

South Carolina General Fund Revenue Update and Forecasts for FY 2023-24 and FY 2024-25

May 20, 2024



General Fund Revenues



REVENUES VS. BEA MONTHLY ESTIMATES

JULY - APRIL FY 2023-24

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / ¹	Actual YTD / ²	Estimate Full Yr. / ³		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / ¹	Actual YTD / ²	Estimate Full Yr. / ³
Total General Fund Revenue	\$10,042.7	\$10,688.0	\$645.3	(3.0%)	3.2%	(1.6%)	Other Revenue Items, Sub-Total	\$793.7	\$938.8	\$145.2	(3.8%)	13.7%	(3.0%)
Sales Tax	3,484.5	3,535.9	51.4	1.1%	2.5%	1.1%	Admissions Tax	24.9	27.6	2.7	(4.7%)	5.6%	(6.1%)
Individual Income Tax	4,867.9	4,969.5	101.7	2.2%	4.3%	4.7%	Alcoholic Liquors Tax	87.0	87.6	0.6	2.1%	2.8%	2.2%
Withholdings	5,419.1	5,709.6	290.5	(7.4%)	(2.4%)	(6.1%)	Bank Tax	58.5	46.4	(12.1)	(24.6%)	(40.2%)	(17.0%)
Non-withholdings	1,304.1	1,370.7	66.6	(11.4%)	(6.9%)	(6.1%)	Beer and Wine Tax	81.9	82.4	0.5	(1.6%)	(1.0%)	(0.6%)
Refunds	1,855.3	2,110.8	255.5	(27.4%)	(17.4%)	(28.2%)	Corporate License Tax	168.8	181.8	13.1	2.9%	10.9%	2.9%
Corporate Income Tax	628.8	984.5	355.7	(38.9%)	(4.4%)	(38.0%)	Deed Rec. (Doc. Tax)	75.0	83.2	8.1	(17.6%)	(8.7%)	(16.9%)
Insurance Tax	267.9	259.2	(8.7)	(6.7%)	(9.8%)	(4.8%)	Earned on Investments	152.8	274.3	121.5	9.1%	95.9%	5.2%
Other Revenue Items, Sub-Total	793.7	938.8	145.2	(3.8%)	13.7%	(3.0%)	Residual Revenue	144.7	155.5	10.8	(8.5%)	(1.7%)	(4.2%)

Based on BEA Forecast as of November 16, 2023

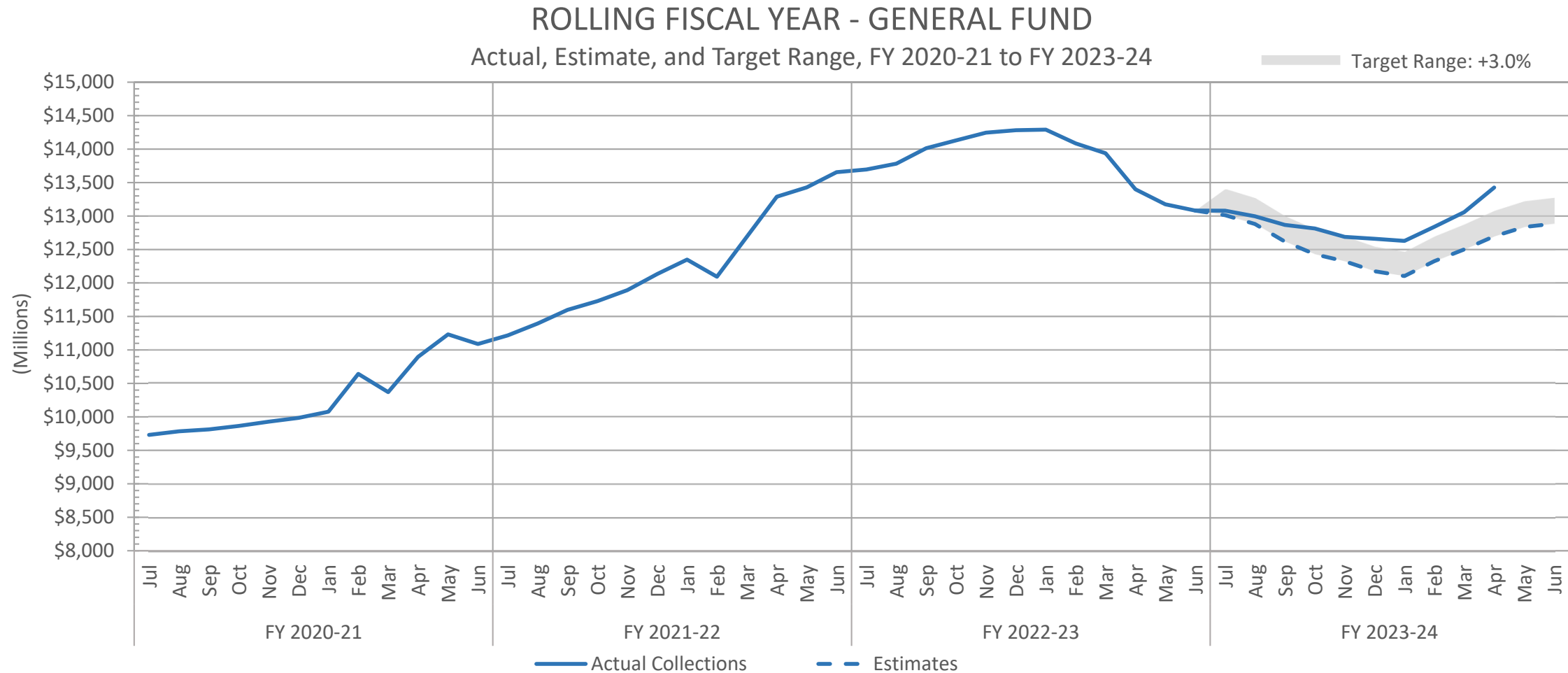
/1 Estimate year-to-date reflects expected growth in collections fiscal year-to-date over prior fiscal year-to-date based on anticipated monthly collection patterns.

/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

/3 Estimate full year reflects projected growth for the full fiscal year over the prior year.

General Fund Revenue – November 2023 Estimate

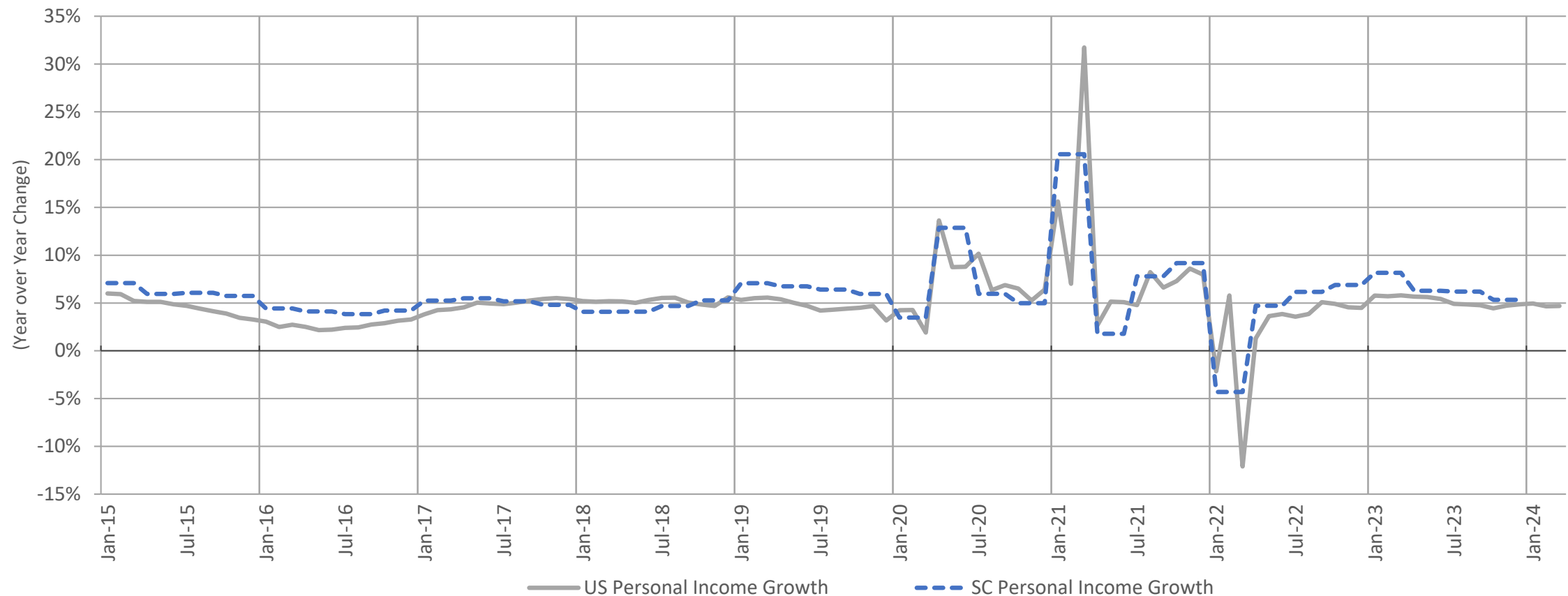
Collections are \$645.3 million ahead of the current forecast; anticipated slow down has been less than previously expected



US vs. SC Personal Income Growth

US personal income growth has remained steady at 4.8% in the first quarter of 2024; SC personal income growth has been tracking the US level closely throughout the second half of 2023

PERSONAL INCOME GROWTH - US VERSUS SC

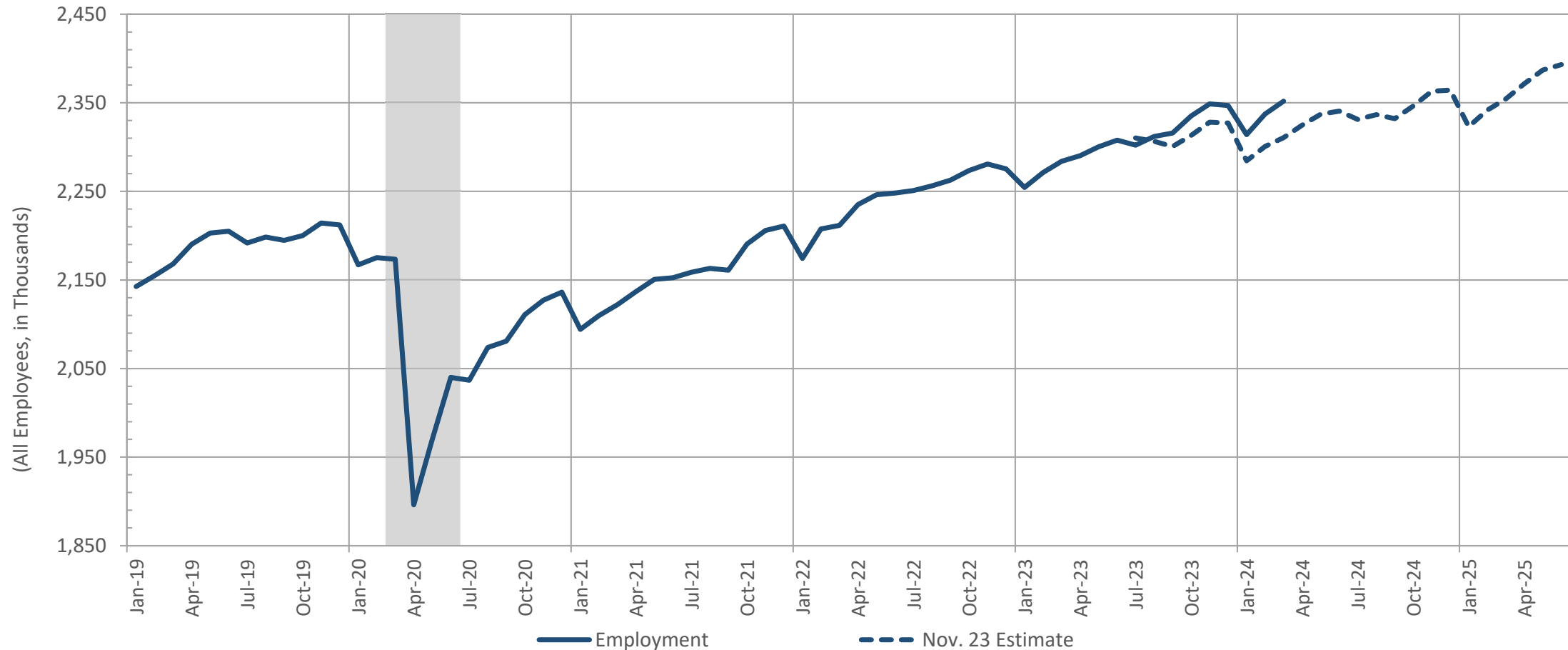


Source: U.S. Bureau of Economic Analysis (retrieved from FRED) 348 - RFA/mam/05/09/2024

South Carolina Employment

Employment continues to increase faster than expected in FY 24 at 2.7% through March compared to 1.8% forecasted; employment growth expectations for FY 25 remain unchanged

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/4/25/2024

Summary of Economic Assumptions

(No Change from November 2023)

FISCAL YEAR GROWTH RATES

Fiscal Year	Personal Income	Employment	Inflation
2023-24	4.3%	1.8%	3.0%
2024-25	3.8%	1.7%	2.4%

Individual Income Tax

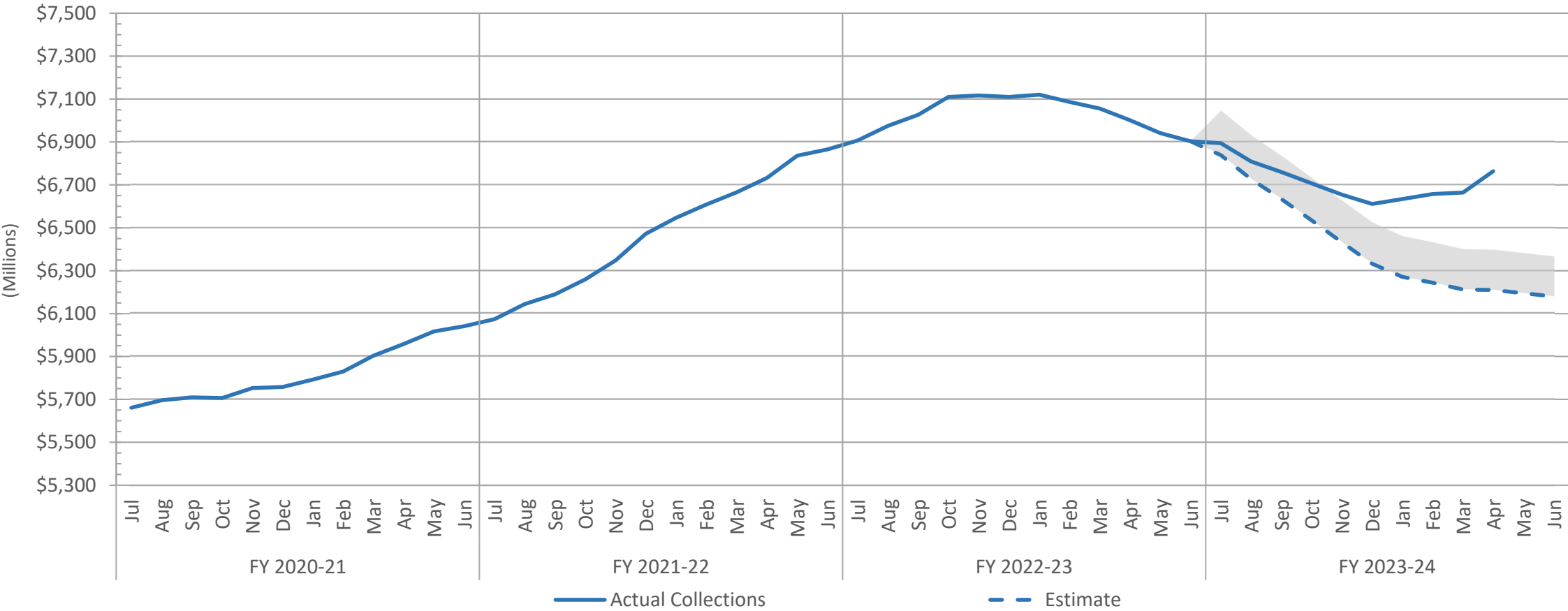
Withholdings - Actual vs. Current Estimate

Withholdings have grown faster than expected because of strong wages and salaries growth, however the wage growth is expected to slow into FY 25; processing for April included extra days compared to last year

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

Target Range: +3.0%



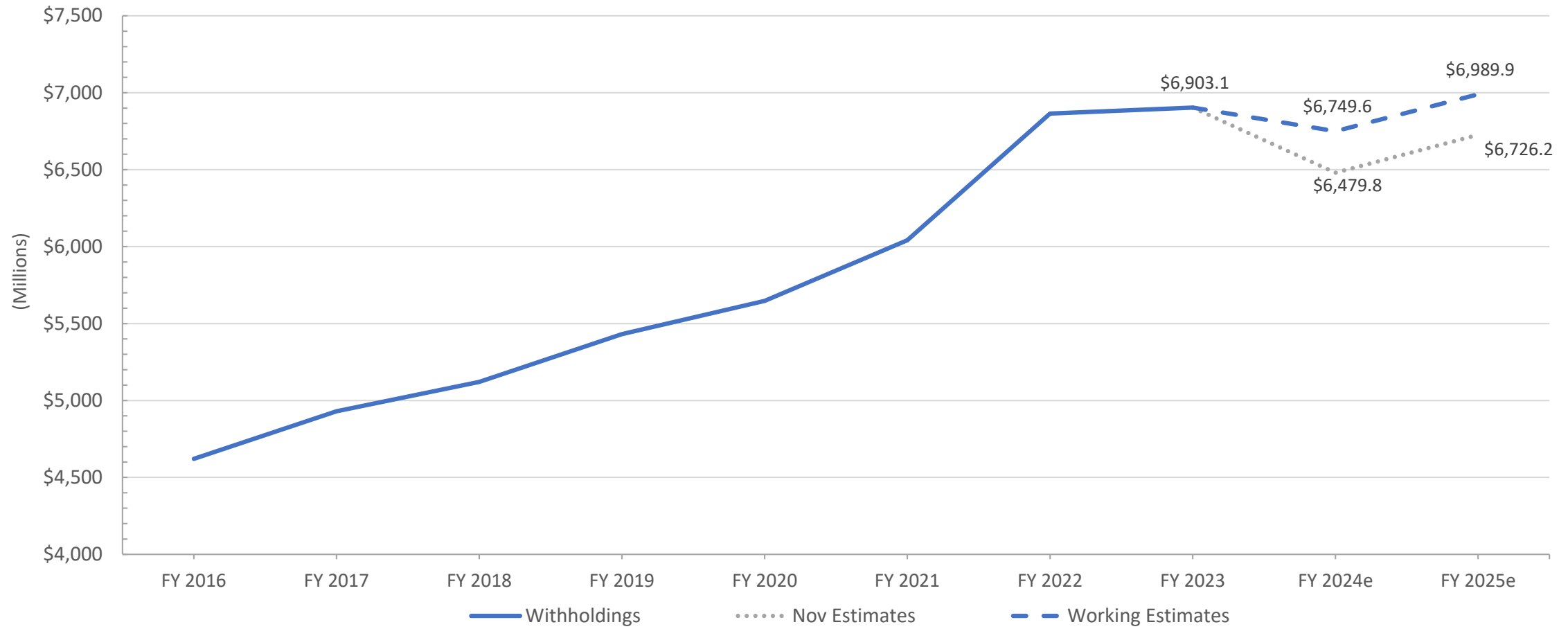
Individual Income Withholdings Tax Forecast

- The main force behind the higher-than-previously-expected collections has been the strong wages and salaries growth of approximately 8% in calendar 2023
- Wage growth is expected to slow gradually to 5.3% at the end of calendar 2024 and 4.5% at the end of calendar 2025
- As inflation remains higher than the Fed's target level and geopolitical crises are expected to persist at least through the end of calendar 2024, there is a heightened risk of an economic slowdown during the second half of calendar 2024, which may result in lower-than-normal income growth and, consequently, lower-than-normal growth in Withholdings during FY 25

Individual Income Withholdings – Working Estimates

Growth has been higher than expected for FY 24 (-2.4% vs -7.4% projected through April); working estimates expect growth to slow to a slightly below normal level of about 3.6% in FY 25

INDIVIDUAL INCOME TAX - WITHHOLDINGS



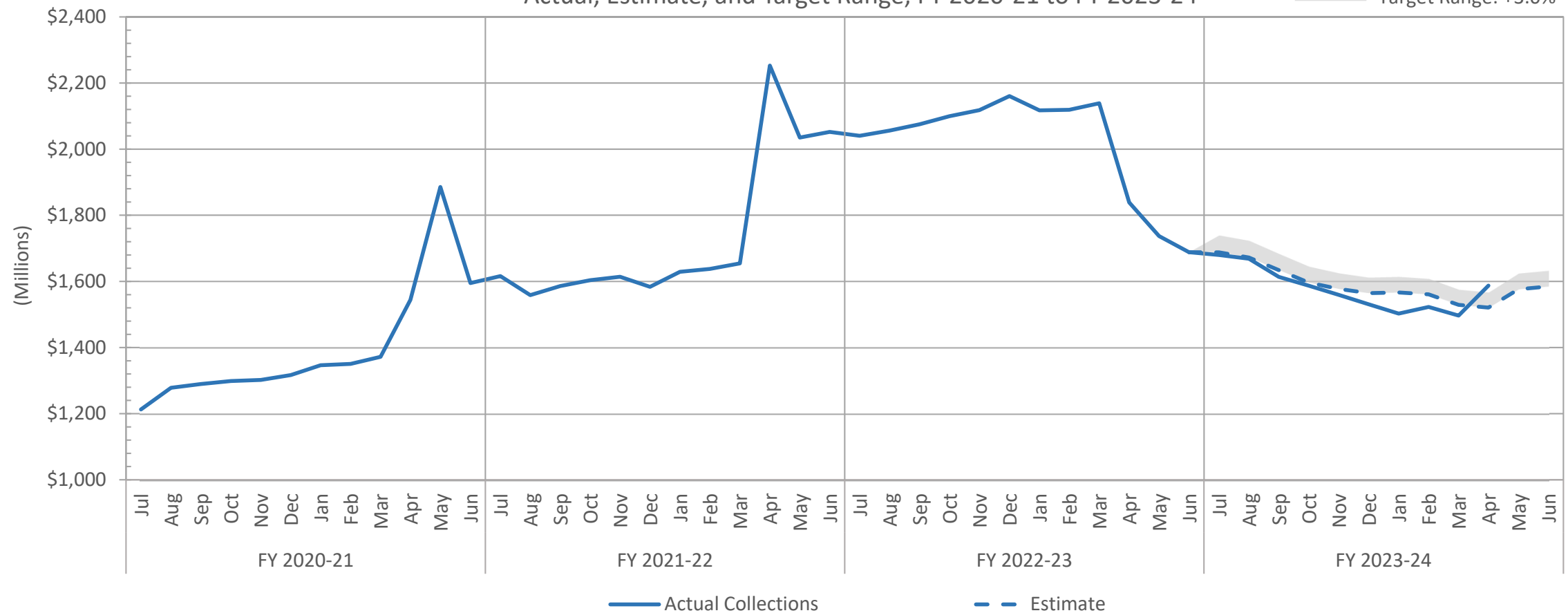
Non-Withholdings - Actual vs. Current Estimate

Collections are ahead of expectations by \$66.6 million fiscal year-to-date after they recovered considerably during April tax filing

ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

Target Range: +3.0%



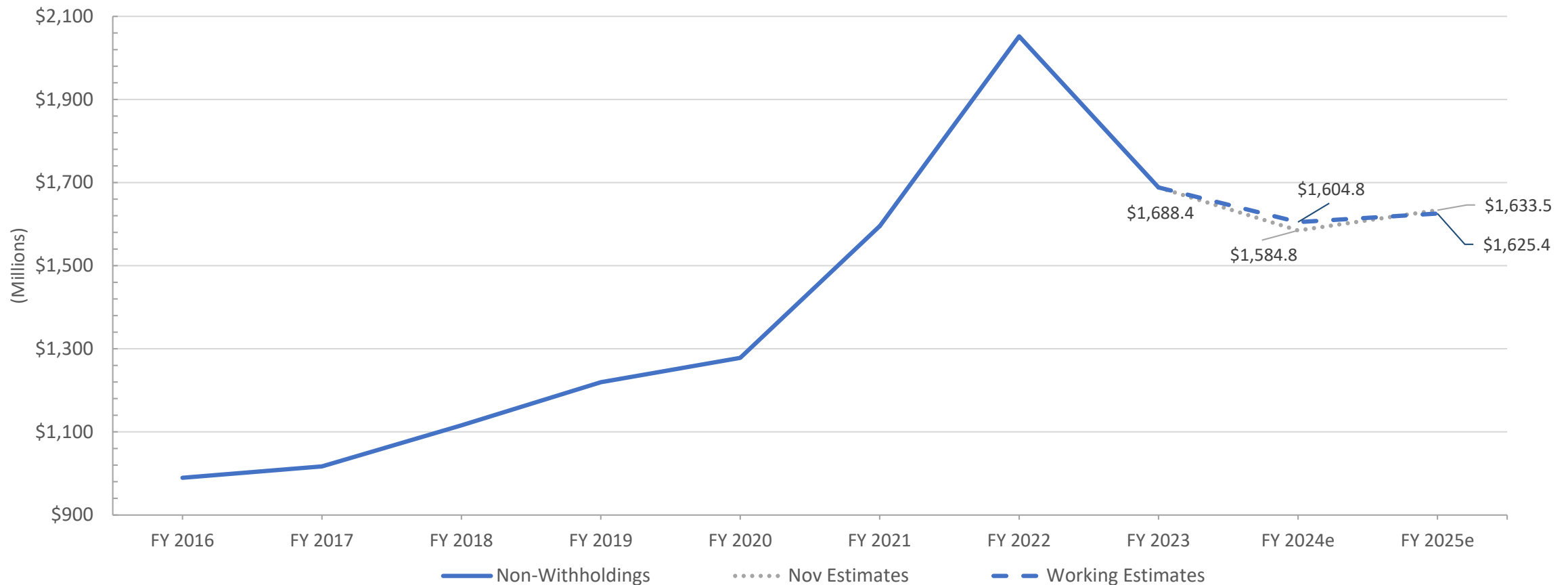
Individual Income Non-Withholdings Forecast

- Although collections posted a significant increase in April for 2023 tax filings, the remainder of the fiscal year continues to be a potential concern as payments in June will reflect 2024 economic activity
- Financial markets exhibited strong performance during 2023 but have been somewhat volatile in 2024
- We expect interest rates to remain high during the rest of 2024 due to lingering inflation and dividend income to remain mostly unchanged, and assuming growth in the stock market, we expect to see a slight increase in collections in FY 25 (1.3% growth) over the revised FY 24 working estimates

Non-Withholdings – Working Estimates

Collections are expected to be slightly better for FY 24 as interest rates have remained elevated; FY 25 estimate is \$8 million lower than the Nov. estimate due to increased uncertainty about potential interest rate changes and resulting slower growth

INDIVIDUAL INCOME TAX - NON-WITHHOLDINGS



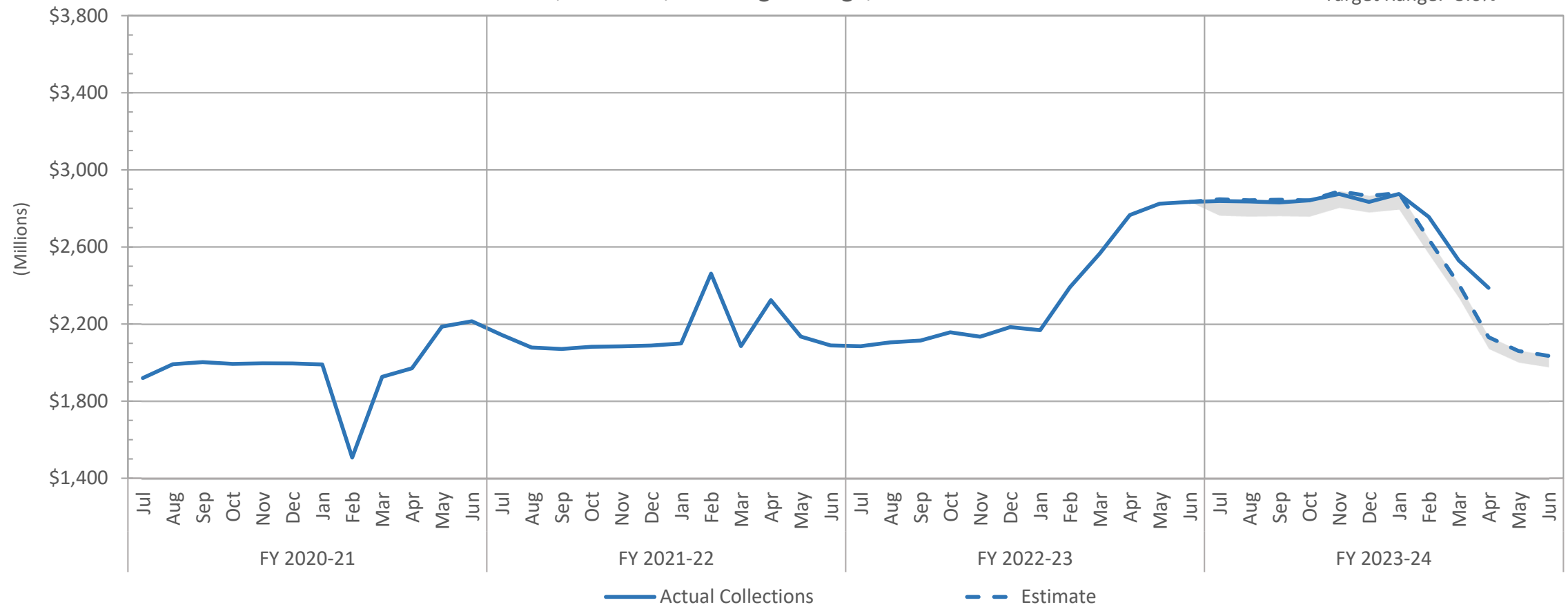
Refunds - Actual vs. Current Estimate

Refunds have declined slower than anticipated and are \$255.5 million above the November estimate; fiscal year-to-date Refunds are 17.4% lower than the level during the same period in FY 23 compared to an expected decline of 28.2%

ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

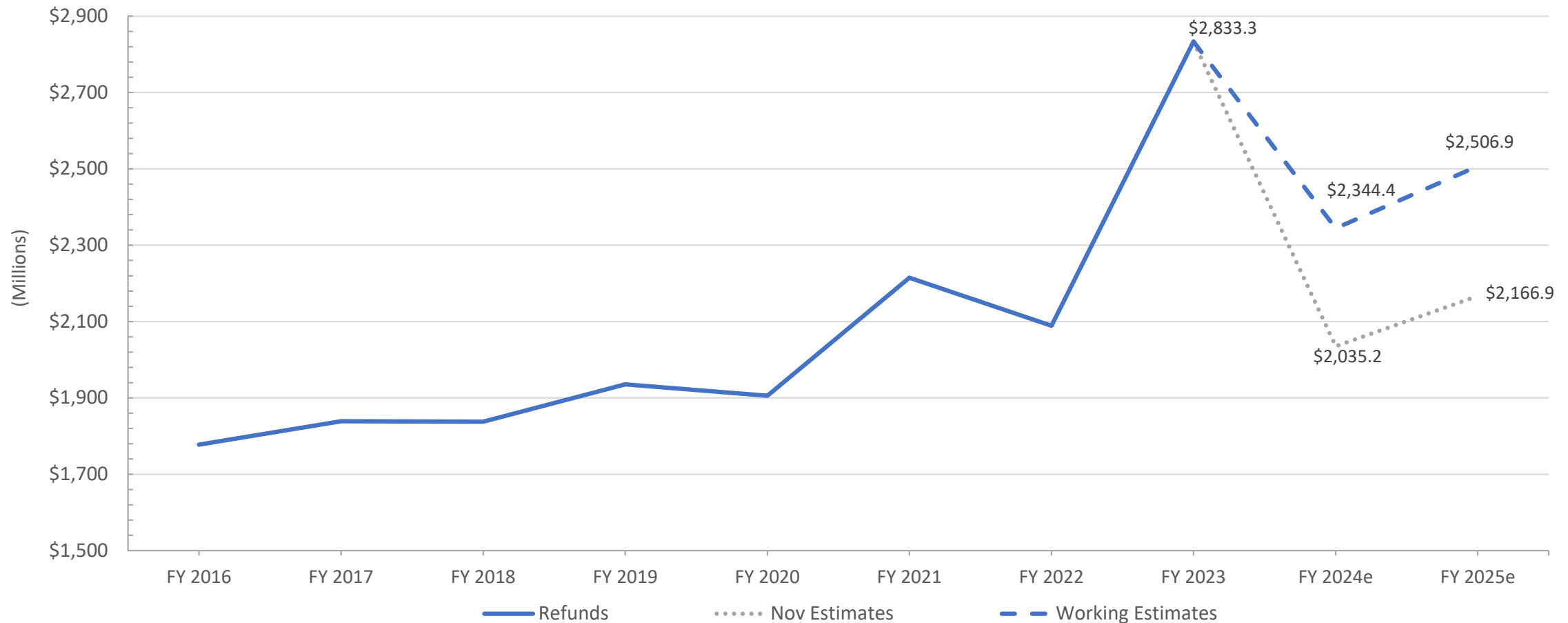
Target Range: -3.0%



Refunds – Working Estimates

Refunds are running ahead of the estimate due to stronger Withholdings collections; changes reflect year-to-date Refunds and the increases in Withholdings expectations for FY 24 and FY 25

INDIVIDUAL INCOME TAX - REFUNDS



Consumption Taxes



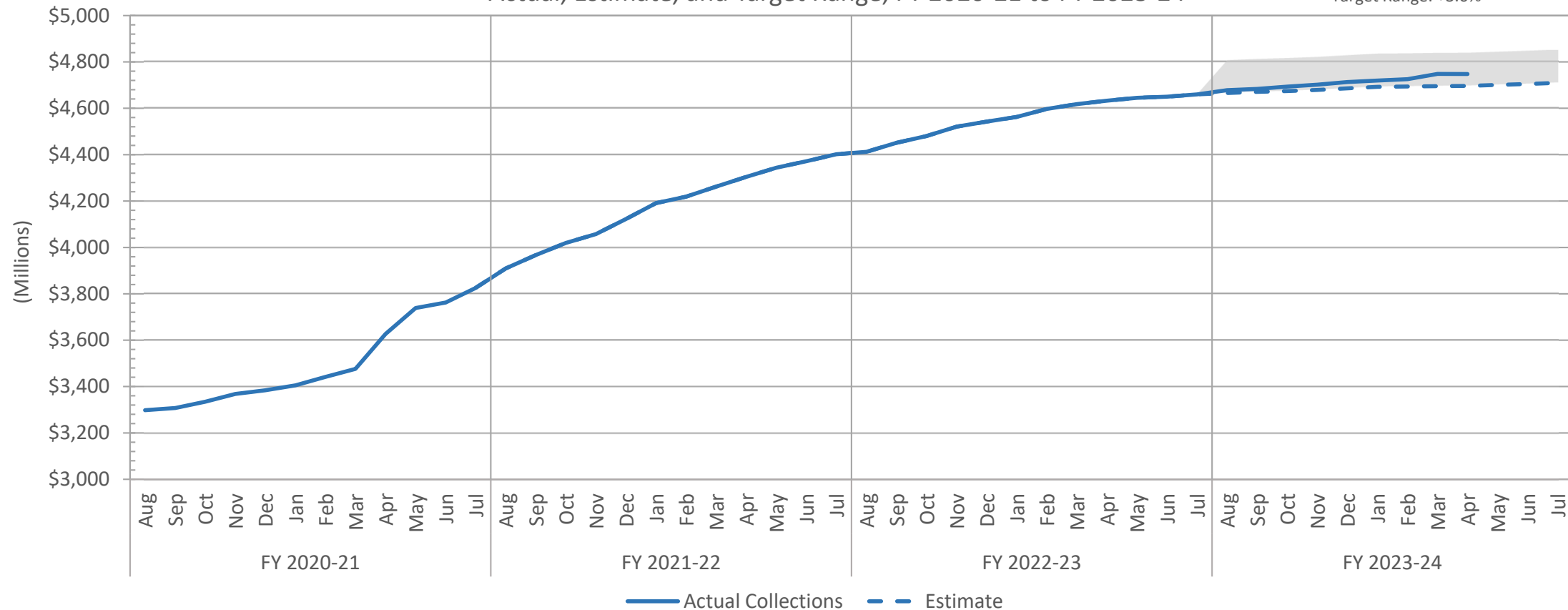
Sales Tax - Actual vs. Current Estimate

April collections fell 0.1% for the month over last year, slowing down from the strong growth in March; fiscal year-to-date collections are growing 2.5% and are \$51.4 million above the November estimate

ROLLING FISCAL YEAR - SALES TAX

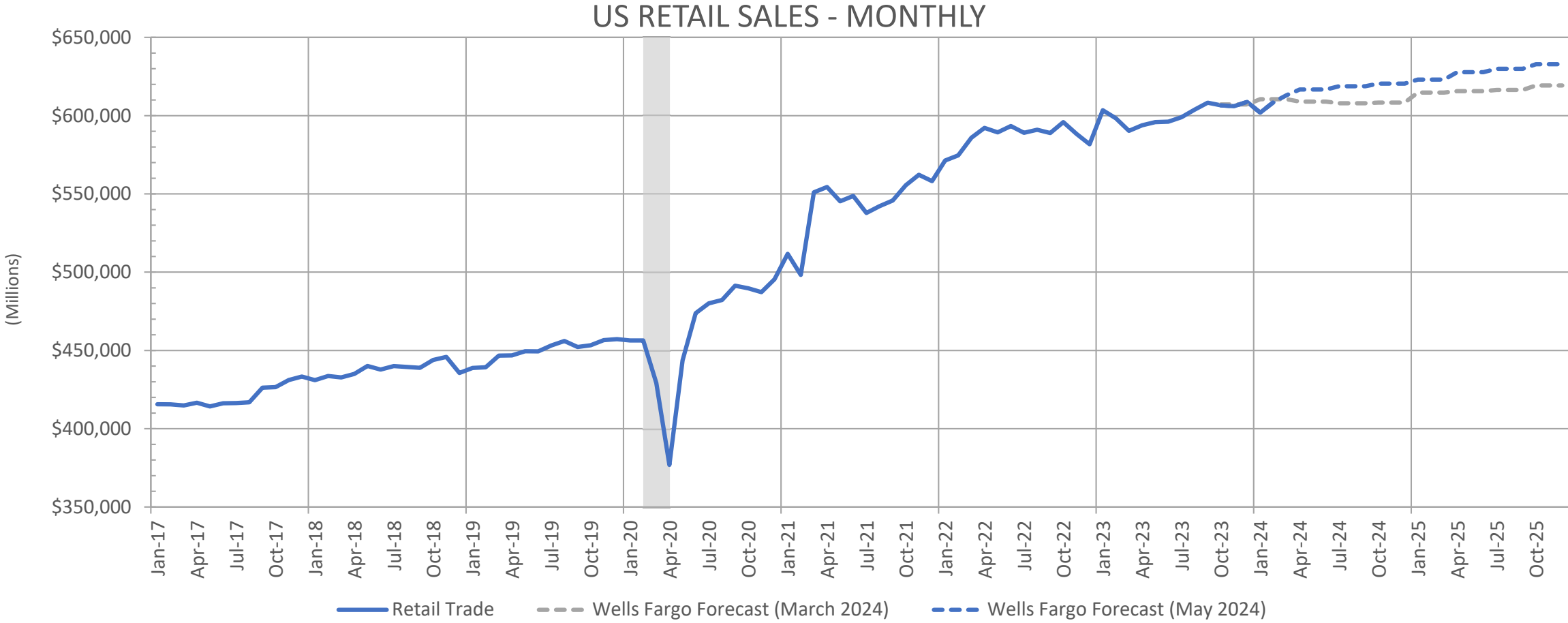
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24

Target Range: +3.0%



US Retail Sales

Retail sales expectations have improved again since March; Wells Fargo is now anticipating growth of 2.6% in 2024 and 2.0% in 2025



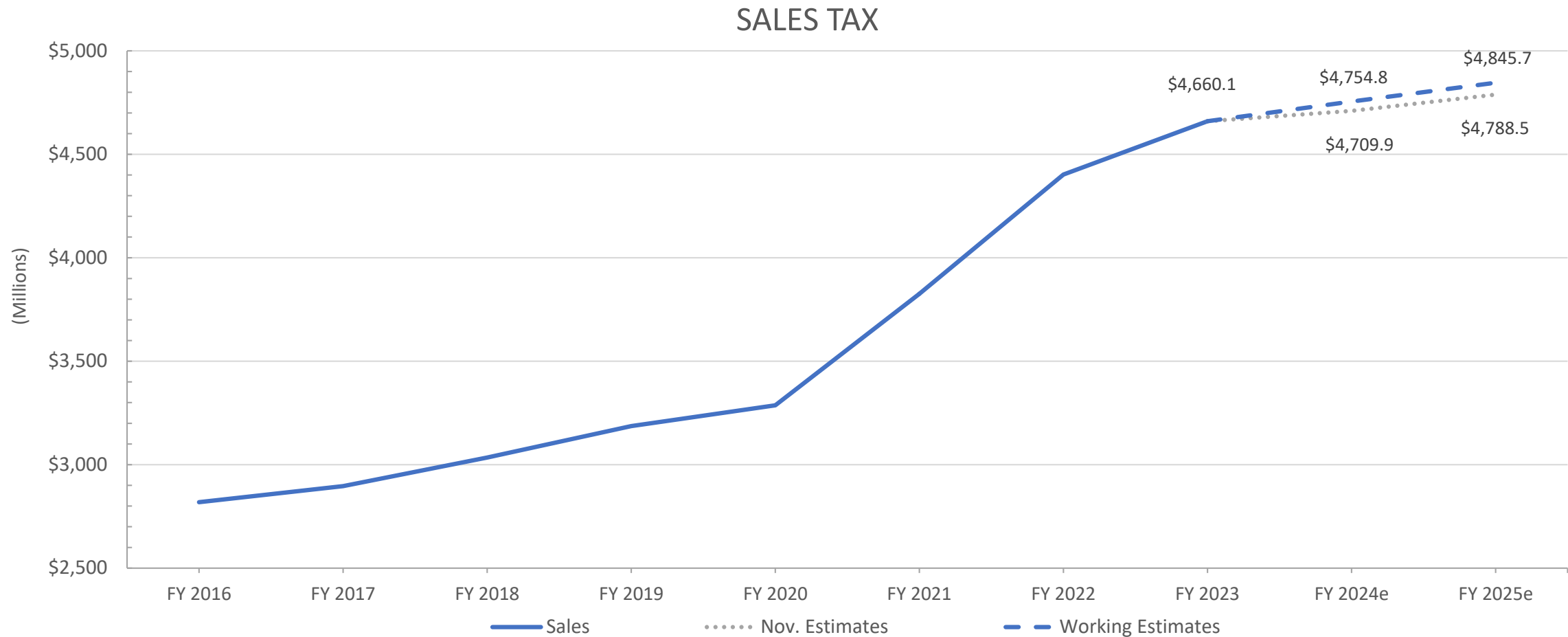
Source: U.S. Census Bureau, Advance Retail Sales: Retail Trade [RSXFS], retrieved from FRED, Federal Reserve Bank of St. Louis; Wells Fargo US Economic Outlook, March 14, 2024 & May 8, 2024; 323-RFA/mad/05/09/2024

Sales Tax Forecast Assumptions

- FY 24 collections have been better than anticipated due to stronger growth in employment and wages, persistent inflation, and improved retail sales; this translates into a higher revenue base for FY 25, prompting upward revisions to both years
- However, sales tax growth expectations remain below income growth and historical sales tax growth for both FY 24 and FY 25
- Consumers have been gradually shifting back toward services from goods following the sharp change in behavior during the pandemic
- Consumers are still saving less than they have historically but are expected to gradually move back toward historical savings rates through 2026, reducing overall spending
- As these dynamics are expected to continue into FY 25, working estimates reflect 1.9% growth for FY 25, a slight increase from November estimates, but still well below historical levels of 4% - 5%

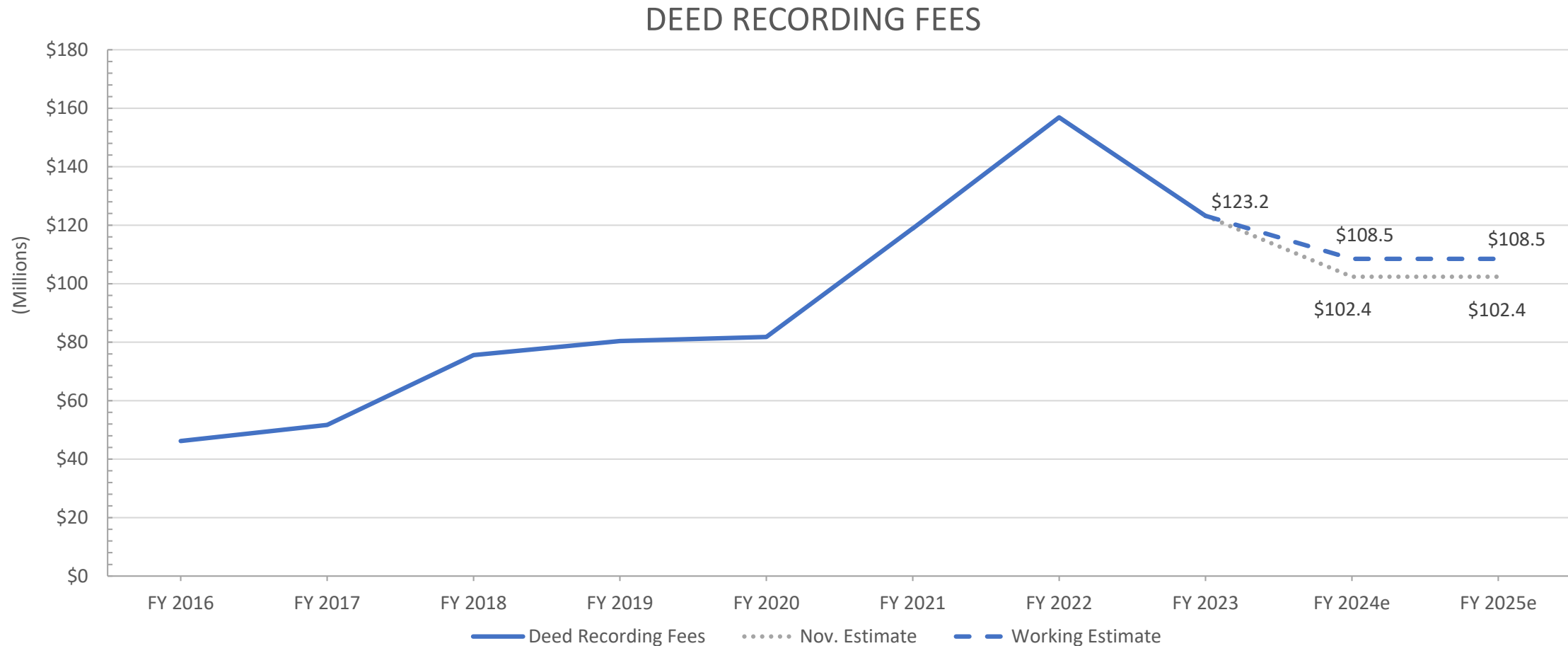
Sales Tax – Working Estimates

Revenue growth is expected to be slightly stronger than November estimates as retail sales expectations have improved and growth in employment and wages has been stronger than anticipated; growth in FY 24 and FY 25 is still expected to stay below historical trends



Deed Recording Fees – Working Estimates

Collections have been better than expected by \$8.1 million; FY 24 revision reflects year-to-date performance; FY 25 may fair better, but the working estimate reflects no growth due to persistent high mortgage rates and uncertainty in this category



Beer & Wine and Alcohol Taxes

- Beer & Wine revenues are \$500,000 ahead of expectations
- Alcohol revenues are \$600,000 ahead of expectations
- No change is recommended

Corporate Income Tax and License Fees

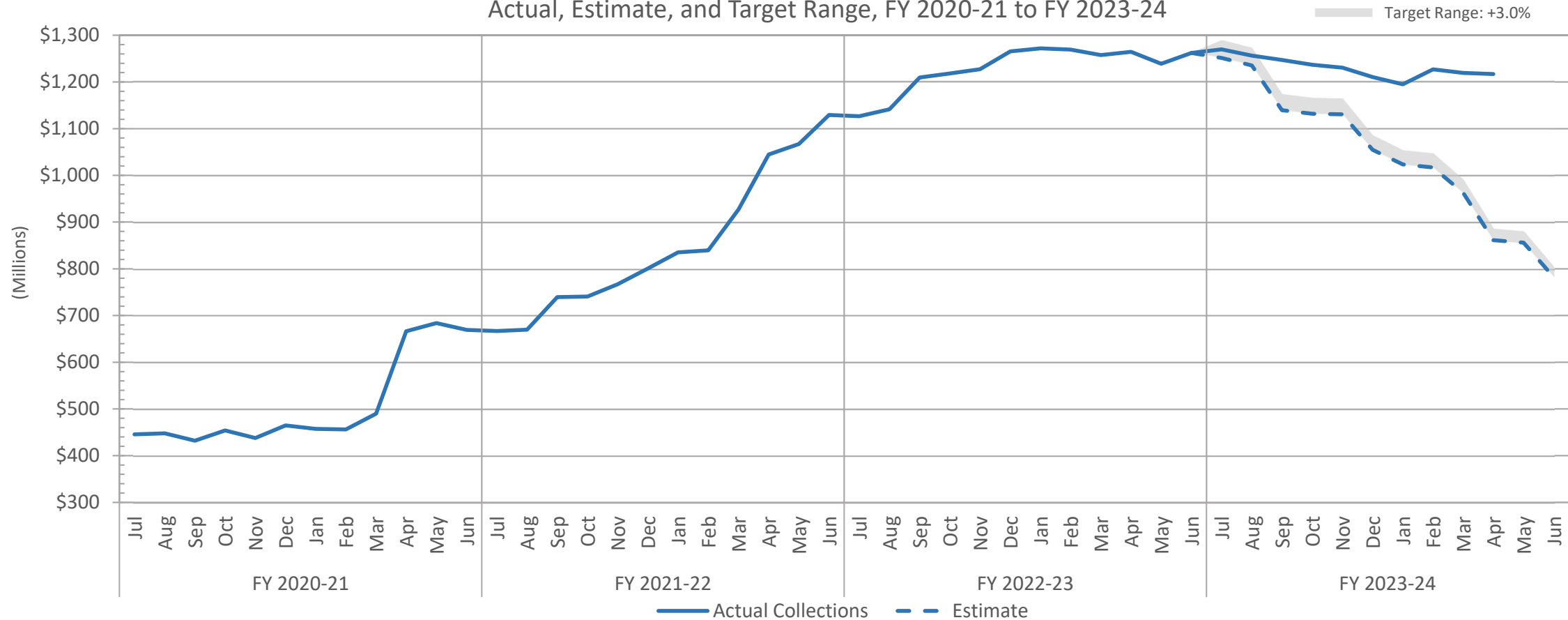


Corporate Income Tax – Actual vs. Current Estimate

Collections continue to exceed expectations and are a total of \$355.7 million above the forecast; collections are running behind last year but still well above estimates

ROLLING FISCAL YEAR - CORPORATE INCOME TAX

Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



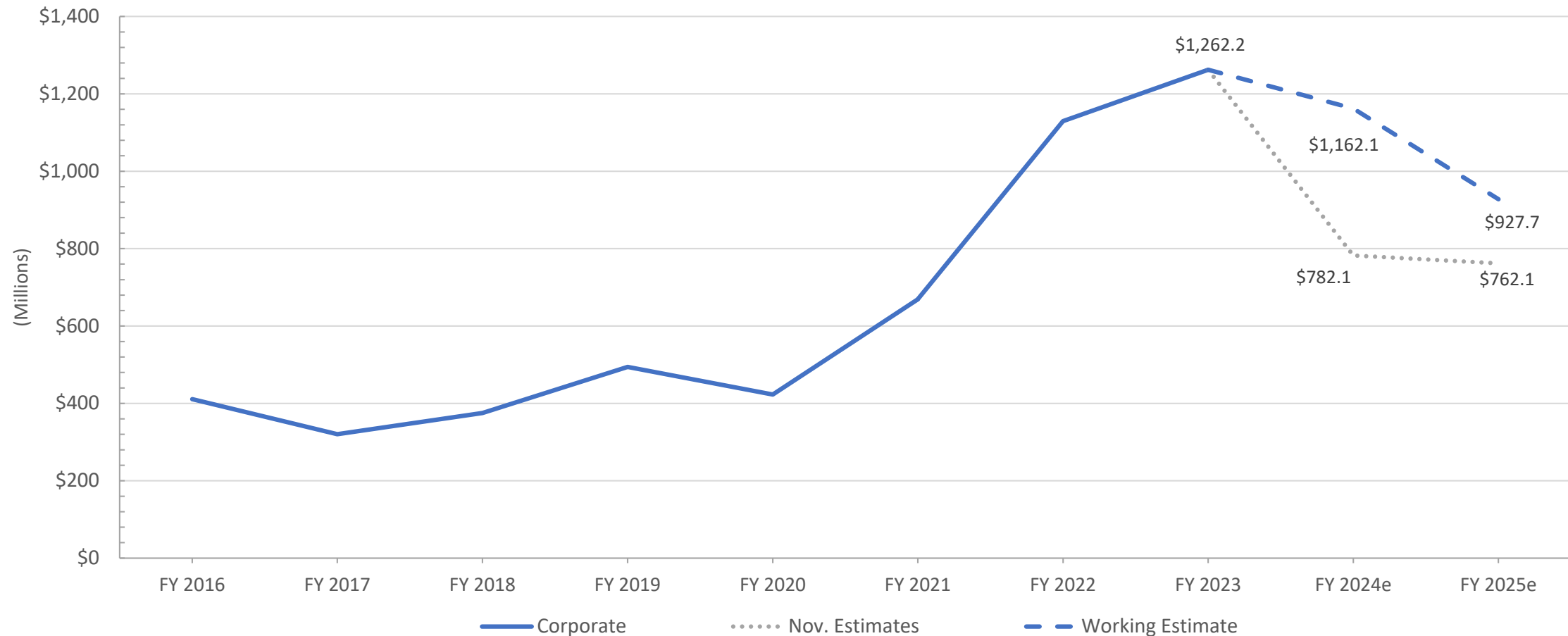
Corporate Income Tax Forecast

- Corporate Income tax is traditionally the most volatile of the major tax categories and, therefore, the most difficult to estimate
- FY 24 collections are well ahead of expectations with strong tax filings in April
- Concerns about a sharp decline in collections remain an issue for FY 25 as retail sales growth has slowed and increased business costs from higher wages and interest rates may decrease profit margins
- Working estimate for FY 24 reflects year-to-date collections, whereas FY 25 working estimate reflects a more cautious approach

Corporate Income Tax – Working Estimates

Corporate income taxes are running well ahead of the current forecast (-4.4% vs -38% projected); long-term expectations remain a concern for FY 25

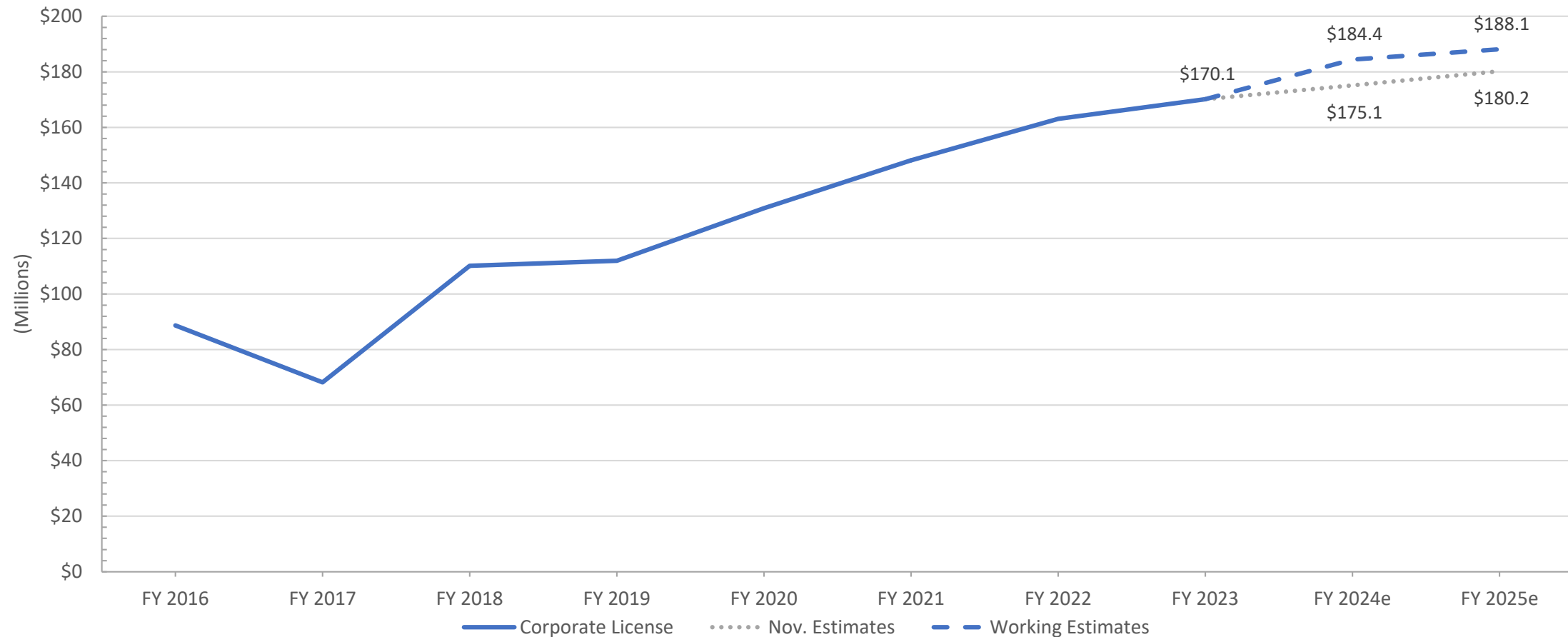
CORPORATE INCOME TAX



Corporate License Tax – Working Estimates

Collections are currently running ahead of expectations by \$13.1 million; the working estimates reflect collections for FY 24 and modest growth for FY 25 above the revised FY 24 figure

CORPORATE LICENSE TAX



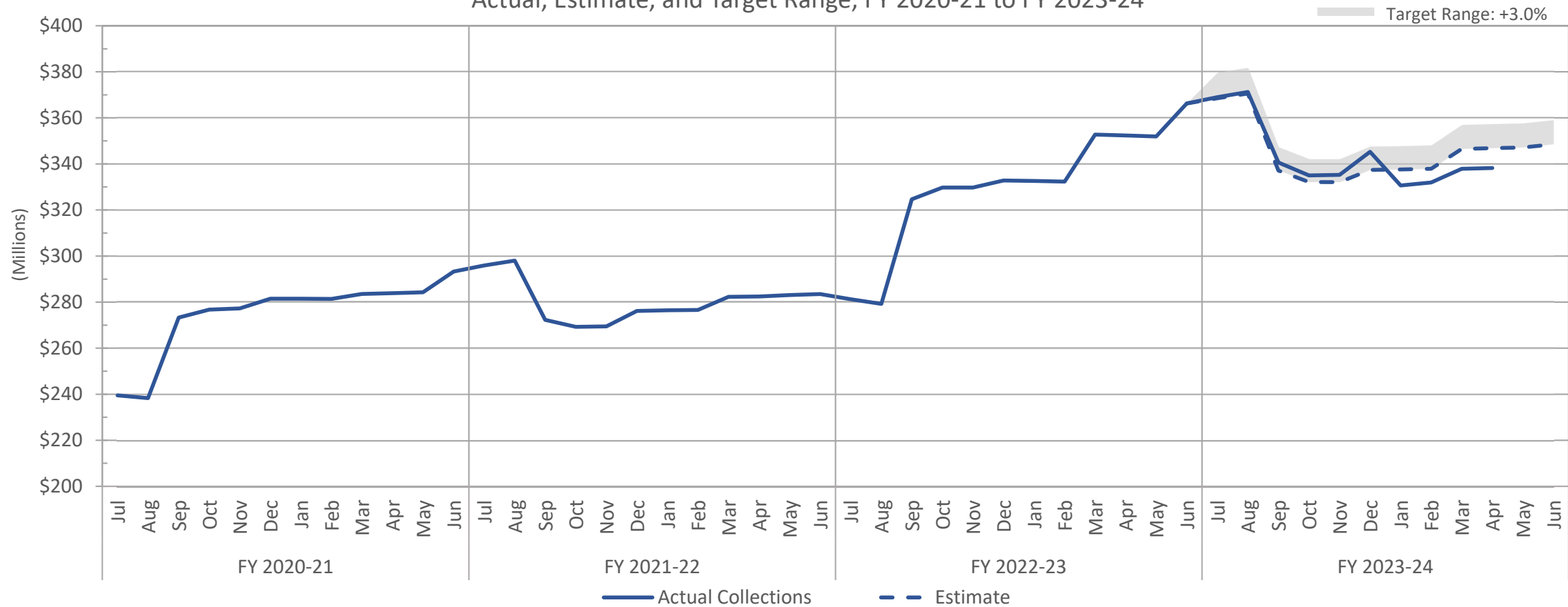
Other General Fund Revenues



Insurance Tax – Actual vs. Current Estimate

Collections are \$8.7 million behind the estimate for FY 24; the multi-year refund has affected total revenues, but premium tax growth in March was much lower than expected for the new filing year

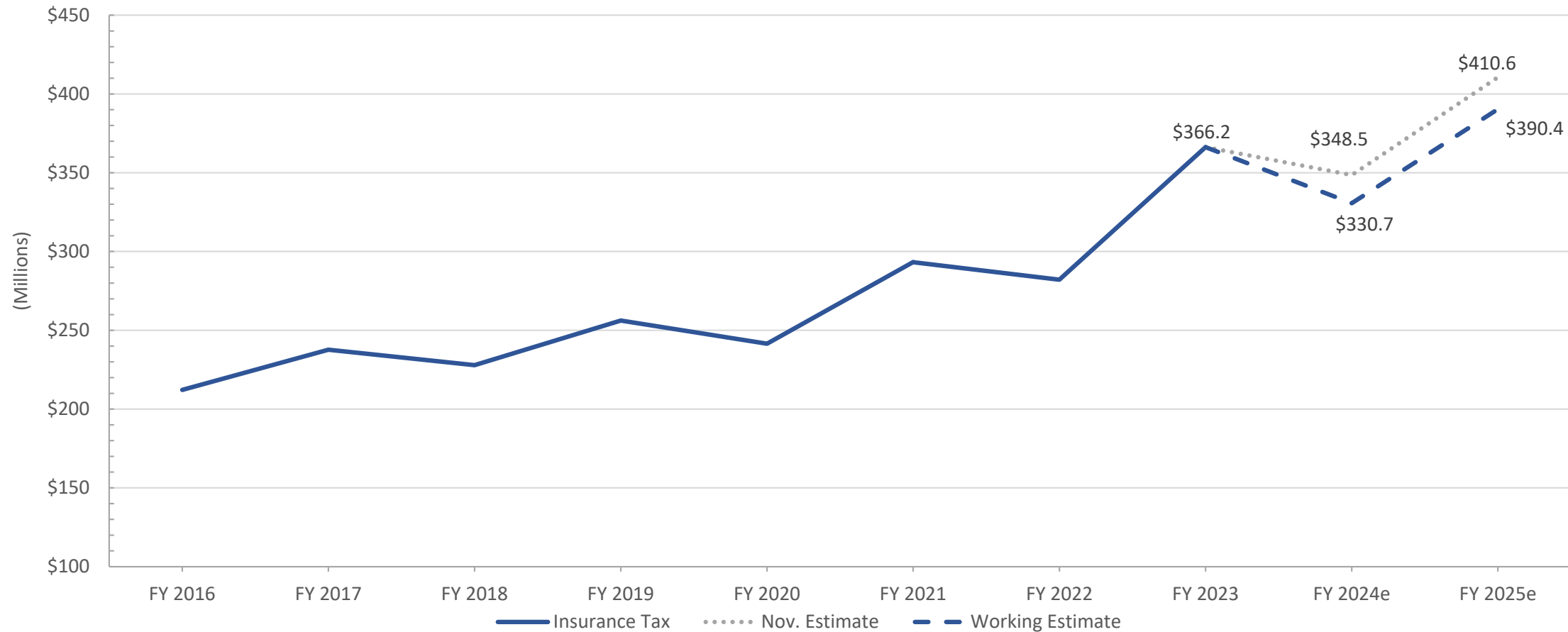
ROLLING FISCAL YEAR - INSURANCE TAX
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



Insurance Tax – Working Estimates

FY 24 and FY 25 Insurance revenue estimates are reduced due to slower growth in premiums and other Insurance tax revenue than previously expected

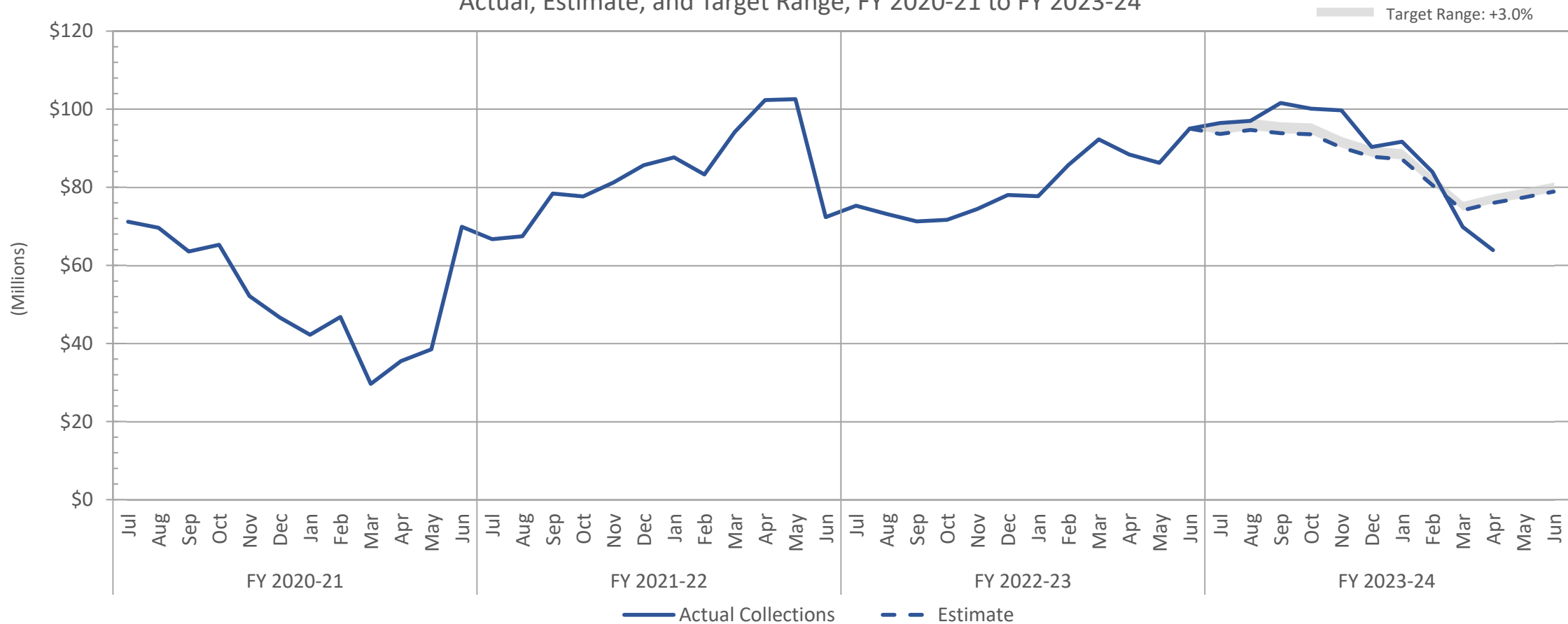
TOTAL INSURANCE TAX



Bank Tax – Actual vs. Current Estimate

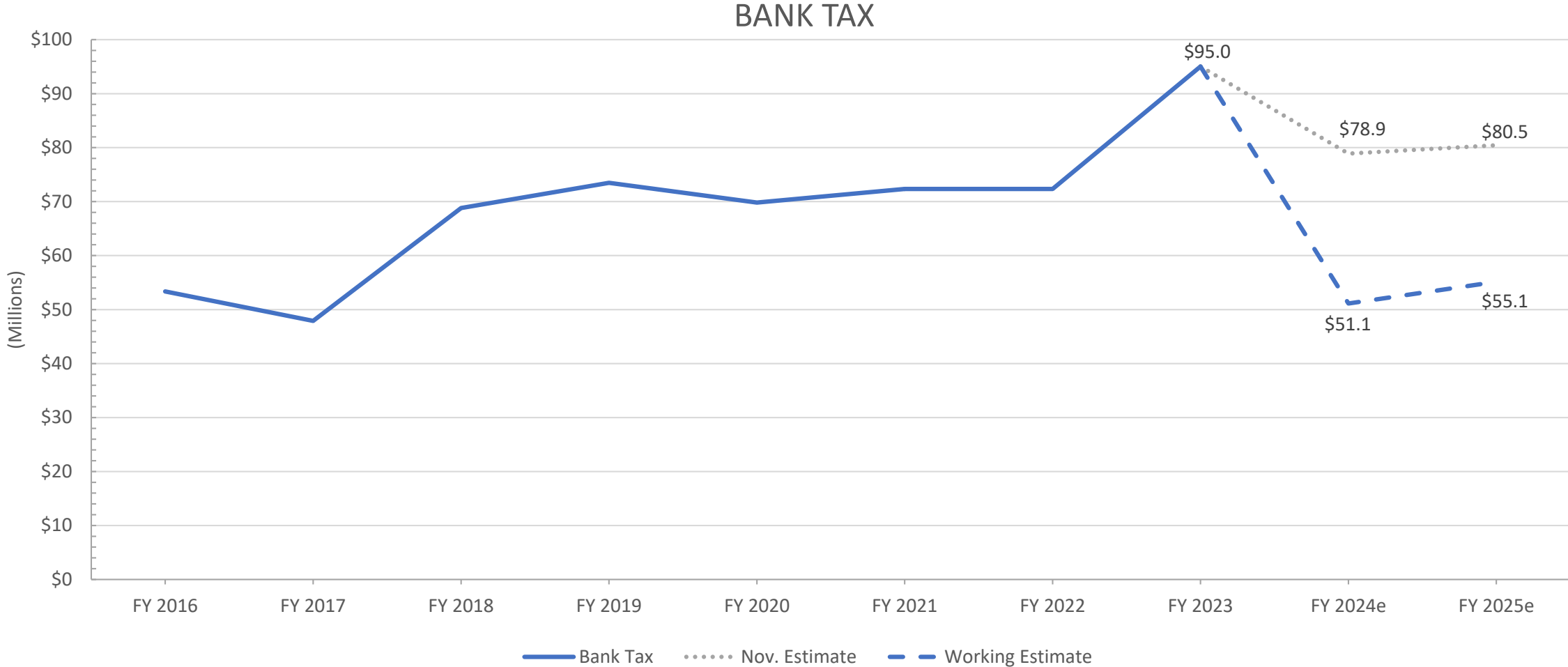
Bank tax revenues are running \$12.1 million behind expectations following weak collections in Q2 and Q3 of FY 24

ROLLING FISCAL YEAR - BANK TAX
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



Bank Tax – Working Estimates

Despite positive bank earnings reports, FY 24 revenue has fallen considerably with only \$21.0 million collected since January versus \$35.6 million expected; FY 24 and FY 25 working estimates reflect this current divergence between earnings and collections



Earnings on Investments

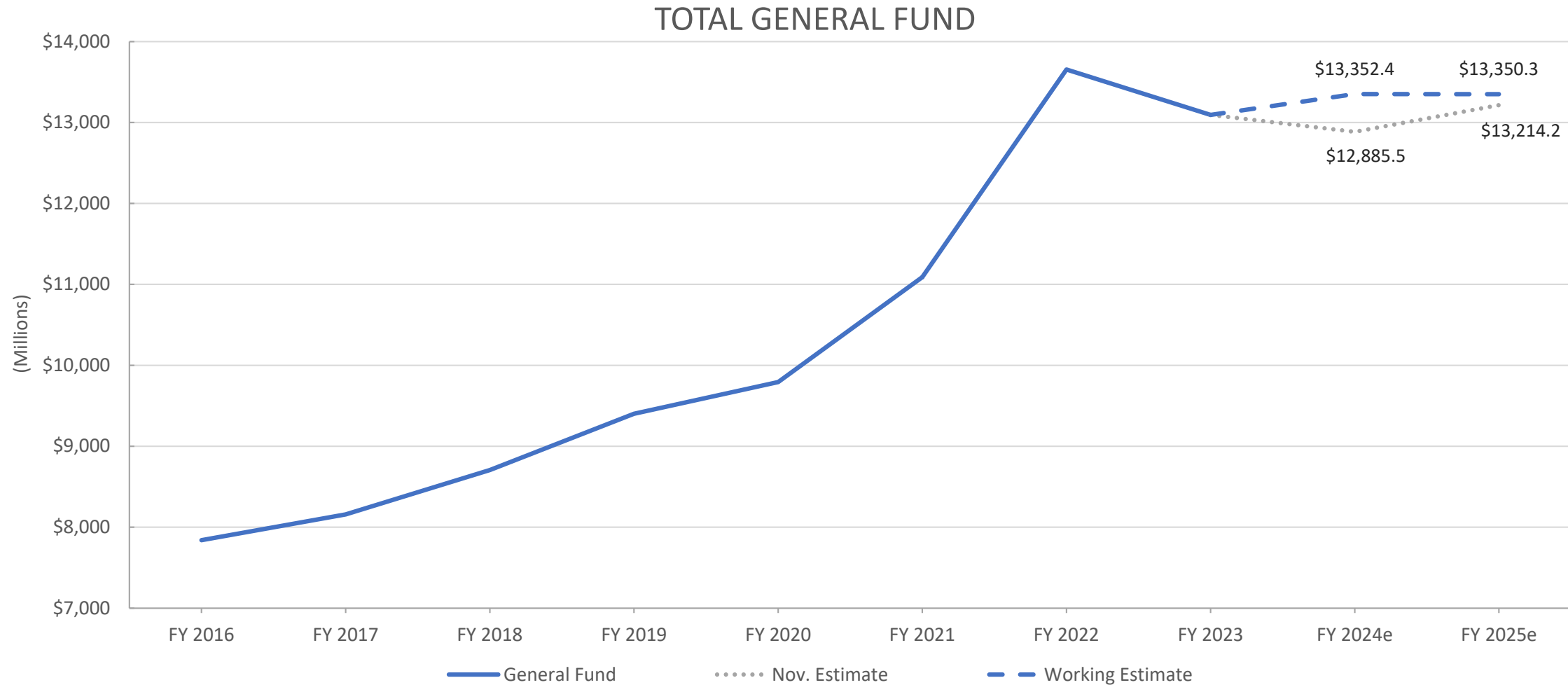
- Earnings on Investments expectations from the Treasurer's Office increased by \$90 million from \$190 million to \$280 million for FY 24
- FY 25 working estimate is increased by \$30 million from \$220 million to \$250 million

Consideration of Revenue Forecasts for FY 2023-24 and FY 2024-25



General Fund Revenue – Working Estimates

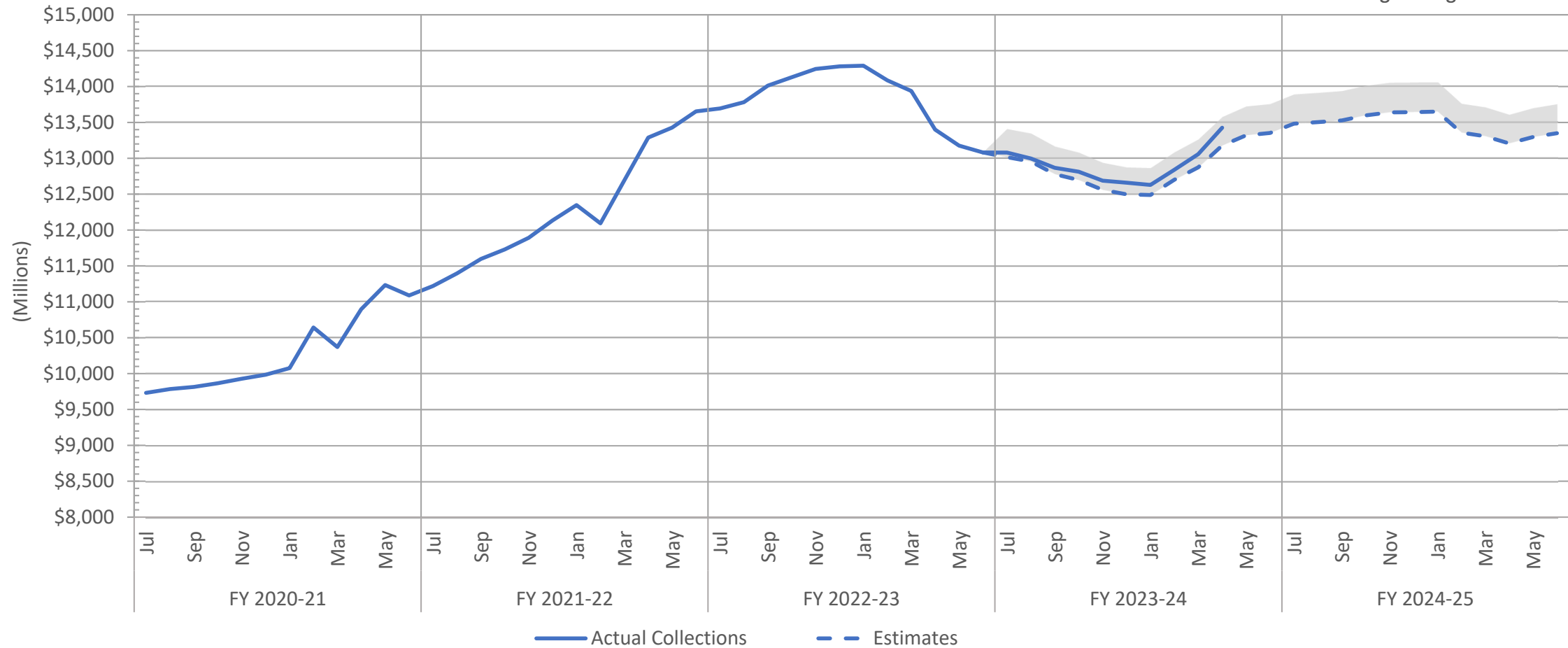
Working estimates: FY 24: +\$466.9 million, FY 25: +\$136.2 million



General Fund Revenue – May Working Estimates

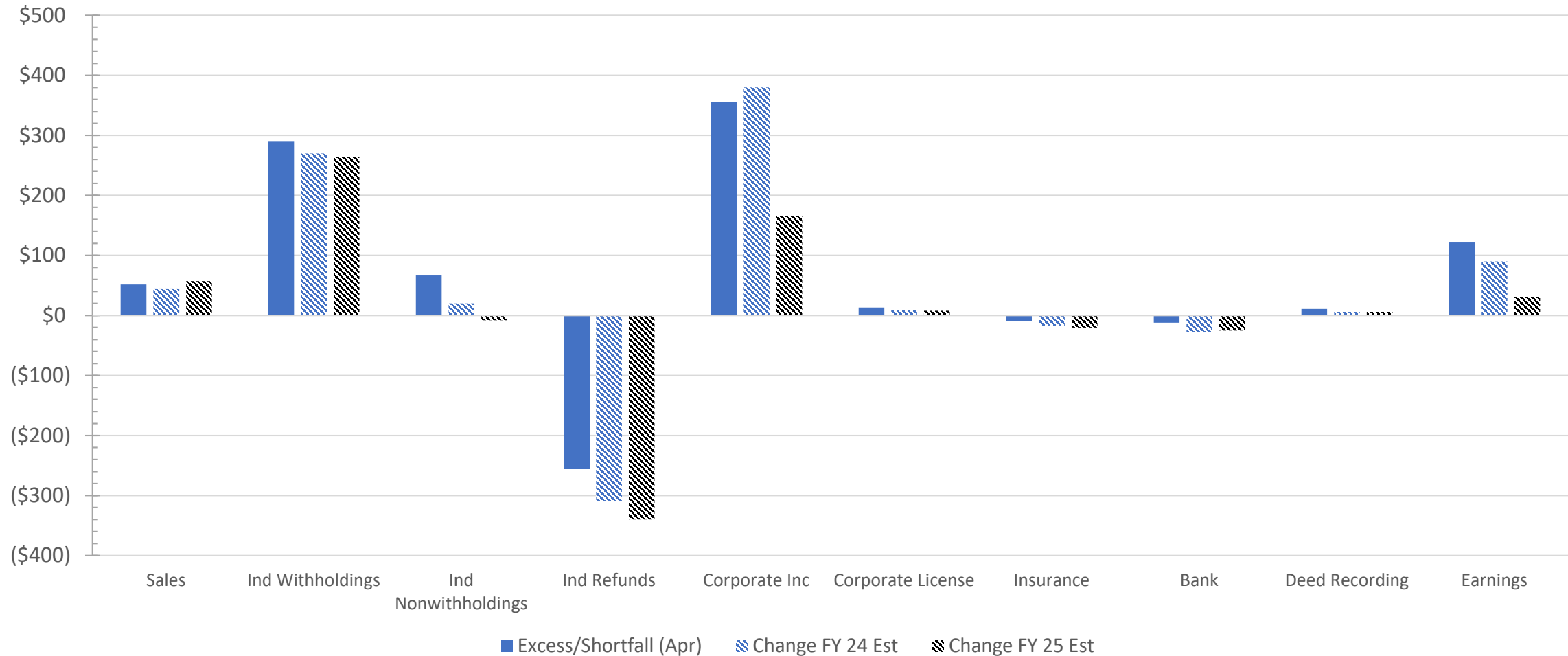
ROLLING FISCAL YEAR - GENERAL FUND
Actual, Estimate, and Target Range, FY 2020-21 to FY 2024-25

Target Range: +3.0%



Current Excess Versus Working Estimate Dollar Changes

IMPACT OF CURRENT REVENUE TRENDS ON CHANGES TO ESTIMATES



General Fund Working Estimates – Summary

- The FY 24 working estimate is an increase of \$466.9 million over the November estimate
- Key factors driving the increase are strong Corporate Income tax collections and Earnings on Investments; Sales tax also contributed to the increase as spending has not slowed as much as previously estimated
- FY 25 is an increase of \$136.2 million from the November estimate, largely due to base revenue adjustments from FY 24
- However, the FY 25 working estimate expects a slight decline of \$2.1 million over the revised FY 24 estimate as long-term Corporate Income tax remains a concern

General Fund Revenue Forecast – Working Estimates

Revenue Category	Final FY 2022-23	11/16/2023 Estimate FY 2023-24	5/20/2024 Estimate FY 2023-24	11/16 vs 5/20 Estimate Change	11/16/2023 Estimate FY 2024-25	5/20/2024 Estimate FY 2024-25	11/16 vs 5/20 Estimate Change	FY 24 to FY 25 Change	Pct. Chg. FY 2022-23	11/16/2023 Pct. Chg. FY 2023-24	5/20/2024 Pct. Chg. FY 2023-24	11/16/2023 Pct. Chg. FY 2024-25	5/20/2024 Pct. Chg. FY 2024-25
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14
Sales and Use Tax	\$4,660,078,785	\$4,709,850,000	\$4,754,844,000	\$44,994,000	\$4,788,504,000	\$4,845,676,000	\$57,172,000	\$90,832,000	5.9	1.1	2.0	1.7	1.9
Individual Income Tax	5,758,211,861	6,029,335,000	6,009,897,000	(19,438,000)	6,192,739,000	6,108,481,000	(84,258,000)	98,584,000	(15.7)	4.7	4.4	2.7	1.6
<i>Withholdings</i>	6,903,102,011	6,479,787,000	6,749,578,000	269,791,000	6,726,166,000	6,989,915,000	263,749,000	240,337,000	0.6	(6.1)	(2.2)	3.8	3.6
<i>Non-Withholdings</i>	1,688,383,644	1,584,753,000	1,604,753,000	20,000,000	1,633,495,000	1,625,432,000	(8,063,000)	20,679,000	(17.7)	(6.1)	(5.0)	3.1	1.3
<i>Refunds</i>	2,833,273,794	2,035,205,000	2,344,434,000	309,229,000	2,166,922,000	2,506,866,000	339,944,000	162,432,000	35.6	(28.2)	(17.3)	6.5	6.9
Corporation Income Tax	1,262,221,843	782,083,000	1,162,080,000	379,997,000	762,083,000	927,680,000	165,597,000	(234,400,000)	11.8	(38.0)	(7.9)	(2.6)	(20.2)
Insurance Taxes	366,245,865	348,530,000	330,704,000	(17,826,000)	410,636,000	390,484,000	(20,152,000)	59,780,000	29.2	(4.8)	(9.7)	17.8	18.1
Admissions Tax	45,380,765	42,617,000	42,743,000	126,000	44,315,000	44,315,000	0	1,572,000	(0.8)	(6.1)	(5.8)	4.0	3.7
Aircraft Tax	0	0	0	0	0	0	0	0	--	--	--	--	--
Alcoholic Liquor Tax	118,068,732	120,633,000	120,633,000	0	123,253,000	123,253,000	0	2,620,000	5.0	2.2	2.2	2.2	2.2
Bank Tax	95,031,726	78,894,000	51,126,000	(27,768,000)	80,454,000	55,126,000	(25,328,000)	4,000,000	31.3	(17.0)	(46.2)	2.0	7.8
Beer and Wine Tax	113,360,549	112,713,000	112,713,000	0	113,739,000	113,739,000	0	1,026,000	(3.1)	(0.6)	(0.6)	0.9	0.9
Business Filing Fees	12,608,349	12,345,000	12,345,000	0	12,203,000	12,203,000	0	(142,000)	(0.1)	(2.1)	(2.1)	(1.2)	(1.2)
Circuit/Family Court Fines	6,371,579	6,702,000	6,503,000	(199,000)	6,191,000	6,004,000	(187,000)	(499,000)	4.6	5.2	2.1	(7.6)	(7.7)
Corporation License Tax	170,145,615	175,120,000	184,420,000	9,300,000	180,218,000	188,108,000	7,890,000	3,688,000	4.3	2.9	8.4	2.9	2.0
Deed Recording Fees	123,218,197	102,380,000	108,493,000	6,113,000	102,380,000	108,493,000	6,113,000	0	(21.4)	(16.9)	(12.0)	0.0	0.0
Earned on Investments	180,526,831	190,000,000	280,000,000	90,000,000	220,000,000	250,000,000	30,000,000	(30,000,000)	159.2	5.2	55.1	15.8	(10.7)
Indirect Cost Recoveries	18,499,211	17,515,000	15,700,000	(1,815,000)	17,984,000	16,121,000	(1,863,000)	421,000	(16.3)	(5.3)	(15.1)	2.7	2.7
Motor Vehicle Licenses	10,947,724	11,255,000	11,255,000	0	11,472,000	11,472,000	0	217,000	(2.1)	2.8	2.8	1.9	1.9
Nursing Home Fees	3,129,343	3,055,000	3,036,000	(19,000)	3,000,000	2,968,000	(32,000)	(68,000)	(3.1)	(2.4)	(3.0)	(1.8)	(2.2)
Parole and Probation Fees	3,392,808	3,393,000	3,393,000	0	3,393,000	3,393,000	0	0	0.0	0.0	0.0	0.0	0.0
Private Car Lines Tax	6,620,681	6,392,000	6,437,000	45,000	6,278,000	6,576,000	298,000	139,000	(3.8)	(3.5)	(2.8)	(1.8)	2.2
Public Service Authority	18,961,000	17,807,000	19,028,000	1,221,000	17,807,000	19,028,000	1,221,000	0	7.3	(6.1)	0.4	0.0	0.0
Purchasing Card Rebates	3,845,627	3,824,000	4,169,000	345,000	4,034,000	4,170,000	136,000	1,000	8.6	(0.6)	8.4	5.5	0.0
Record Search Fees	4,461,000	4,461,000	4,461,000	0	4,461,000	4,461,000	0	0	0.0	0.0	0.0	0.0	0.0
Savings and Loan Assoc. Tax	(326,189)	1,157,000	1,157,000	0	1,215,000	1,215,000	0	58,000	--	--	--	5.0	5.0
Security Dealer Fees	34,123,362	35,744,000	35,744,000	0	37,904,000	37,904,000	0	2,160,000	7.0	4.7	4.7	6.0	6.0
Tobacco Tax	27,765,477	27,704,000	27,704,000	0	27,477,000	27,477,000	0	(227,000)	(4.0)	(0.2)	(0.2)	(0.8)	(0.8)
Unclaimed Property Fund	15,000,000	15,000,000	15,000,000	0	15,000,000	15,000,000	0	0	0.0	0.0	0.0	0.0	0.0
Workers' Comp. Insurance Tax	10,638,461	11,315,000	10,742,000	(573,000)	11,758,000	11,057,000	(701,000)	315,000	8.6	6.4	1.0	3.9	2.9
Other Source Revenues	25,672,830	15,664,000	18,081,000	2,417,000	15,677,000	15,943,000	266,000	(2,138,000)	(72.8)	(39.0)	(29.6)	0.1	(11.8)
Gross General Fund Revenue	\$13,094,202,032	\$12,885,488,000	\$13,352,408,000	\$466,920,000	\$13,214,175,000	\$13,350,347,000	\$136,172,000	(\$2,061,000)	(4.1)	(1.6)	2.0	2.6	(0.0)

General Fund Revenue Forecast – Working Estimates (Continued)

Revenue Category	Final FY 2022-23	11/16/2023 Estimate FY 2023-24	5/20/2024 Estimate FY 2023-24	11/16 vs 5/20 Estimate Change	11/16/2023 Estimate FY 2024-25	5/20/2024 Estimate FY 2024-25	11/16 vs 5/20 Estimate Change	FY 24 to FY 25 Change	Pct. Chg. FY 2022-23	11/16/2023 Pct. Chg. FY 2023-24	5/20/2024 Pct. Chg. FY 2023-24	11/16/2023 Pct. Chg. FY 2024-25	5/20/2024 Pct. Chg. FY 2024-25
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14
Gross General Fund Revenue	\$13,094,202,032	\$12,885,488,000	\$13,352,408,000	\$466,920,000	\$13,214,175,000	\$13,350,347,000	\$136,172,000	(\$2,061,000)	(4.1)	(1.6)	2.0	2.6	(0.0)
Less: Tax Relief Trust Fund (Act)	768,072,631	795,942,732	795,942,732	0	800,815,175	800,815,175	0	4,872,443	18.2	3.6	3.6	0.6	0.6
Net General Fund Revenue	\$12,326,129,401	\$12,089,545,268	\$12,556,465,268	\$466,920,000	\$12,413,359,825	\$12,549,531,825	\$136,172,000	(\$6,933,443)	(5.2)	(1.9)	1.9	2.7	(0.1)
Education Improvement Act (EIA)	1,222,942,713	1,232,690,000	1,243,983,000	11,293,000	1,253,231,000	1,259,581,000	6,350,000	15,598,000	7.4	0.8	1.7	1.7	1.3
EIA Fund	1,207,299,808	1,216,890,000	1,228,183,000	11,293,000	1,236,631,000	1,250,981,000	14,350,000	22,798,000	6.1	0.8	1.7	1.6	1.9
EIA Interest	15,642,904	15,800,000	15,800,000	0	16,600,000	8,600,000	(8,000,000)	(7,200,000)	2383.5	1.0	1.0	5.1	(45.6)
S.C. Education Lottery Fund	605,424,005	547,100,000	579,800,000	32,700,000	534,200,000	531,100,000	(3,100,000)	(48,700,000)	6.5	(9.6)	(4.2)	(2.4)	(8.4)
Lottery Proceeds	563,500,000	514,200,000	540,900,000	26,700,000	507,200,000	507,200,000	0	(33,700,000)	5.6	(8.7)	(4.0)	(1.4)	(6.2)
Unclaimed Prizes	34,758,556	26,000,000	32,000,000	6,000,000	20,000,000	20,000,000	0	(12,000,000)	14.0	(25.2)	(7.9)	(23.1)	(37.5)
Lottery Interest	7,165,449	6,900,000	6,900,000	0	7,000,000	3,900,000	(3,100,000)	(3,000,000)	53.0	(3.7)	(3.7)	1.4	(43.5)
Homestead Exemption Fund (HEX)	1,112,078,145	1,127,296,000	1,137,265,000	9,969,000	1,147,036,000	1,156,470,000	9,434,000	19,205,000	7.6	1.4	2.3	1.8	1.7
HEX Revenue	1,102,225,350	1,117,196,000	1,127,165,000	9,969,000	1,136,436,000	1,151,070,000	14,634,000	23,905,000	7.1	1.4	2.3	1.7	2.1
HEX Interest	9,852,795	10,100,000	10,100,000	0	10,600,000	5,400,000	(5,200,000)	(4,700,000)	152.4	2.5	2.5	5.0	(46.5)
Expenditure Estimate	912,883,295	1,004,624,152	1,004,624,152	0	1,065,163,814	1,066,155,639	991,825	61,531,487	6.0	10.0	10.0	6.0	6.1
HEX Fund Excess/(Shortfall)	199,194,850	122,671,848	132,640,848	9,969,000	81,872,186	90,314,361	8,442,175	(42,326,487)	15.6	(38.4)	(33.4)	(33.3)	(31.9)
Tax Relief Trust Fund (Act)	768,072,631	795,942,732	795,942,732	0	800,815,175	800,815,175	0	4,872,443	18.2	3.6	3.6	0.6	0.6
Revised Estimate/ Actual	751,304,933	774,924,176	774,924,176	0	800,815,175	800,815,175	0	25,890,999	16.7	3.1	3.1	3.3	3.3
Excess/(Shortfall) (Excl. Fund Balance)	16,767,698	21,018,556	21,018,556	0	0	0	0	(21,018,556)	176.3	25.4	25.4	n/a	n/a
Budgetary Estimates													
Gross Appropriation Act Revenue	11,270,143,415	12,458,688,000	12,458,688,000	0	13,214,175,000	13,350,347,000	136,172,000	891,659,000	13.5	10.5	10.5	6.1	7.2
Less: Tax Relief Trust Fund (Act)	768,072,631	795,942,732	795,942,732	0	800,815,175	800,815,175	0	4,872,443	18.2	3.6	3.6	0.6	0.6
Appropriation Act Excluding Trust Fund	10,502,070,784	11,662,745,268	11,662,745,268	0	12,413,359,825	12,549,531,825	136,172,000	886,786,557	13.2	11.1	11.1	6.4	7.6
Capital Reserve Fund	209,194,431	390,131,763	390,131,763	0	369,783,882	369,783,882	0	(20,347,881)	13.9	86.5	86.5	(5.2)	(5.2)
General Reserve Fund	575,284,684	715,241,566	715,241,566	0	739,567,764	739,567,764	0	24,326,198	25.3	24.3	24.3	3.4	3.4
Total Reserve Funds	784,479,115	1,105,373,329	1,105,373,329	0	1,109,351,646	1,109,351,646	0	3,978,317	22.1	40.9	40.9	0.4	0.4

Budget Outlook

FY 2024-25 Budget Outlook – Legislative Adjustments

- Individual Income tax top marginal rate will be reduced from 6.4% to 6.3% for tax year 2024
- Revised income tax impact estimates (5/20/2024):
 - FY 2023-24: (\$4,635,000)
 - FY 2024-25: (\$93,359,000)
 - These adjustments are included in the following figures
- Budget figures do not include any adjustments for legislative changes adopted or pending adoption by the General Assembly this year

FY 2024-25 Budget Outlook

Recurring General Fund Revenue

(Dollars in Millions)	(11/16/2023)	(5/20/2024)	Change
FY 2024-25 Revenue Estimate	\$13,214.2	\$13,350.3	\$136.2
Tax Relief Trust Fund	(\$800.8)	(\$800.8)	\$0.0
FY 2023-24 Appropriation Act Revenue	(\$11,636.5)	(\$11,636.5)	\$0.0
Incremental Income Tax Rate Reduction	<u>(\$99.8)</u>	<u>(\$93.4)</u>	<u>\$6.4</u>
Estimated “New” General Fund Revenue	\$677.1	\$819.7	\$142.6
Reserve Fund Contributions			
Incremental General Reserve Fund (6%)	(\$24.3)	(\$24.3)	\$0.0
Incremental Capital Reserve Fund (3%) (Fund balance exceeds required contribution)	<u>\$20.3</u>	<u>\$20.3</u>	<u>\$0.0</u>
Estimated “New” General Fund Revenue Available for Appropriation (less Reserve Fund Contributions)	\$673.1	\$815.7	\$142.6

FY 2023-24 Budget Outlook

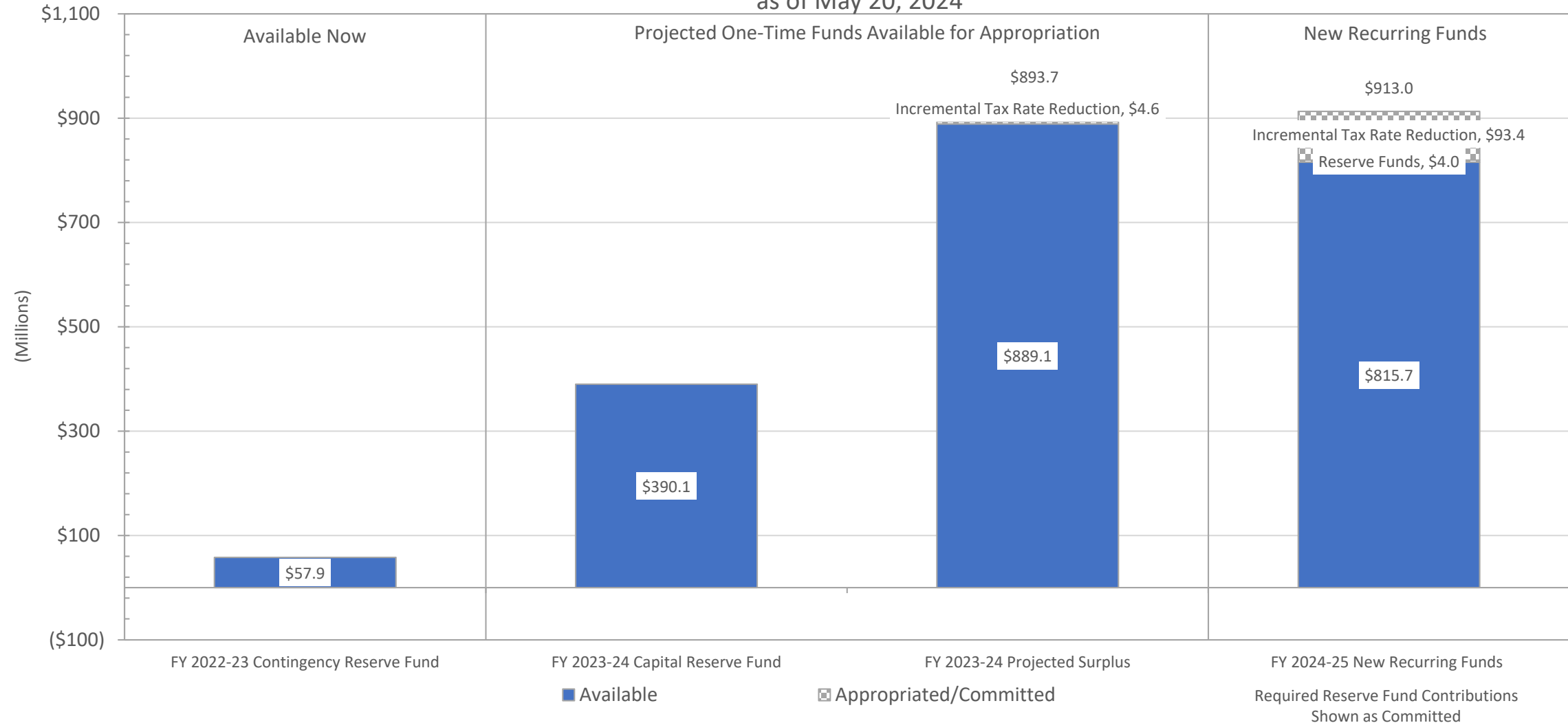
Nonrecurring Revenue

(Dollars in Millions)	11/16/2023	5/20/2024	Change
FY 2023-24 Revised Revenue Estimate	\$12,885.5	\$13,352.4	\$466.9
FY 2023-24 General Fund Appropriations	(\$11,636.5)	(\$11,636.5)	\$0
FY 2023-24 Transfer to Non-recurring*	(\$26.3)	(\$26.3)	\$0
FY 2023-24 Tax Relief Trust Fund (Act)	(\$795.9)	(\$795.9)	\$0
Incremental Income Tax Rate Reduction	<u>(\$5.0)</u>	<u>(\$4.6)</u>	\$0.3
Total FY 2023-24 Projected Surplus	\$421.8	\$889.1	\$467.2
FY 2023-24 Capital Reserve Fund	\$390.1	\$390.1	\$0.0
FY 2022-23 Contingency Reserve Fund	<u>\$57.9</u>	<u>\$57.9</u>	<u>\$0.0</u>
Total Non-Recurring Revenue	\$869.9	\$1,337.1	\$467.2

*Updated to include transfer to non-recurring appropriations

FY 2024-25 Available Funds

AVAILABLE FUNDS - FY 2024-25 BUDGET PROCESS
as of May 20, 2024



Source: S.C. Revenue and Fiscal Affairs 297/RFA/5/20/2024

Reports from Working Group Members

Other Business

Appendix

Personal Income, Employment, and Inflation History

Fiscal Year Growth Rates

Fiscal Year	South Carolina Employment	South Carolina Personal Income	U.S. Inflation	U.S. Employment	U.S. Personal Income
FY 2010-11	1.19%	5.24%	1.98%	0.61%	5.84%
FY 2011-12	1.36%	5.14%	2.94%	1.59%	5.04%
FY 2012-13	1.76%	2.79%	1.69%	1.60%	2.97%
FY 2013-14	2.43%	3.53%	1.56%	1.74%	2.58%
FY 2014-15	2.69%	6.71%	0.72%	2.09%	5.60%
FY 2015-16	2.82%	5.08%	0.67%	1.91%	3.24%
FY 2016-17	2.17%	4.71%	1.86%	1.68%	3.66%
FY 2017-18	2.36%	4.53%	2.25%	1.53%	5.22%
FY 2018-19	2.09%	5.96%	2.07%	1.48%	5.23%
FY 2019-20	(1.61%)	7.20%	1.59%	(1.90%)	5.60%
FY 2020-21	(1.18%)	8.17%	2.29%	(2.77%)	8.97%
FY 2021-22	4.20%	4.04%	7.16%	4.75%	3.29%
FY 2022-23	3.47%	6.87%	6.29%	3.17%	5.04%
FY 2023-24 Est.	1.81%	4.28%	3.03%		
FY 2024-25 Est.	1.66%	3.85%	2.39%		
Avg. 2010-2019	2.10%	4.85%	1.75%	1.58%	4.38%
Avg. 2015-2019	2.36%	5.07%	1.71%	1.65%	4.34%