

South Carolina General Fund Revenue FY 2021-22 Year-End Update

August 25, 2022



FY 2021-22 Final Revenue



REVENUES V. BEA MONTHLY ESTIMATES

FINAL

(\$ in Millions)

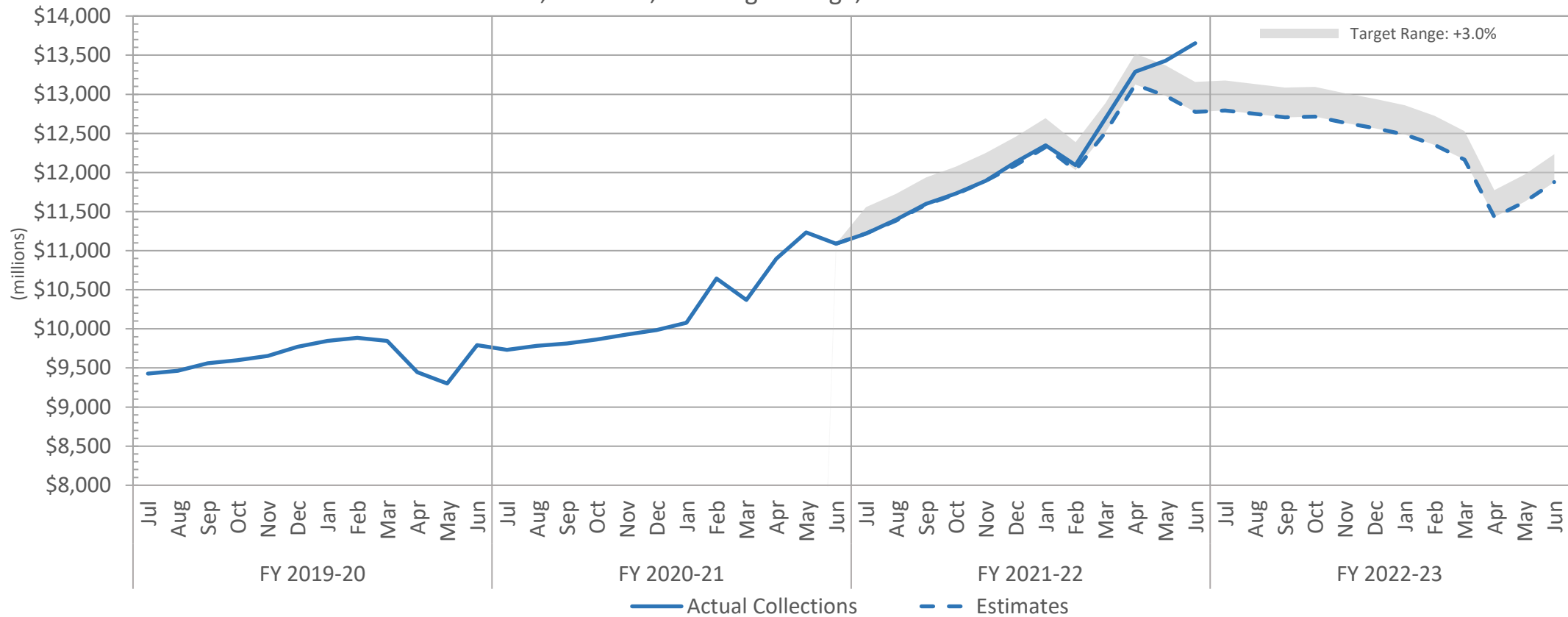
	Actual Revenues	Expected Revenues	Over/ (Under) Expected	Estimate Full Yr.	Actual YTD		Actual Revenues	Expected Revenues	Over/ (Under) Expected	Estimate Full Yr.	Actual YTD
Total General Fund Revenue	\$13,654.4	\$12,774.3	\$880.1	15.2%	23.1%	Other Revenue Items, Sub-Total	\$1,012.0	\$921.9	\$90.1	4.8%	15.1%
Sales Tax	4,402.0	4,155.3	246.7	8.6%	15.1%	Admissions Tax	45.7	43.4	2.4	46.9%	54.9%
Individual Income Tax	6,827.6	6,431.8	395.8	18.6%	25.9%	Alcoholic Liquors Tax	112.5	109.9	2.6	8.2%	10.7%
Withholdings	6,864.8	6,810.2	54.6	12.7%	13.6%	Bank Tax	72.4	74.1	(1.8)	6.1%	3.6%
Nonwithholdings	2,051.9	1,842.1	209.9	15.5%	28.7%	Beer and Wine Tax	116.9	117.9	(1.0)	0.9%	0.1%
Refunds	2,089.2	2,220.5	(131.3)	0.3%	(5.7%)	Corporate License Tax	163.1	158.1	4.9	6.8%	10.1%
Corporate Income Tax	1,129.4	982.6	146.8	46.8%	68.8%	Deed Rec. (Doc. Tax)	156.9	142.8	14.0	20.1%	31.9%
Insurance Tax	283.5	282.7	0.8	(3.6%)	(3.3%)	Earned on Investments	69.7	70.0	(0.3)	(3.6%)	(4.1%)
Other Revenue Items, Sub-Total	1,012.0	921.9	90.1	4.8%	15.1%	Residual Revenue	274.9	205.6	69.3	(7.4%)	23.8%

Based on BEA Forecast as of May 24, 2022

General Fund – Actuals vs. Estimates

Revenues ended \$880.1 million above the estimate for FY 2021-22, growing at 23.1% compared to 15.2% estimated

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



Summary of FY 2021-22 Results

- Actual collections exceed estimates in nearly every major revenue category
- Main drivers of the \$880.1 million excess:
 - Greater durability of consumer spending growth than expected, driving Sales tax \$246.7 million over the estimate
 - An exceptionally strong tax-filing season, propelling Non-Withholdings \$209.9 million above the estimate and Refunds below the estimate by \$131.3 million
 - Unexpectedly high household financial income for tax year 2021 as well as the timing mismatch between income increases and inflation adjustments to tax items are likely drivers of this dynamic
 - Persistent growth in retail sales above expectations, driving Corporate Income tax \$146.8 million above the estimate
 - \$74.4 million in one-time non-economic transfers, \$61.3 million of which is from federal pandemic funds to offset the \$10,200 unemployment compensation tax exemption for tax year 2020

Future Meetings

- September 15, 2022
 - Full review of FY 2021-22 revenues and potential impact on forecast for FY 2022-23
 - Review of July and August FY 2022-23 revenue
 - Discussion of SC economy with industry professionals
- October 18, 2022
 - Review of FY 2022-23 revenue and performance
 - Initial consideration of economic assumptions for FY 2023-24
 - Annual Regional Advisory Meeting – discussion of SC economy with regional economists
- November 15, 2022
 - Adoption of forecast for FY 2022-23 and FY 2023-24