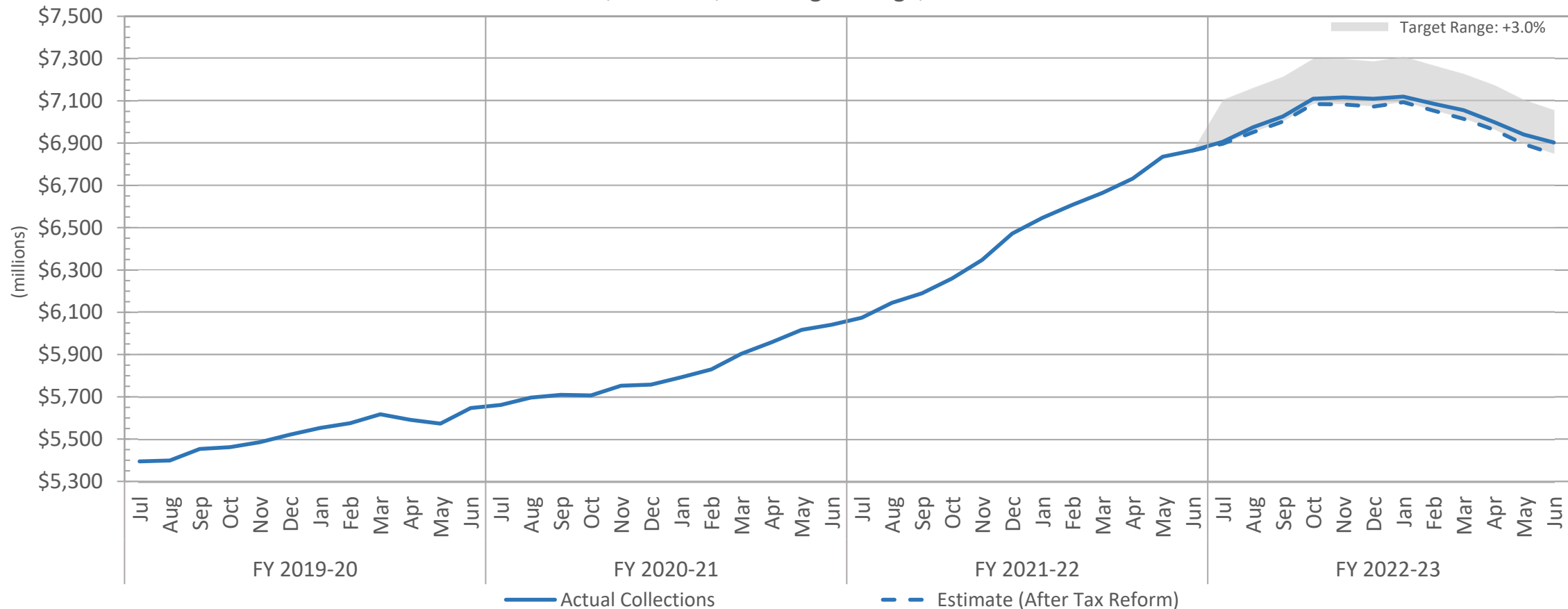
Revenues ended \$61.2 million above the estimate for FY 2022-23, declining 4.1% compared to 4.6% estimated decline



Withholdings– Actuals vs. Estimates

Though total Withholdings declined due to the tax table adjustment for 2023, revenues ended \$54.6 million above the estimate for FY 2022-23

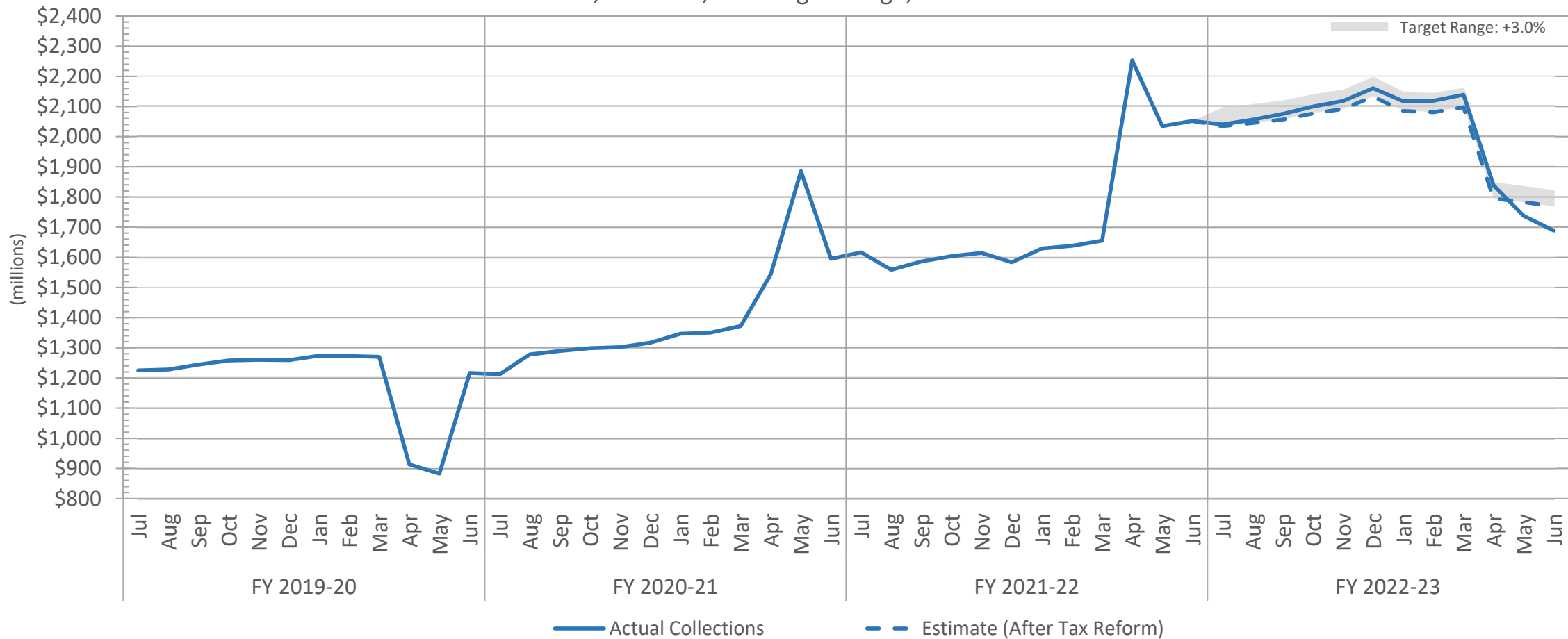
ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Non-withholdings– Actuals vs. Estimates

Revenues ended \$80.8 million below the estimate for FY 2022-23 due to smaller than anticipated payments in late May tax filings and June declarations

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23

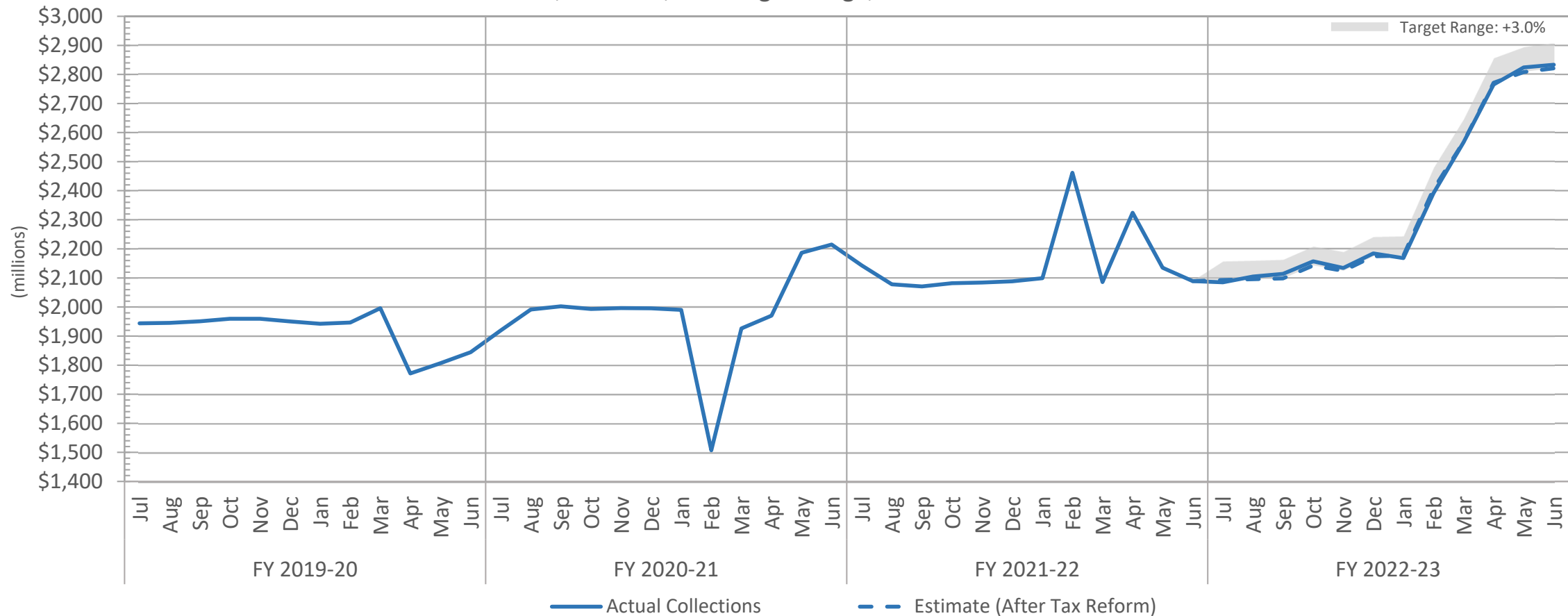


Refunds – Actuals vs. Estimates

Refunds ended \$12.1 million above the estimate for FY 2022-23 due to slightly more refunds than anticipated in May tax filings

ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

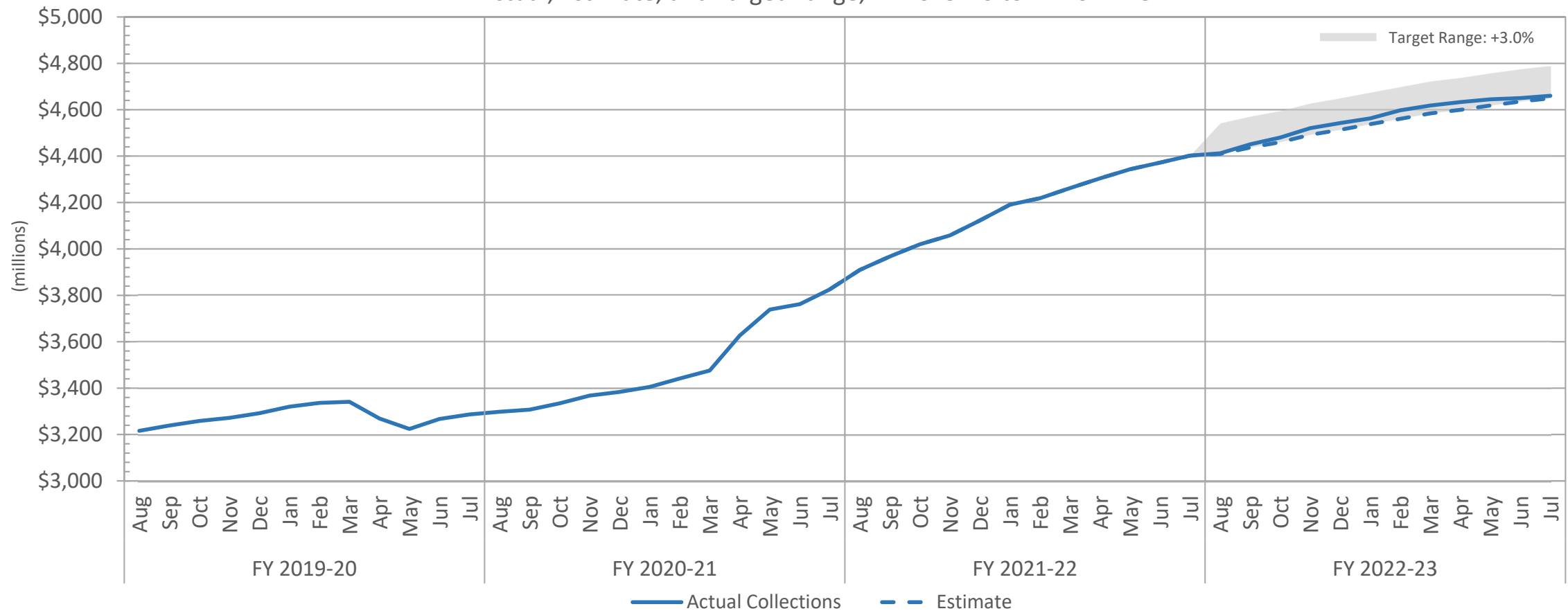
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Sales Tax- Actuals vs. Estimates

Revenues ended \$10.9 million above the estimate for FY 2022-23, growing at 5.9% compared to 5.6% estimated

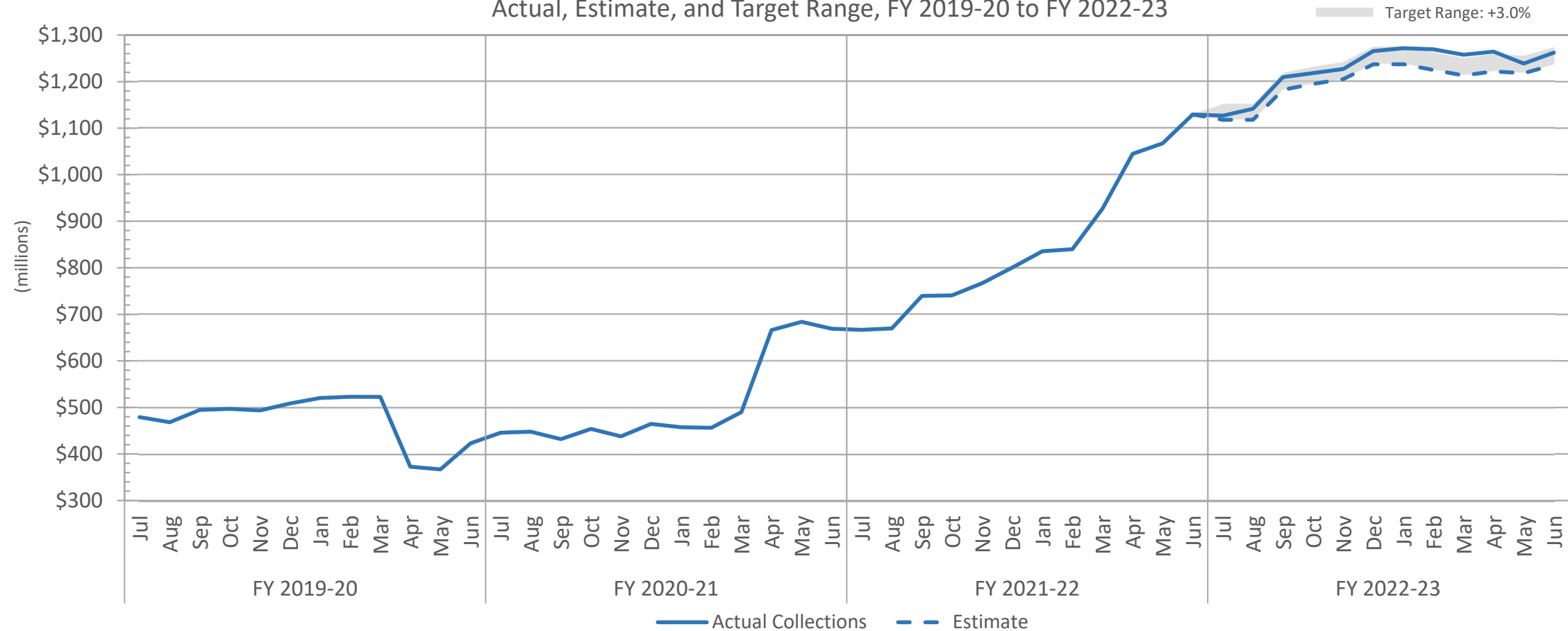
ROLLING FISCAL YEAR - SALES TAX
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Corporate Income– Actuals vs. Estimates

Collections ended \$26.0 million above the estimate for FY 2022-23, growing 11.8% compared to the estimate of 9.5%

ROLLING FISCAL YEAR - CORPORATE INCOME TAX
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



Summary of FY 2022-23 Results

- Total General Fund revenue finished \$61.2 million above expectations, or within 0.5% of estimates
- Actual collections slightly exceed estimates in Withholdings, Sales tax, and Corporate Income tax
- Refunds and Non-withholdings finished below estimates following larger than expected decreases in collections for late tax filings in May and June
 - Changes in tax payments for June may indicate that taxpayers have made a larger adjustment to declarations than anticipated for tax reform
- The impact of final FY 2022-23 on FY 2023-24 revenues is under review for September

Future Meetings

- September 21, 2023
 - Full review of FY 2022-23 revenues and potential impact on forecast for FY 2023-24
 - Review of July and August FY 2023-24 revenue
 - Adoption of preliminary forecast with legislative adjustments for FY 2023-24 and FY 2024-25
 - Discussion of SC economy with industry professionals
- October 16, 2023
 - Review of FY 2023-24 revenue and performance
 - Initial consideration of economic assumptions for FY 2024-25
 - Annual Regional Advisory Meeting – discussion of SC economy with regional economists
- November 16, 2023
 - Adoption of revised forecast for FY 2023-24 and FY 2024-25 based on comments and updated assumption

Reports from Working Group Members

Other Business