



REVENUE DIGEST

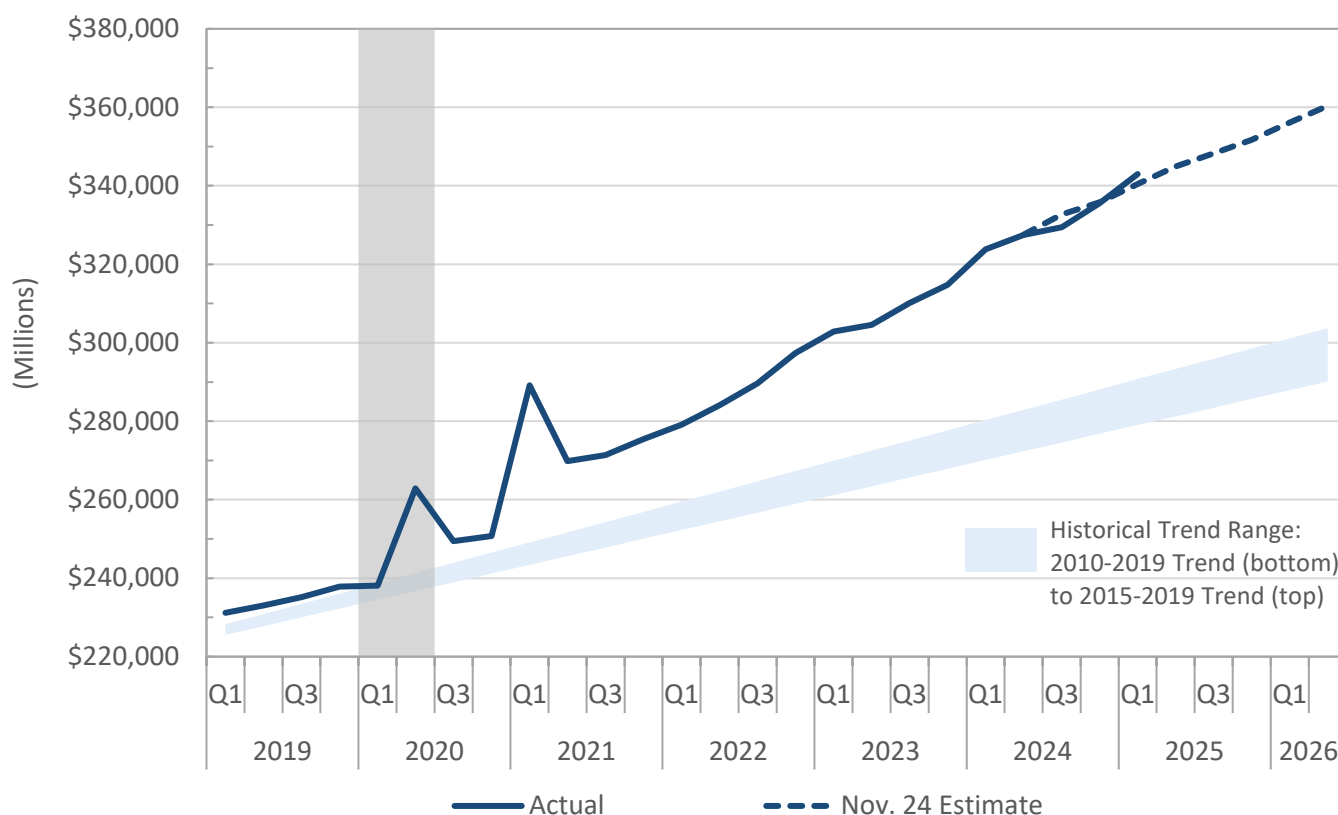
JUNE 2025, FY 2024-25

Released July 23, 2025

South Carolina Economy

According to the U.S. Bureau of Economic Analysis, personal income in South Carolina grew 5.9 percent in Q1 2025 over Q1 2024, 0.7 percentage points higher than the S.C. Board of Economic Advisors' November 2024 forecast of 5.2 percent. This brings the level of total personal income in South Carolina above the November estimate (Figure 1). South Carolina also outperformed personal income growth in the U.S. overall, which was 4.5 percent for Q1 2025.

Figure 1. South Carolina Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kav/7/9/2025

The increase in personal income was largely driven by Wages and Salaries. Growth in Wages and Salaries slowed to 5.6 percent for the first quarter of 2025, compared to 7.1 percent annual growth on average in 2024, and was slightly below projected growth of 5.8 percent. Though the 8.8 percent growth in Transfer Payments was more than anticipated, Dividends, Interest, and Rent earnings, which is the next largest category of personal income, also grew faster than anticipated (Figure 2).

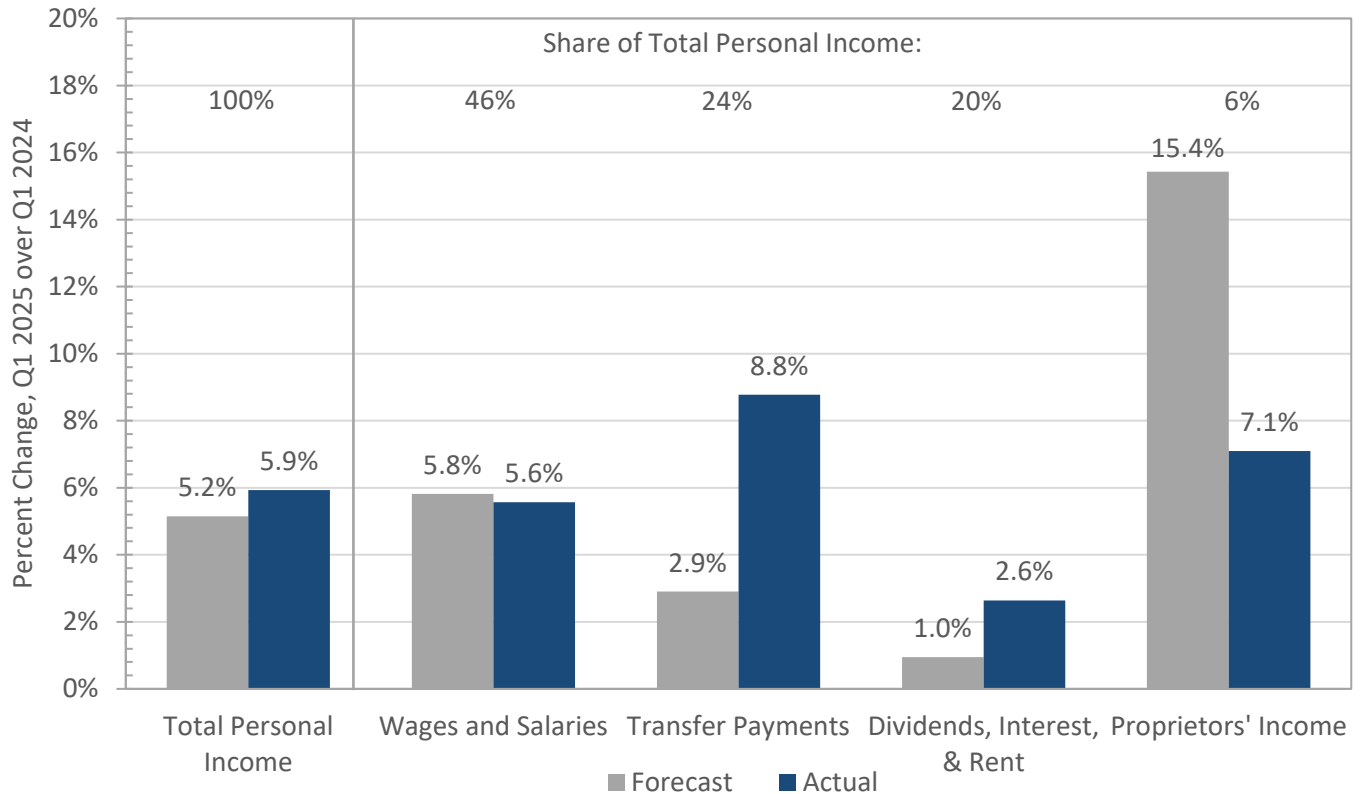




REVENUE DIGEST

JUNE 2025, FY 2024-25

Figure 2. South Carolina Personal Income



Source: U.S. Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kv/7/9/2025

The U.S. Bureau of Labor Statistics reported that nonfarm employment in South Carolina netted an additional 12,300 jobs in May 2025. On an annual basis, nonfarm employment is now 2.7 percent above its level last May and continues to grow above our November estimate of 2.2 percent as seen in Figure 3 below. The fastest growing sector over the 12-month period was the Information sector, which grew 6.7 percent year-over-year for May, adding 1,900 jobs. The largest job gains over the past 12 months occurred in the Professional and Business Services sector, which grew 4.9 percent, adding 15,300 jobs.

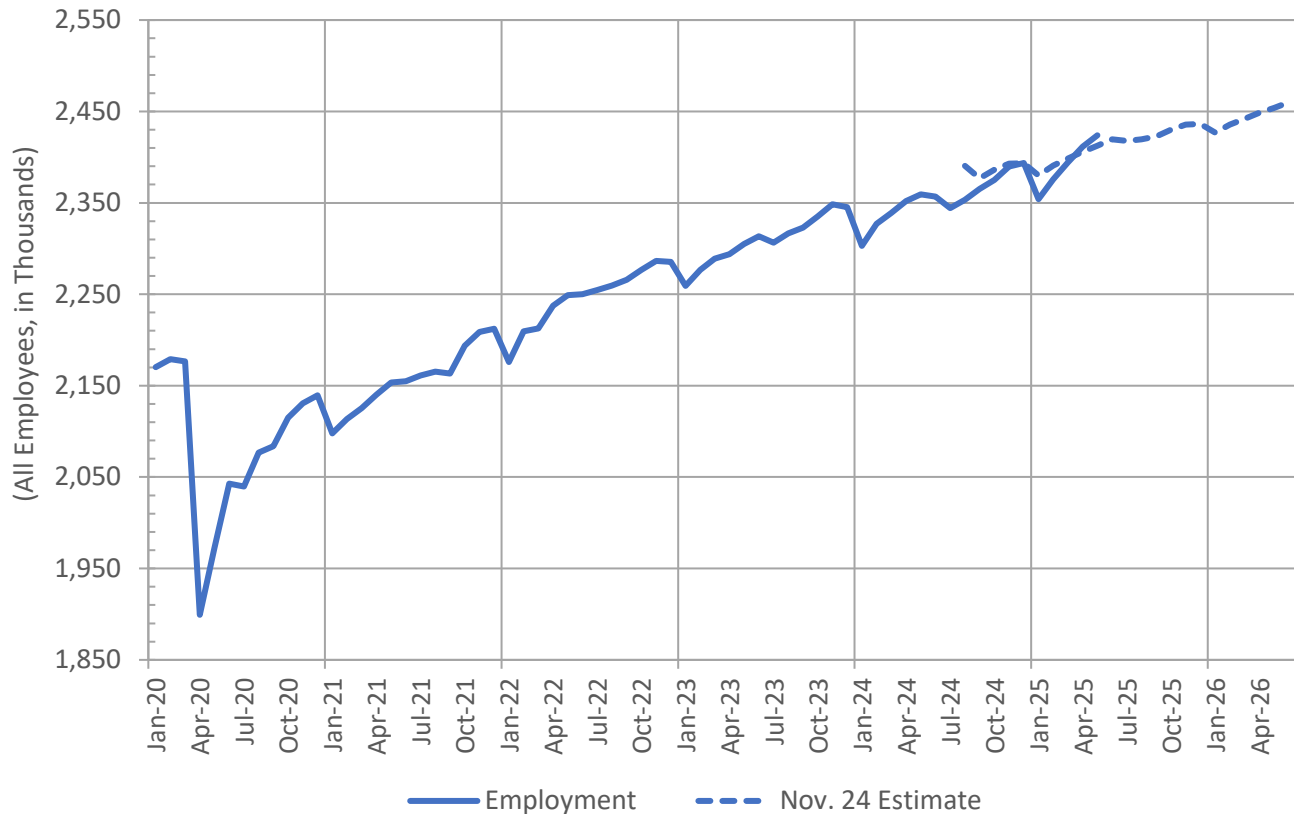




REVENUE DIGEST

JUNE 2025, FY 2024-25

Figure 3. South Carolina Employment



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/7/10/2025

General Fund Revenue¹

Revenue collections increased more than expected in June 2025, adding an additional \$54.0 million to the expected surplus, and growing 3.6 percent for the month compared to June 2024 (Table 3). Over half of the increase in the surplus for June, or \$35.0 million, is due to higher-than-expected Individual Income tax collections. Sales tax also added \$11.4 million to the excess in June, and the Insurance tax added an additional \$8.4 million. Fiscal year-to-date General Fund revenues for FY 2024-25 (FY 25) are 8.4 percent higher than last year and now \$390.7 million ahead of the revised May 2025 estimate (Table 4).

¹ Figures are as of July 15, 2025, and subject to change during year-end.





REVENUE DIGEST

JUNE 2025, FY 2024-25

Figure 4. General Fund Revenue Growth Summary

Revenue Category	Growth Rates		
	Monthly	Fiscal Year-to-Date	FY 2024-25 Annual Forecast
Sales Tax	4.5%	4.8%	3.9%
Individual Income Tax	8.8%	9.8%	5.0%
Corporation Income Tax	(18.7%)	2.2%	3.4%
Other Revenue Items	15.5%	18.7%	13.4%
Total General Fund Revenue	3.6%	8.4%	5.4%

For additional revenue figures, see attached tables.

Revenue Categories

Sales Tax

- Sales tax revenue grew 4.5 percent in June 2025 compared to June 2024. Fiscal year-to-date growth totaled 4.8 percent as compared to the 3.9 percent projected.
- June collections were \$11.4 million above the estimate, and fiscal year-to-date collections are now \$38.2 million above the May estimate.
- While most General Fund revenues are final in June for FY 25, Sales tax and other consumption taxes will not be finalized until next month with July collections, as these taxes are accounted for on an accrual basis (August to July).

Individual Income Tax

- Individual Income tax revenue had strong growth of 8.8 percent in June driven by higher-than-expected Non-withholdings collections. Total Individual Income tax revenue collections for FY 25 were \$295.3 million above expectations and grew by approximately 9.8 percent, relative to the expected growth of 5.0 percent.
- Withholdings were \$8.9 million above expectations in June and were cumulatively \$35.9 million above the estimate for the fiscal year. Collections grew 6.8 percent for the full fiscal year, which was slightly higher than the expected growth of 6.2 percent.
- Non-withholdings revenue for FY 25 finished \$148.9 million above the estimate. This performance was due to very strong collections in May and June that account for 71 percent of the total excess. For the fiscal year, revenue increased by 7.8 percent, compared to a projected decrease of 1.3 percent.
- Refunds finished \$110.5 million below the estimate for the fiscal year, reflecting a decline of 0.7 percent over the last year. Total Refunds were projected to grow 4.2 percent in FY 25 due to the income tax rate reduction. Refunds were expected to grow 8.2 percent in the second half of the fiscal year, but actual growth was only 3.9 percent during this period.





REVENUE DIGEST

JUNE 2025, FY 2024-25

Corporate Income Tax

- Corporate Income tax ended FY 25 with lower-than-expected collections in June to finish the fiscal year below estimate. Payments for the final quarter of FY 25 received during the month totaled \$213.9 million, \$9.0 million less than anticipated. Growth over the prior fiscal year slowed dramatically in the final month, falling from 7.6 percent through May to a decline of 18.7 percent for the month of June. Collections finished at only 2.2 percent growth over last year but were forecasted to grow 3.4 percent. As a result, FY 25 finished \$15.9 million below the Corporate Income tax estimate.

Earnings on Investments

- Earnings on Investments were \$52.1 million in June, \$6.6 million higher than anticipated. Total FY 25 collections are now \$477.5 million, a year-over-year growth rate of 47.9 percent versus 39.4 percent anticipated.

Conclusion

General Fund collections for June were higher than anticipated in many categories with the exception of Corporate Income tax, which fell below expectations to end the fiscal year. Growth in Withholdings and Sales tax have not tapered as quickly as anticipated, leading to the current surplus in collections of \$390.7 million through June. Additionally, the unexpectedly strong performance in Non-withholdings and lower-than-expected Refunds for this year boosted collections but are not expected to continue into next fiscal year. These dynamics will be reviewed further along with final revenue performance in preparation for any potential revisions to FY 26 expectations this fall.

While June represents the end of the fiscal year for most revenue categories, final FY 25 revenues will include the accrual period in July for Sales tax and other consumption taxes. The Comptroller General will report final revenues for the fiscal year next month. The final actual budget surplus will depend not only on final revenues, but also final expenditures.

Future Meetings

- The next scheduled meeting of the Board of Economic Advisors will be on August 28, 2025, via web conference.
- For additional information, please visit www.rfa.sc.gov.





Table 1

June

General Fund Revenue	FY 2023-24	FY 2024-25	\$ Change	% Change
Sales and Use Tax	\$420,075,086	\$438,913,664	\$18,838,578	4.5%
Individual Income Tax	\$629,327,739	\$684,737,858	\$55,410,119	8.8%
Corporation Income Tax	\$263,131,767	\$213,861,278	(\$49,270,489)	(18.7%)
Insurance Taxes	\$87,174,513	\$89,425,792	\$2,251,279	2.6%
Admissions Tax	\$6,094,800	\$5,196,491	(\$898,309)	(14.7%)
Alcoholic Liquor Tax	\$9,949,052	\$9,797,333	(\$151,719)	(1.5%)
Bank Tax	\$9,743,782	\$7,823,629	(\$1,920,153)	(19.7%)
Beer and Wine Tax	\$10,397,787	\$9,605,480	(\$792,307)	(7.6%)
Business Filing Fees	\$1,483,796	\$1,379,624	(\$104,172)	(7.0%)
Circuit/Family Court Fines	\$530,515	\$524,565	(\$5,950)	(1.1%)
Corporation License Tax	\$2,866,808	\$5,480,580	\$2,613,772	91.2%
Deed Recording Fees	\$11,872,758	\$11,867,140	(\$5,618)	(0.0%)
Earned on Investments	\$28,805,112	\$52,116,877	\$23,311,765	80.9%
Indirect Cost Recoveries	\$2,050,250	\$2,505,301	\$455,051	22.2%
Motor Vehicle Licenses	\$2,009,607	\$2,002,287	(\$7,320)	(0.4%)
Nursing Home Fees	\$0	\$0	\$0	---
Parole and Probation Fees	\$282,734	\$282,734	\$0	0.0%
Private Car Lines Tax	(\$8,605)	\$3,735	\$12,340	---
Public Service Authority	\$9,415,000	\$10,869,000	\$1,454,000	15.4%
Purchasing Card Rebates	\$0	\$0	\$0	---
Record Search Fees	\$0	\$0	\$0	---
Savings and Loan Assoc. Tax	\$231,900	\$485,715	\$253,815	109.5%
Security Dealer Fees	\$823,804	\$910,950	\$87,146	10.6%
Tobacco Tax	\$2,162,453	\$2,656,989	\$494,536	22.9%
Unclaimed Property Fund	\$0	\$0	\$0	---
Workers' Comp. Insurance Tax	\$4,795,961	\$3,915,141	(\$880,820)	(18.4%)
Other Source Revenues	\$1,337,194	\$4,932,106	\$3,594,912	268.8%
Gross General Fund Revenue	\$1,504,553,812	\$1,559,294,269	\$54,740,457	3.6%

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred to the Property Tax Relief Trust Fund pursuant to §11-11-150.



July - June

Table 2

General Fund Revenue	FY 2023-24	FY 2024-25	\$ Change	% Change
Sales and Use Tax	\$4,368,908,633	\$4,578,666,359	\$209,757,726	4.8%
Individual Income Tax	\$6,113,184,871	\$6,713,703,265	\$600,518,394	9.8%
Corporation Income Tax	\$1,293,063,734	\$1,321,605,478	\$28,541,744	2.2%
Insurance Taxes	\$347,790,248	\$413,800,532	\$66,010,284	19.0%
Admissions Tax	\$40,914,634	\$34,275,804	(\$6,638,830)	(16.2%)
Alcoholic Liquor Tax	\$108,043,754	\$109,931,293	\$1,887,539	1.7%
Bank Tax	\$55,024,068	\$90,873,576	\$35,849,508	65.2%
Beer and Wine Tax	\$102,465,026	\$101,479,140	(\$985,886)	(1.0%)
Business Filing Fees	\$12,138,535	\$11,777,178	(\$361,357)	(3.0%)
Circuit/Family Court Fines	\$6,743,555	\$6,813,526	\$69,970	1.0%
Corporation License Tax	\$188,147,592	\$199,095,820	\$10,948,228	5.8%
Deed Recording Fees	\$106,253,197	\$114,492,013	\$8,238,816	7.8%
Earned on Investments	\$322,856,624	\$477,492,910	\$154,636,286	47.9%
Indirect Cost Recoveries	\$16,221,345	\$15,136,809	(\$1,084,536)	(6.7%)
Motor Vehicle Licenses	\$11,687,840	\$11,748,949	\$61,109	0.5%
Nursing Home Fees	\$2,303,186	\$2,242,224	(\$60,962)	(2.6%)
Parole and Probation Fees	\$3,392,808	\$3,392,808	\$0	0.0%
Private Car Lines Tax	\$6,435,646	\$7,147,253	\$711,606	11.1%
Public Service Authority	\$19,420,000	\$20,865,000	\$1,445,000	7.4%
Purchasing Card Rebates	\$4,169,474	\$4,366,750	\$197,276	4.7%
Record Search Fees	\$4,461,000	\$4,461,000	\$0	0.0%
Savings and Loan Assoc. Tax	\$3,073,094	\$730,853	(\$2,342,242)	(76.2%)
Security Dealer Fees	\$34,446,267	\$35,469,671	\$1,023,404	3.0%
Tobacco Tax	\$25,412,370	\$24,667,008	(\$745,362)	(2.9%)
Unclaimed Property Fund	\$15,000,000	\$15,000,000	\$0	0.0%
Workers' Comp. Insurance Tax	\$9,475,502	\$13,812,760	\$4,337,258	45.8%
Other Source Revenues	\$24,516,828	\$25,882,242	\$1,365,414	5.6%
Gross General Fund Revenue	\$13,245,549,829	\$14,358,930,218	\$1,113,380,389	8.4%

Note: Gross General Fund Revenue includes Individual Income and Corporate Income tax revenue that is transferred to the Property Tax Relief Trust Fund pursuant to §11-11-150.



Revenues and BEA Monthly Estimates

Table 3

June

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Expected Growth /1	Actual Growth /2
Total General Fund Revenue	\$1,505.3	\$1,559.3	\$54.0	0.1%	3.6%
Sales Tax	427.5	438.9	11.4	1.8%	4.5%
Individual Income Tax	649.7	684.7	35.0	3.2%	8.8%
Withholdings	556.7	565.6	8.9	7.2%	8.9%
Non-withholdings	162.5	200.5	38.1	(1.0%)	22.1%
Refunds	69.4	81.4	12.0	28.4%	50.6%
Corporate Income Tax	222.9	213.9	(9.0)	(15.3%)	(18.7%)
Insurance Tax	81.1	89.4	8.4	(7.0%)	2.6%
Admissions Tax	5.2	5.2	(0.0)	(14.4%)	(14.7%)
Alcoholic Liquors Tax	10.2	9.8	(0.4)	2.3%	(1.5%)
Bank Tax	12.9	7.8	(5.1)	32.5%	(19.7%)
Beer and Wine Tax	10.4	9.6	(0.8)	0.5%	(7.6%)
Corporate License Tax	3.8	5.5	1.7	31.6%	91.2%
Deed Rec. (Doc. Tax)	12.0	11.9	(0.1)	0.9%	(0.0%)
Earned on Investments	45.5	52.1	6.6	58.1%	80.9%
Residual Revenue	24.1	30.5	6.3	(3.9%)	21.3%

Based on BEA Forecast as of May 20, 2025

/1 Expected growth reflects expected growth in collections for the month over same month prior fiscal based on anticipated monthly collection patterns.

/2 Actual growth reflects actual growth in collections for the month over same month prior fiscal year collections.



Revenues and BEA Monthly Estimates

Table 4

July - June

(\$ in Millions)

	Expected Revenues	Actual Revenues	Over/ (Under) Expected	Estimate YTD Growth /1	Actual YTD Growth /2
Total General Fund Revenue	\$13,968.2	\$14,358.9	\$390.7	5.5%	8.4%
Sales Tax	4,540.5	4,578.7	38.2	3.9%	4.8%
Individual Income Tax	6,418.4	6,713.7	295.3	5.0%	9.8%
Withholdings	7,187.2	7,223.1	35.9	6.2%	6.8%
Non-withholdings	1,614.3	1,763.1	148.9	(1.3%)	7.8%
Refunds	2,383.0	2,272.5	(110.5)	4.2%	(0.7%)
Corporate Income Tax	1,337.5	1,321.6	(15.9)	3.4%	2.2%
Insurance Tax	389.6	413.8	24.2	12.0%	19.0%
Admissions Tax	33.9	34.3	0.4	(17.2%)	(16.2%)
Alcoholic Liquors Tax	110.2	109.9	(0.3)	2.0%	1.7%
Bank Tax	86.6	90.9	4.3	57.3%	65.2%
Beer and Wine Tax	103.0	101.5	(1.5)	0.5%	(1.0%)
Corporate License Tax	195.1	199.1	4.0	3.7%	5.8%
Deed Rec. (Doc. Tax)	110.8	114.5	3.7	4.3%	7.8%
Earned on Investments	450.0	477.5	27.5	39.4%	47.9%
Residual Revenue	192.6	203.5	10.9	(3.2%)	2.3%

Based on BEA Forecast as of May 20, 2025

/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.