

# **SOUTH CAROLINA GENERAL FUND REVENUE**

## **FY 2023-24 Revenue Update Through May 2024**

June 20, 2024



## General Fund FY 2023-24 – May 2024 Revenue Update

- Overall, revenue collections in May were generally in line with the updated May forecast; fiscal year-to-date revenues were within 2.1% of the revised forecast, and the revenue excess increased by \$14.8 million to \$238.7 million
- The most notable variances occurred in Refunds and Corporate Income tax, as these items added \$37.2 million and \$21.2 million to the excess, respectively
- While other categories also contributed smaller amounts to the excess, several categories were below expectations; all together, the other revenue categories reduced the gains in Corporate Income tax and Refunds by \$43.6 million

# General Fund Revenue



## REVENUES V. BEA MONTHLY ESTIMATES

JULY - MAY FY 2023-24

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / <sup>1</sup>	Actual YTD / <sup>2</sup>	Estimate Full Yr. / <sup>3</sup>		Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD / <sup>1</sup>	Actual YTD / <sup>2</sup>	Estimate Full Yr. / <sup>3</sup>
<b>Total General Fund Revenue</b>	<b>\$11,502.3</b>	<b>\$11,741.0</b>	<b>\$238.7</b>	<b>2.2%</b>	<b>4.3%</b>	<b>2.0%</b>	<b>Other Revenue Items, Sub-Total</b>	<b>\$941.5</b>	<b>\$1,017.7</b>	<b>\$76.2</b>	<b>5.5%</b>	<b>14.0%</b>	<b>4.5%</b>
Sales Tax	3,932.4	3,948.8	16.4	2.2%	2.6%	2.0%	Admissions Tax	31.6	34.8	3.2	(5.3%)	4.5%	(5.8%)
Individual Income Tax	5,403.2	5,483.9	80.7	4.4%	5.9%	4.4%	Alcoholic Liquors Tax	98.2	98.1	(0.1)	1.7%	1.6%	2.2%
Withholdings	6,215.4	6,245.3	29.9	(2.7%)	(2.2%)	(2.2%)	Bank Tax	41.1	45.3	4.2	(46.5%)	(41.0%)	(46.2%)
Non-withholdings	1,469.7	1,472.1	2.3	(5.2%)	(5.1%)	(5.0%)	Beer and Wine Tax	91.9	92.1	0.1	(1.0%)	(0.9%)	(0.6%)
Refunds	2,282.0	2,233.6	(48.4)	(17.4%)	(19.1%)	(17.3%)	Corporate License Tax	179.3	185.3	6.0	8.6%	12.3%	8.4%
Corporate Income Tax	968.9	1,029.9	61.0	(8.0%)	(2.2%)	(7.9%)	Deed Rec. (Doc. Tax)	87.8	94.4	6.6	(12.1%)	(5.5%)	(12.0%)
Insurance Tax	256.2	260.6	4.4	(11.3%)	(9.8%)	(9.7%)	Earned on Investments	256.0	294.1	38.1	61.7%	85.8%	55.1%
Other Revenue Items, Sub-Total	941.5	1,017.7	76.2	5.5%	14.0%	4.5%	Residual Revenue	155.7	173.8	18.1	(8.3%)	2.4%	(3.4%)

Based on BEA Forecast as of May 20, 2024

/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.

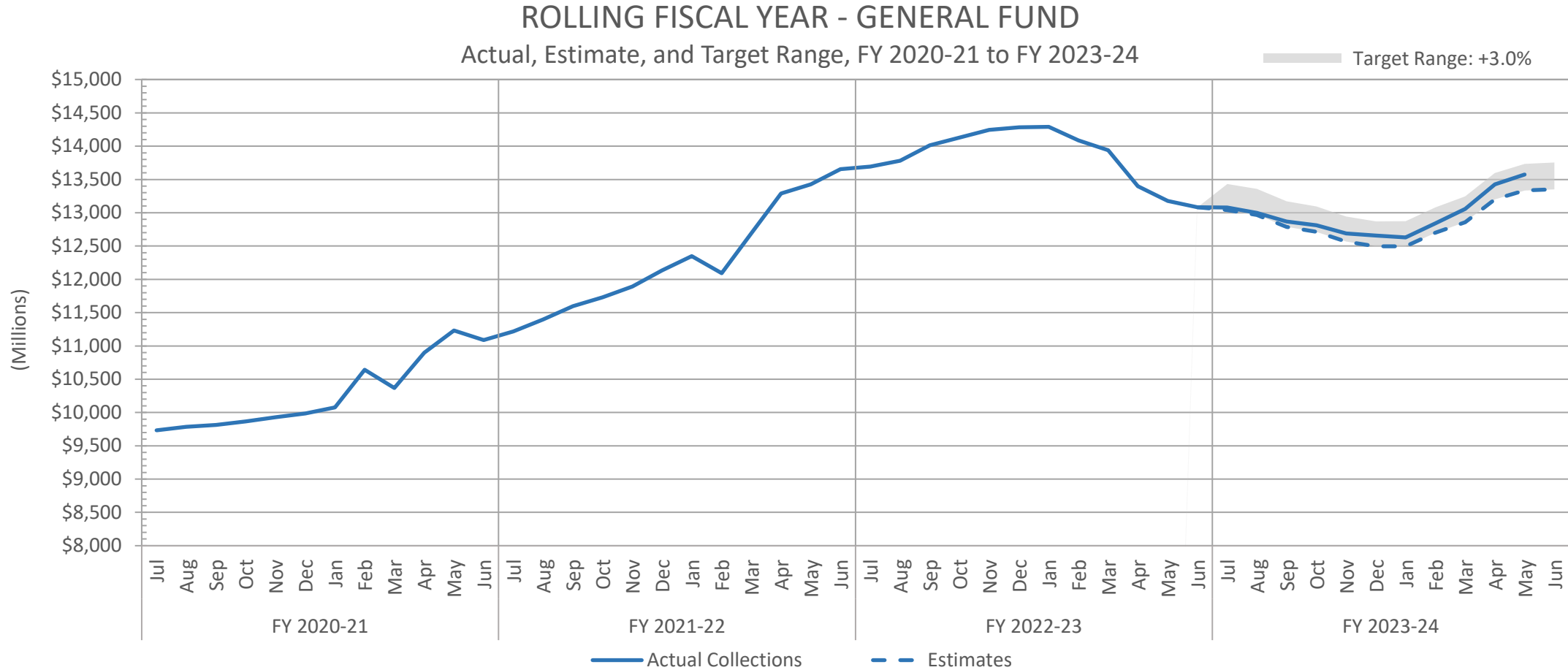
/2 Actual year-to-date reflects actual fiscal year-to-date growth in collections over prior fiscal year-to-date collections.

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



# General Fund Revenue – Actual vs. May Estimate

Through May, revenues are within the target range and \$238.7 million, or 2.1%, above the recently revised estimate



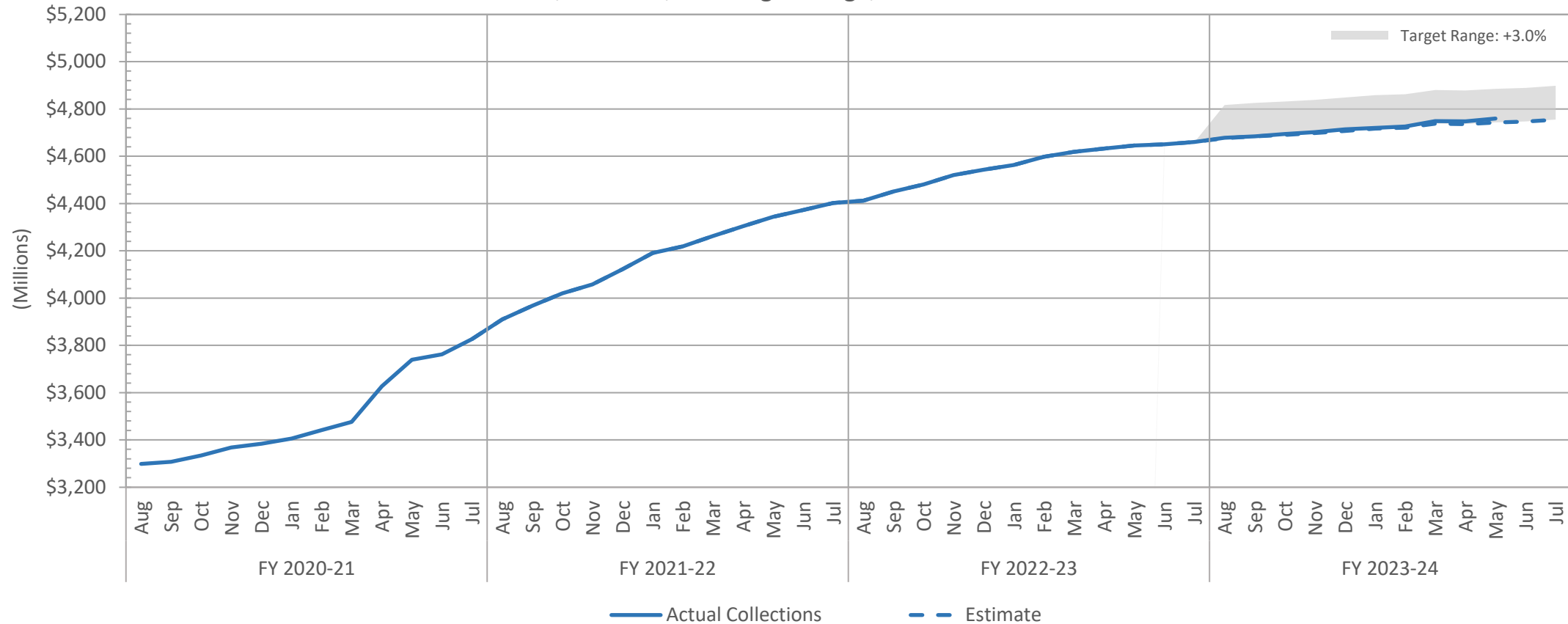
# FY 2023-24 Revenue Details



# Sales Tax - Actual vs. Estimate

May Sales tax collections grew 2.8% over last year, and fiscal year-to-date collections are growing 2.6%; revenues are \$16.4 million, or 0.4%, ahead of the May forecast

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

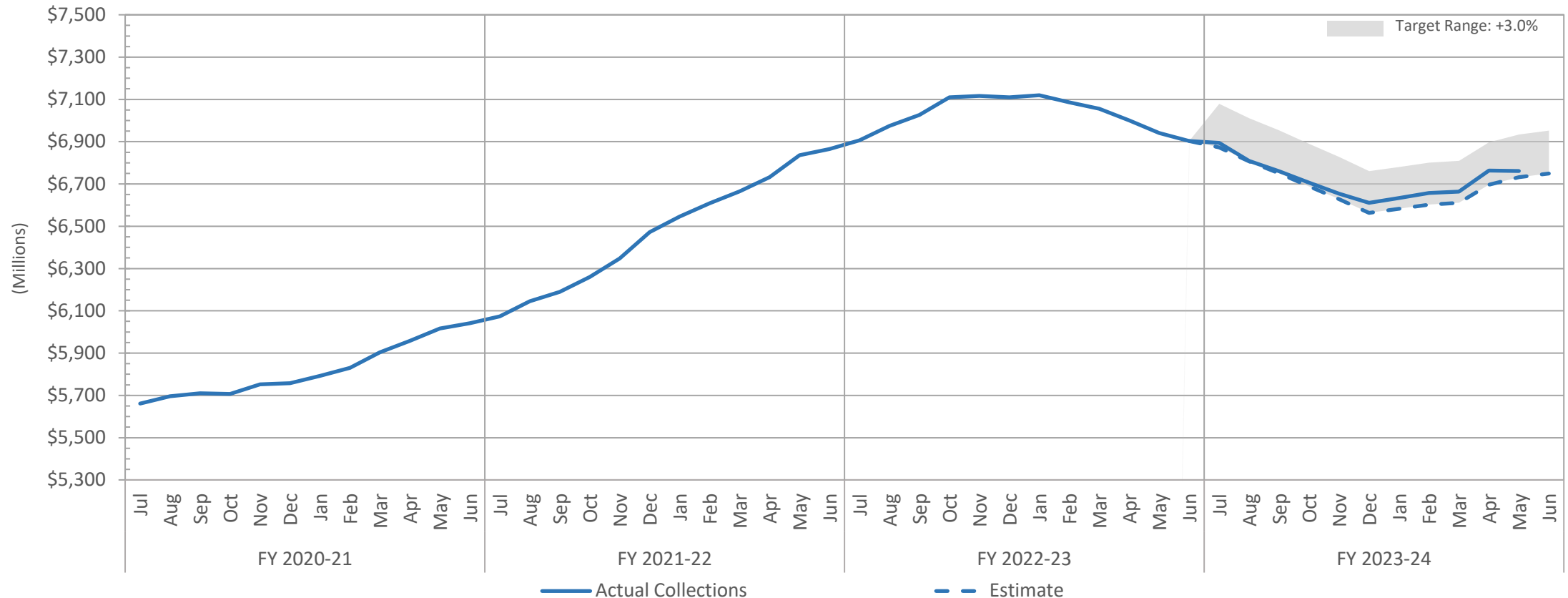


# Withholdings - Actual vs. Estimate

Withholdings fell 0.3% in May and were below the monthly estimate; the change may be due to a timing shift in collections, as April grew 19.4%; total collections are \$29.9 million, or 0.5%, ahead of expectations from the May forecast

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

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

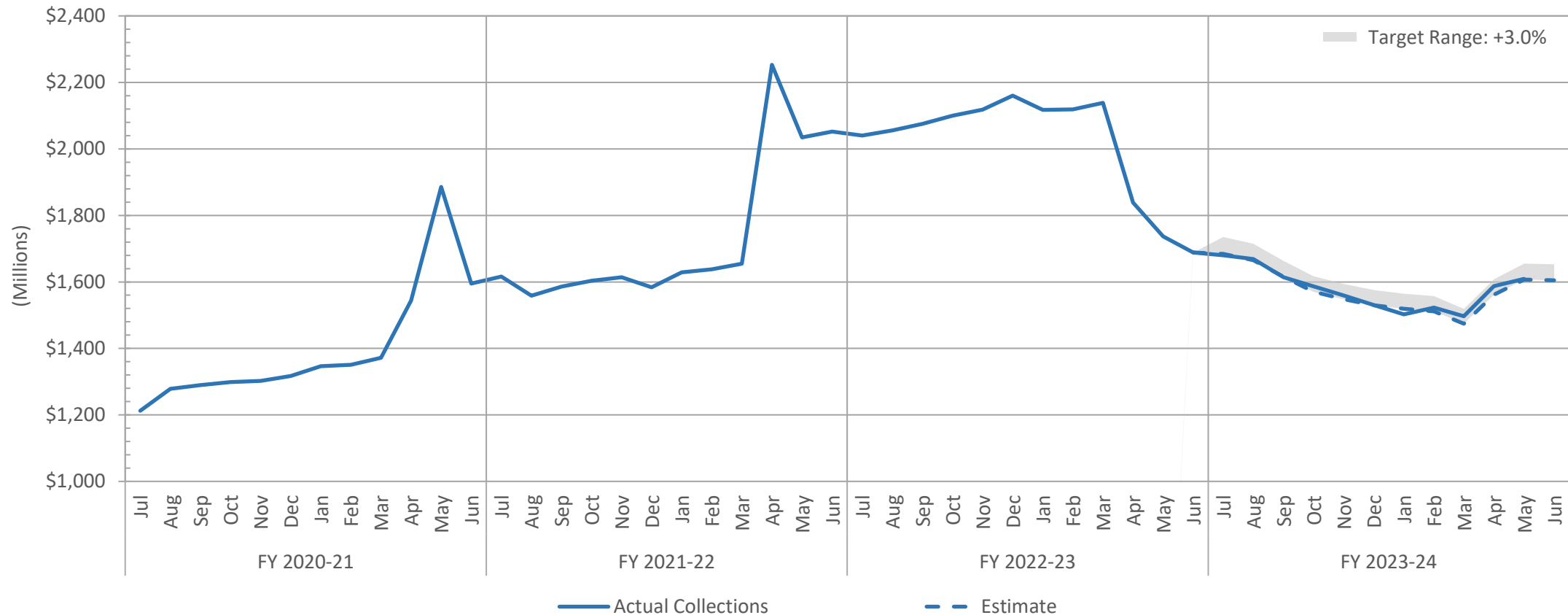


# Non-Withholdings - Actual vs. Estimate

Collections are \$2.3 million, or 0.2%, above the revised estimate; final tax season payments in May were \$23.8 million less than expected

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME NON-WITHHOLDINGS

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



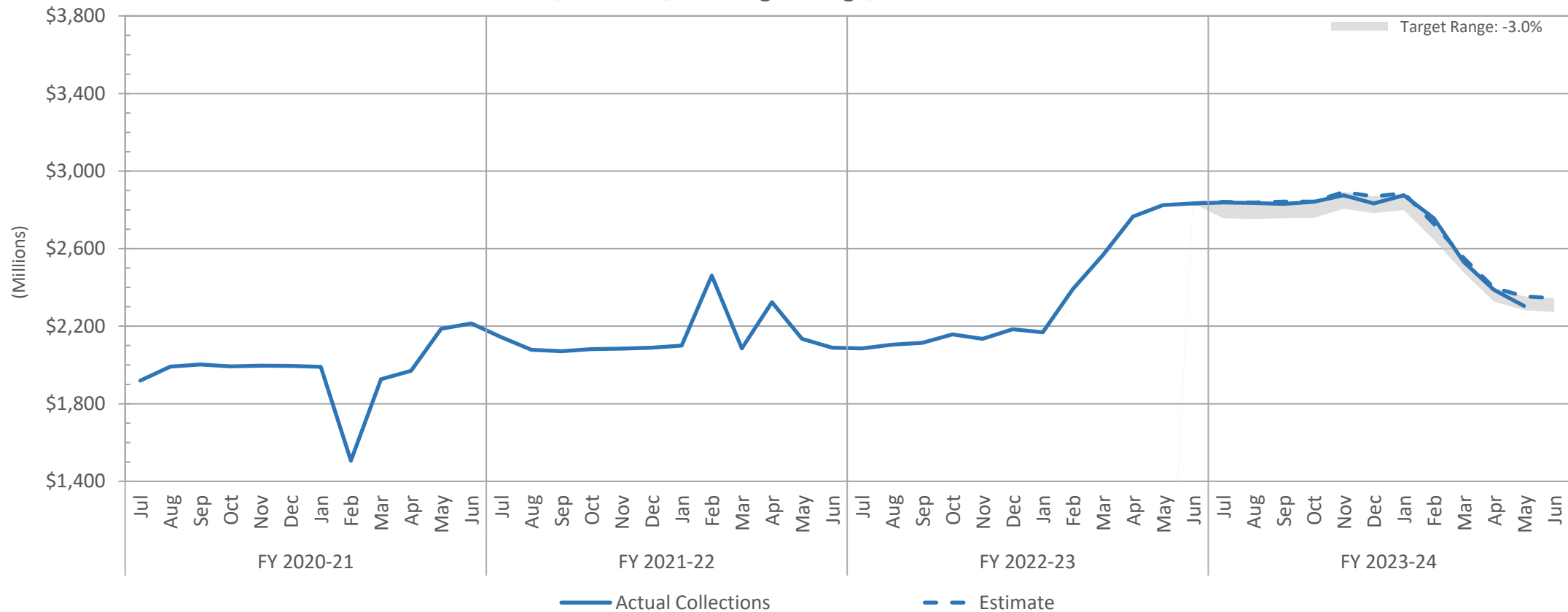


# Refunds - Actual vs. Estimate

Final Refund processing for May was less than expected by \$37.2 million; through May, Refunds are \$48.4 million, or 2.1%, below the revised estimate

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME REFUNDS

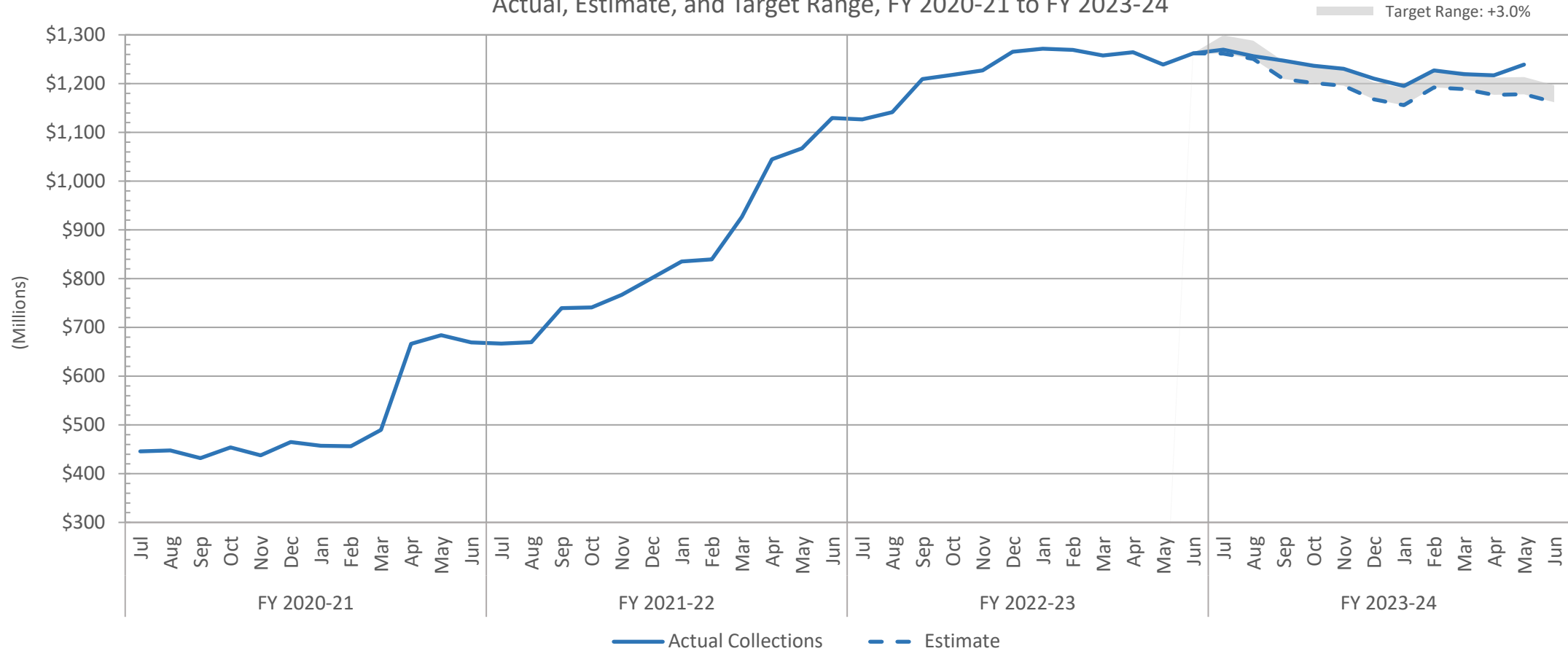
Actual, Estimate, and Target Range, FY 2020-21 to FY 2023-24



# Corporate Income Tax - Actual vs. Estimate

Corporate Income tax is \$61.0 million, or 6.3% ahead, of the May forecast; May boosted the excess by \$21.2 million

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



## FY 2023-24 Revenue Summary - May 2024

- May revenues in the major categories came in close to expectations and increased the excess based on the revised May forecast by \$14.8 million to \$238.7 million
- Revenues in several categories moved closer to expectations, but larger variances were noted in Corporate Income tax and Refunds
- No significant shifts are anticipated in the final months of FY 24
- Final results in a few categories, especially Corporate Income tax, will likely influence the final revenue excess
- No immediate impact on the FY 2024-25 estimate

# Legislative Revenue Adjustments



# Legislative Adjustments – Acts Signed by the Governor

The Budget Conference Committee is accounting for these adjustments

Bill Number	Description	FY 2024-25 General Fund Impact
S. 298	Allocation and Apportionment of Corporate Income	-\$15,000,000
S. 557	Apprentice Income Tax Credit	-\$3,553,000
S. 610	Professional Counseling Compact	+\$5,400
S. 1021	Abandoned Buildings Tax Credit Increase and Extension and New Short Line Railroad Income Tax Credit	-\$1,538,400
H. 3121	Recreational Trail Easement Income Tax Credit	-\$1,000,000
H. 3563	Sales Tax Exemption for Feminine Hygiene Products (also impacts EIA & HEX Fund Sales taxes)	-\$4,095,000
H. 3811	Industry Partnership Fund Tax Credit	-\$3,000,000
H. 3880	Admissions Tax Exemption for Golf Club Dues	-\$3,000,000
<b>Total</b>		<b>-\$31,181,000</b>

*Note: Bills with a minimal or undetermined impact are not listed*

# Reports from Working Group Members



# Other Business

