

BUDGET AND DEMOGRAPHIC ISSUES CURRENT AND LONG-TERM TRENDS

REQUESTED BY

HOUSE WAYS AND MEANS COMMITTEE

September 19, 2016



South Carolina Revenue and Fiscal Affairs Office

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BUDGET ISSUES AND TRENDS



Board of Economic Advisors Revenue Plan Summary: FY 2015-16

Revenues vs. 02/10/16 BEA Adjusted Estimate of \$7,856.2 Million in FY 2015-16 1/

	JULY - 13th MONTH FY 2015-16			Revenue Growth Rates (%)	
	(\$ in Millions)			Estimate Full Fiscal Yr.	Actual Yr. to Date
	Actual Revenues	Expected Revenues	Excess / (Shortfall)		
Total General Fund Revenue	7,839.4	7,856.2	(16.8)	4.6	4.3
Sales Tax	2,818.6	2,799.4	19.2	5.4	6.1
Individual Income Tax	3,832.9	3,888.1	(55.1)	6.2	4.7
Corporate Income Tax	411.2	393.2	18.0	4.1	8.9
Other Revenue Sources 2/	777.4	775.6	1.8	(5.1)	(4.9)
<i>Select Tax Revenues, Sub-Total</i>	<i>641.5</i>	<i>639.2</i>	<i>2.2</i>	<i>(4.5)</i>	<i>(4.2)</i>
Admissions Tax - Total	30.9	33.4	(2.5)	1.9	(5.8)
Alcoholic Liquors Tax	73.5	72.2	1.4	2.6	4.5
Bank Tax	29.4	32.5	(3.1)	4.0	(5.9)
Beer and Wine Tax	107.3	106.4	0.8	1.5	2.3
Corporation License Tax	88.7	103.2	(14.5)	(20.5)	(31.7)
Documentary Tax	46.2	44.7	1.4	10.1	13.6
Earnings on Investments	25.2	16.0	9.2	(9.7)	42.2
Insurance Tax	212.2	205.6	6.5	(5.1)	(2.0)
Tobacco Tax	28.1	25.1	3.0	(1.5)	10.3
<i>Residual Revenue, Sub-Total 3/</i>	<i>136.0</i>	<i>136.4</i>	<i>(0.4)</i>	<i>(7.7)</i>	<i>(7.9)</i>

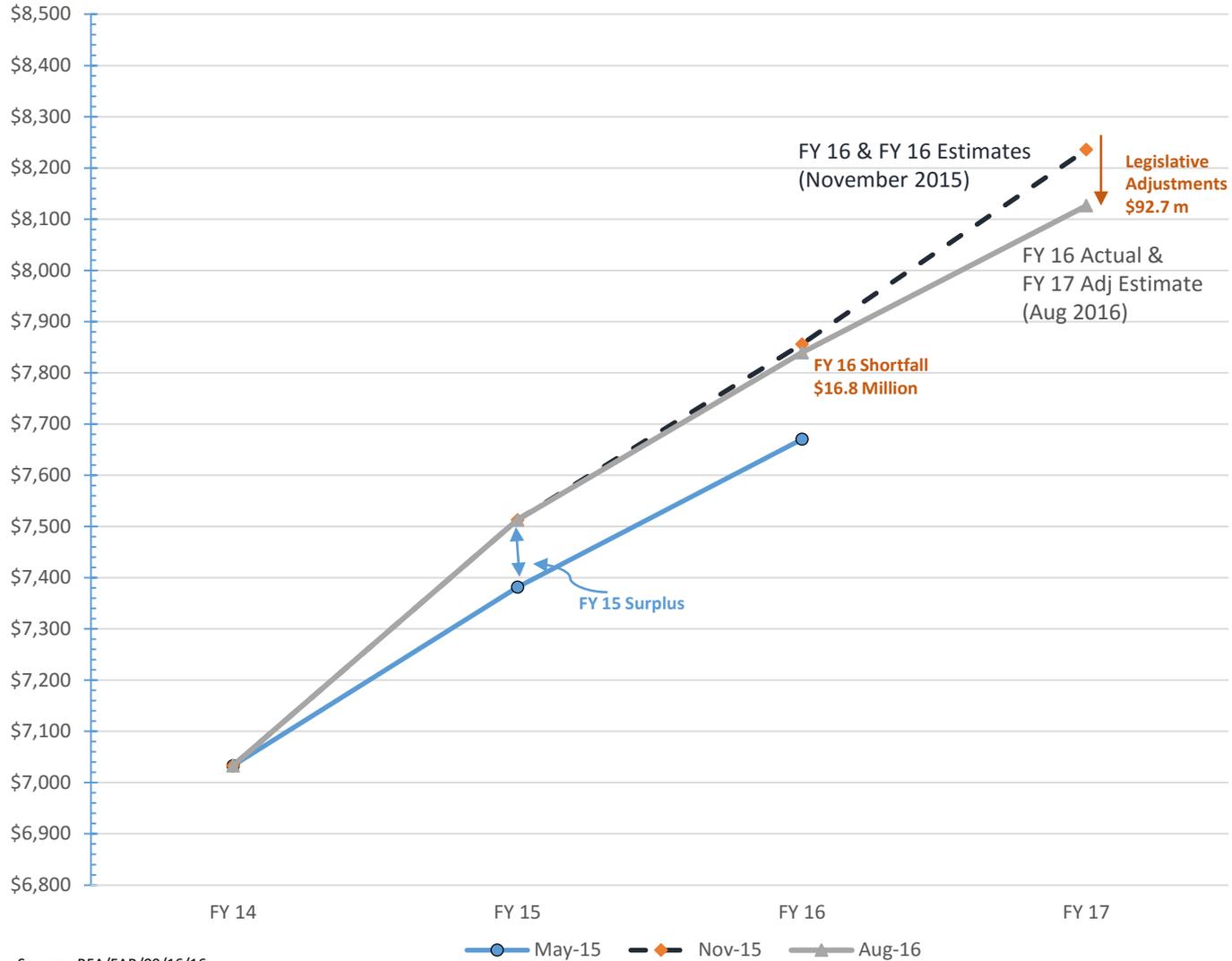
1/: BEA format: includes certified adjustments and excludes non-recurring cash transfers and certain 'other source' revenues, where applicable.

2/: May include nominal amounts from former recurring revenues.

3/: Refer to p. 15, Residual Revenue, for list of components in this subcategory.

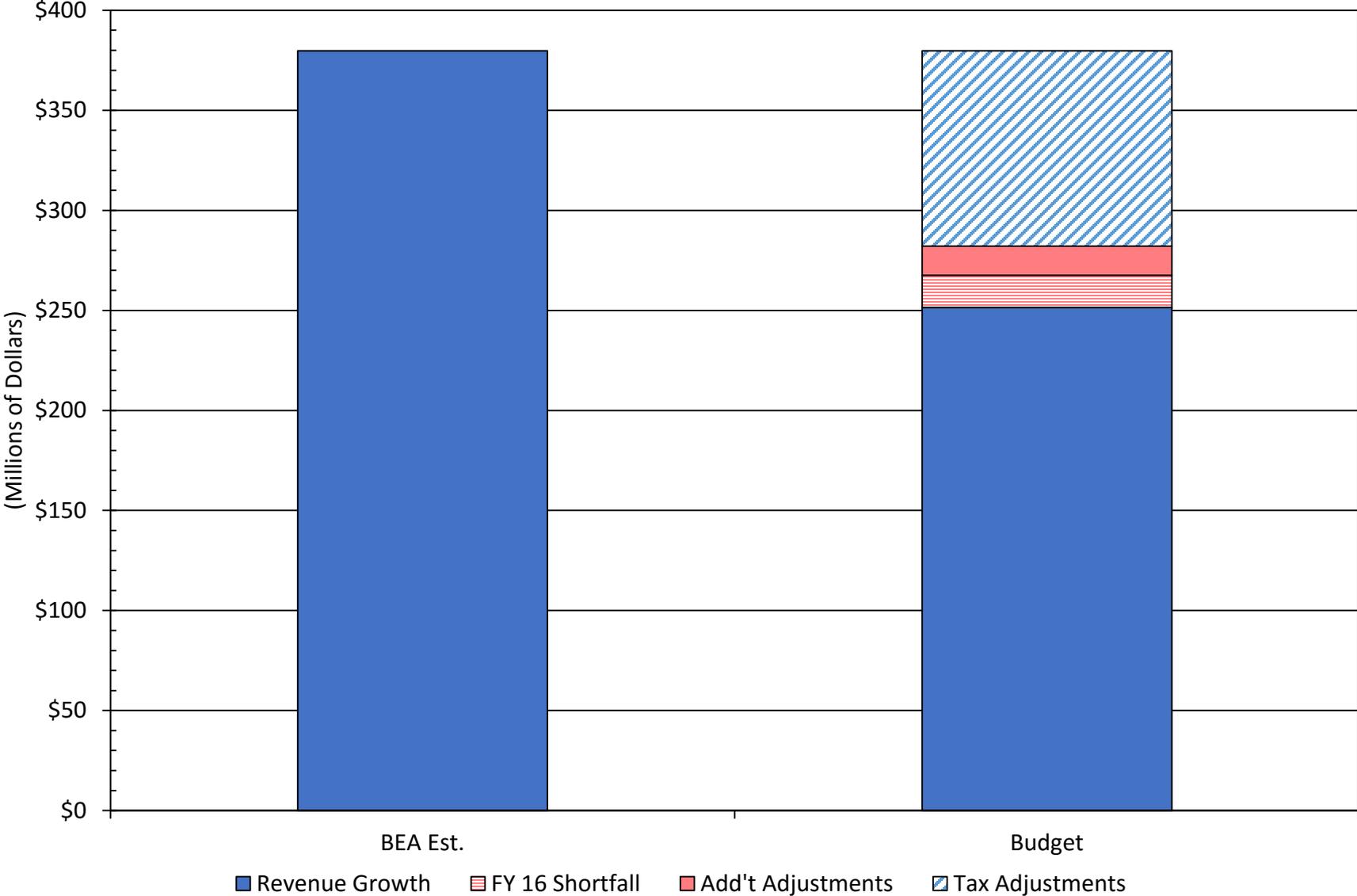
Note: Detail may not sum to total due to rounding.

FY 16 REVENUE (Estimates & Actuals) AND FY 17 REVENUE ESTIMATES



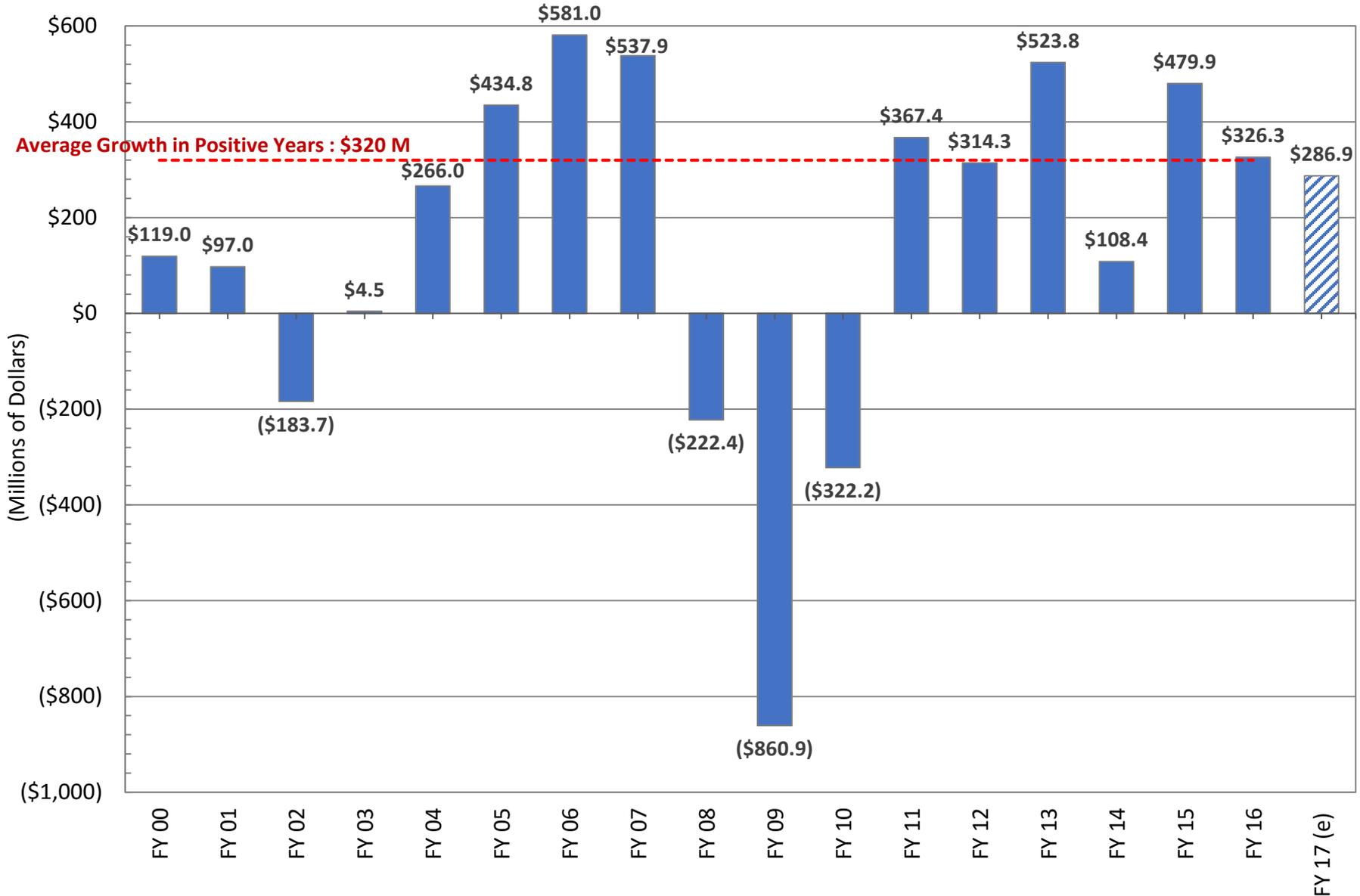
Source: RFA/FAR/09/16/16

FY 2016-17 BUDGET REVIEW

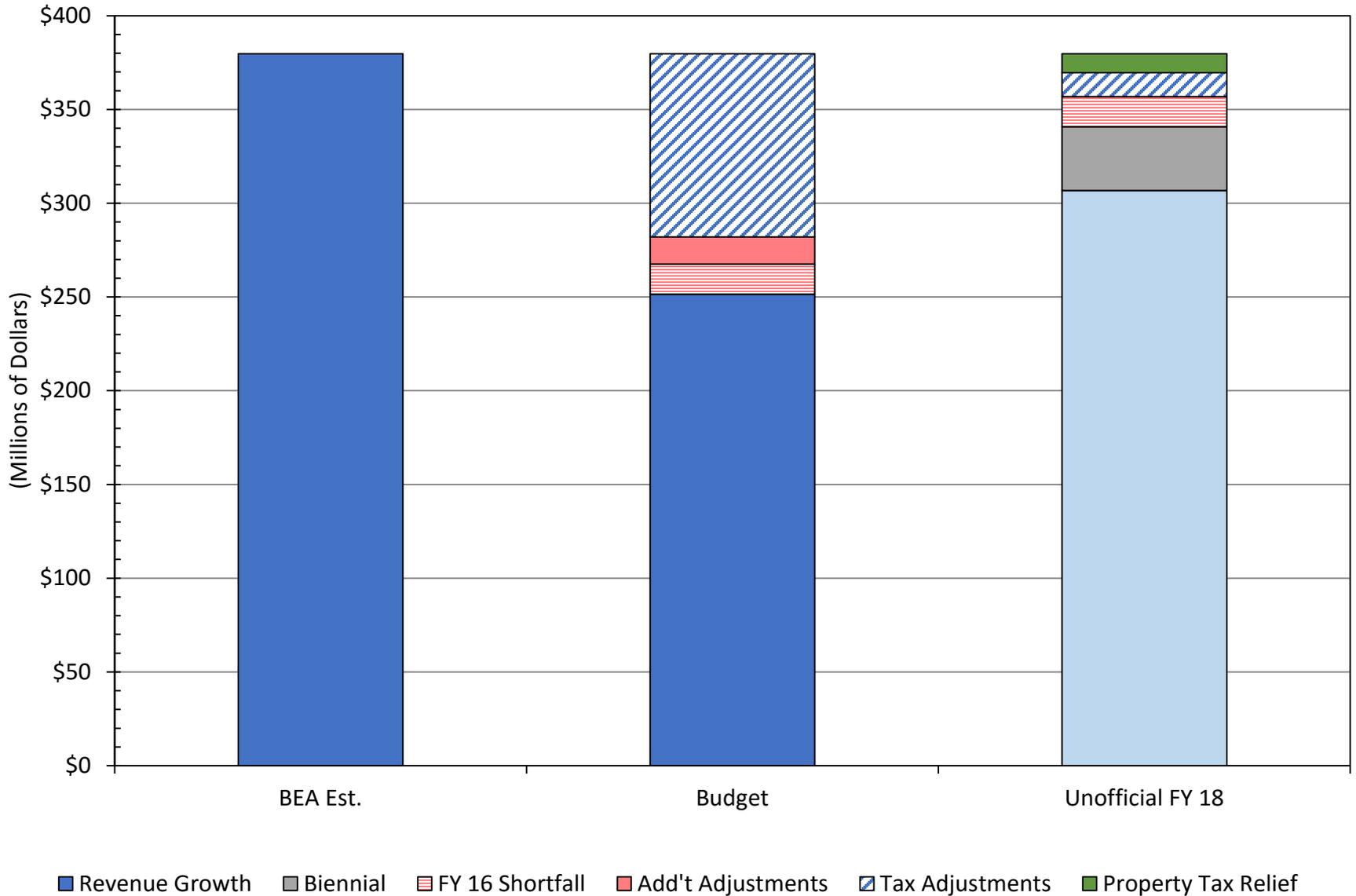


Source: S.C. Revenue and Fiscal Affairs –FAR/09/16/16

ANNUAL GENERAL FUND REVENUE GROWTH

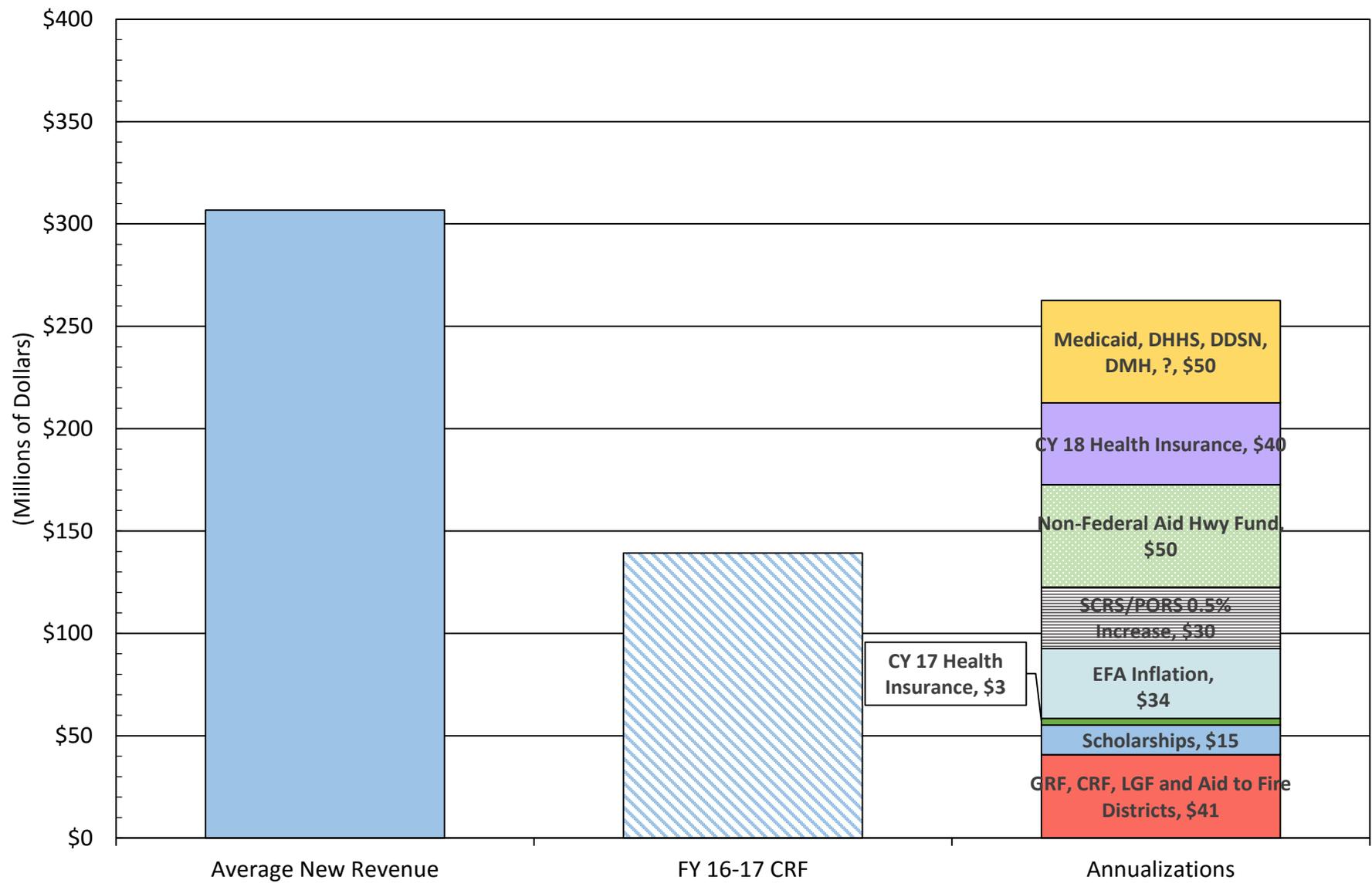


UNOFFICIAL FY 2017-18 VS. FY 2016-17

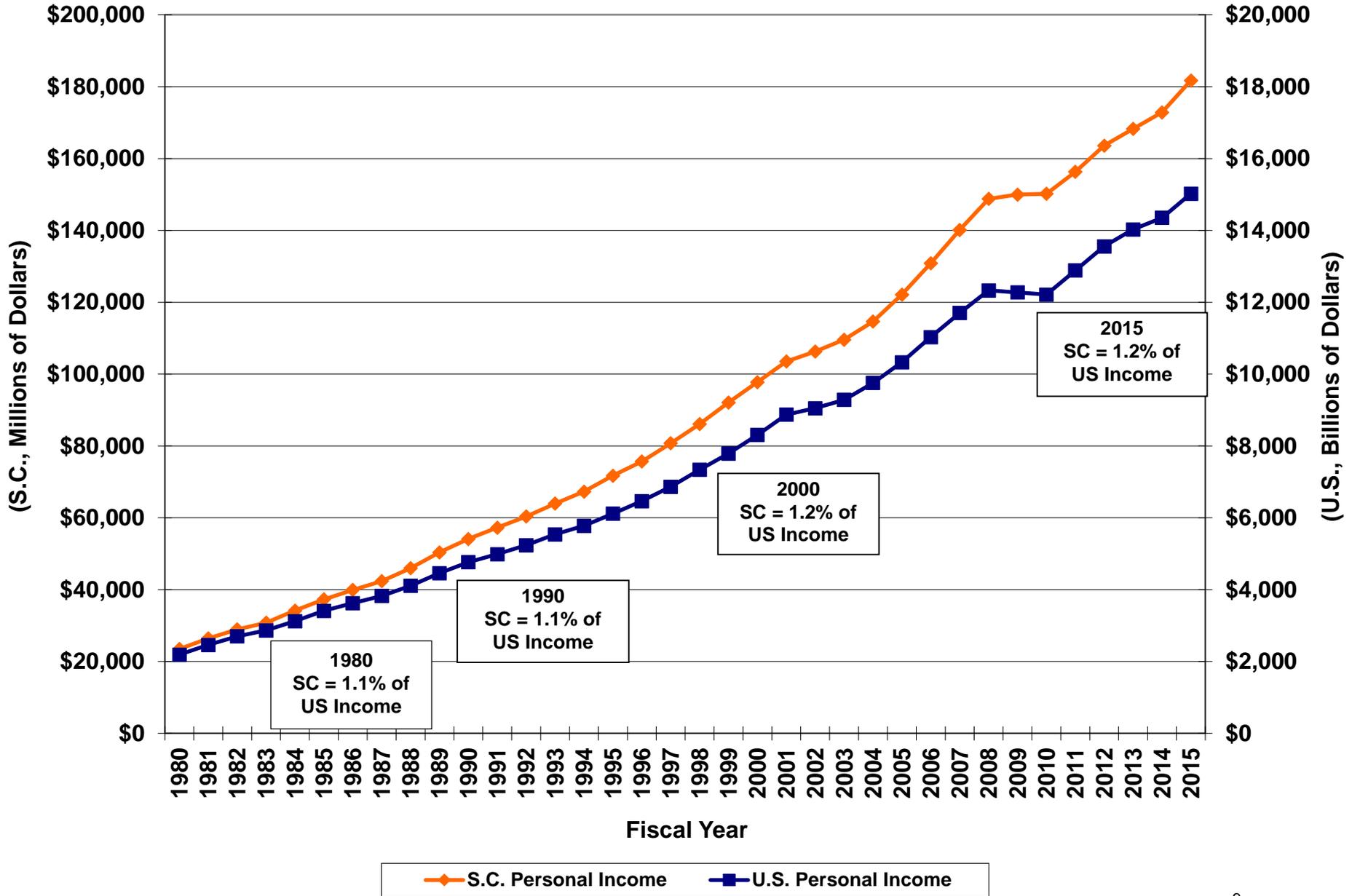


FY17-18 "PRELIMINARY" OUTLOOK

(Annualizations based on Formulas and Historic Average Growth)

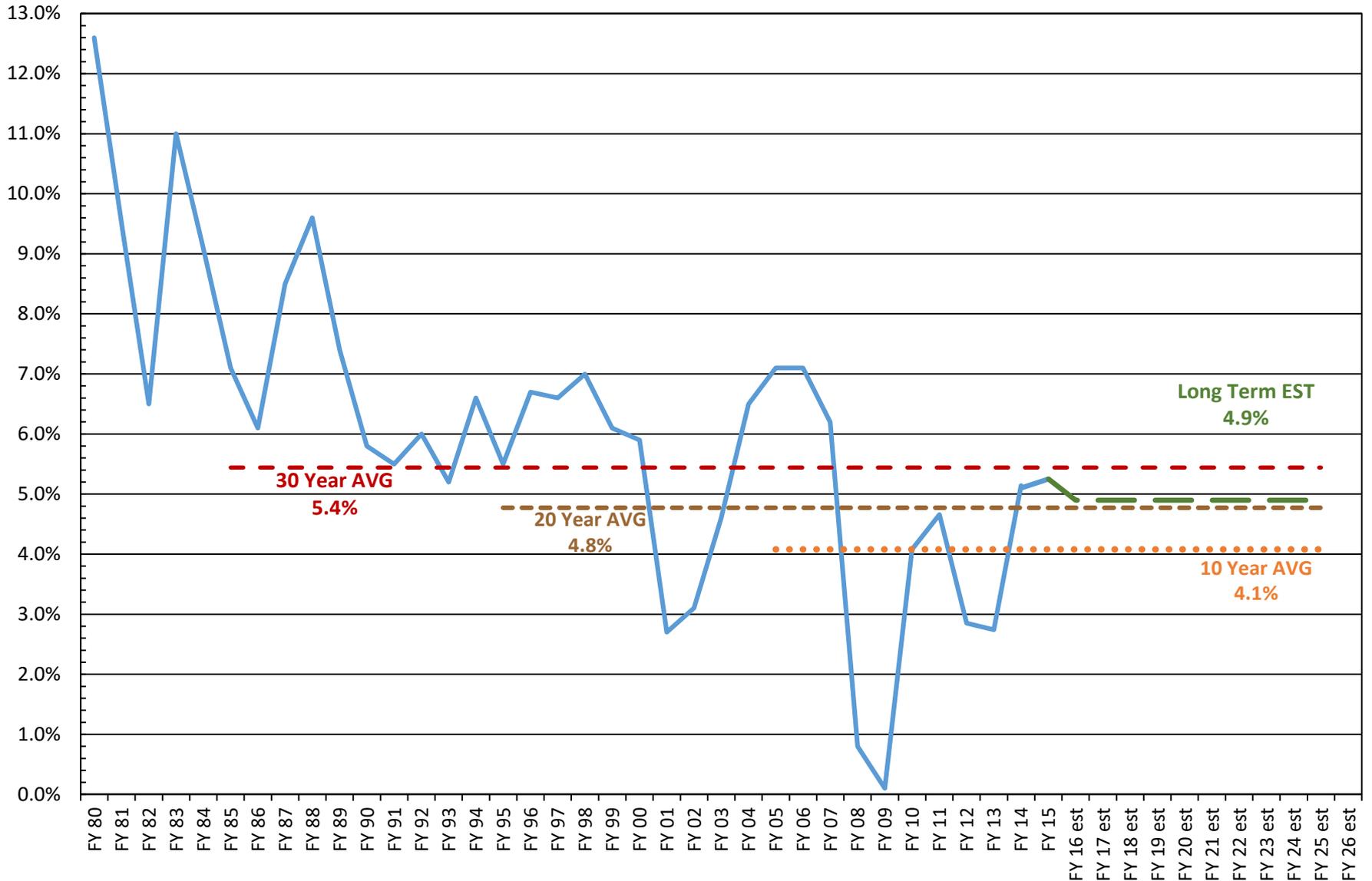


Personal Income in the United States and South Carolina



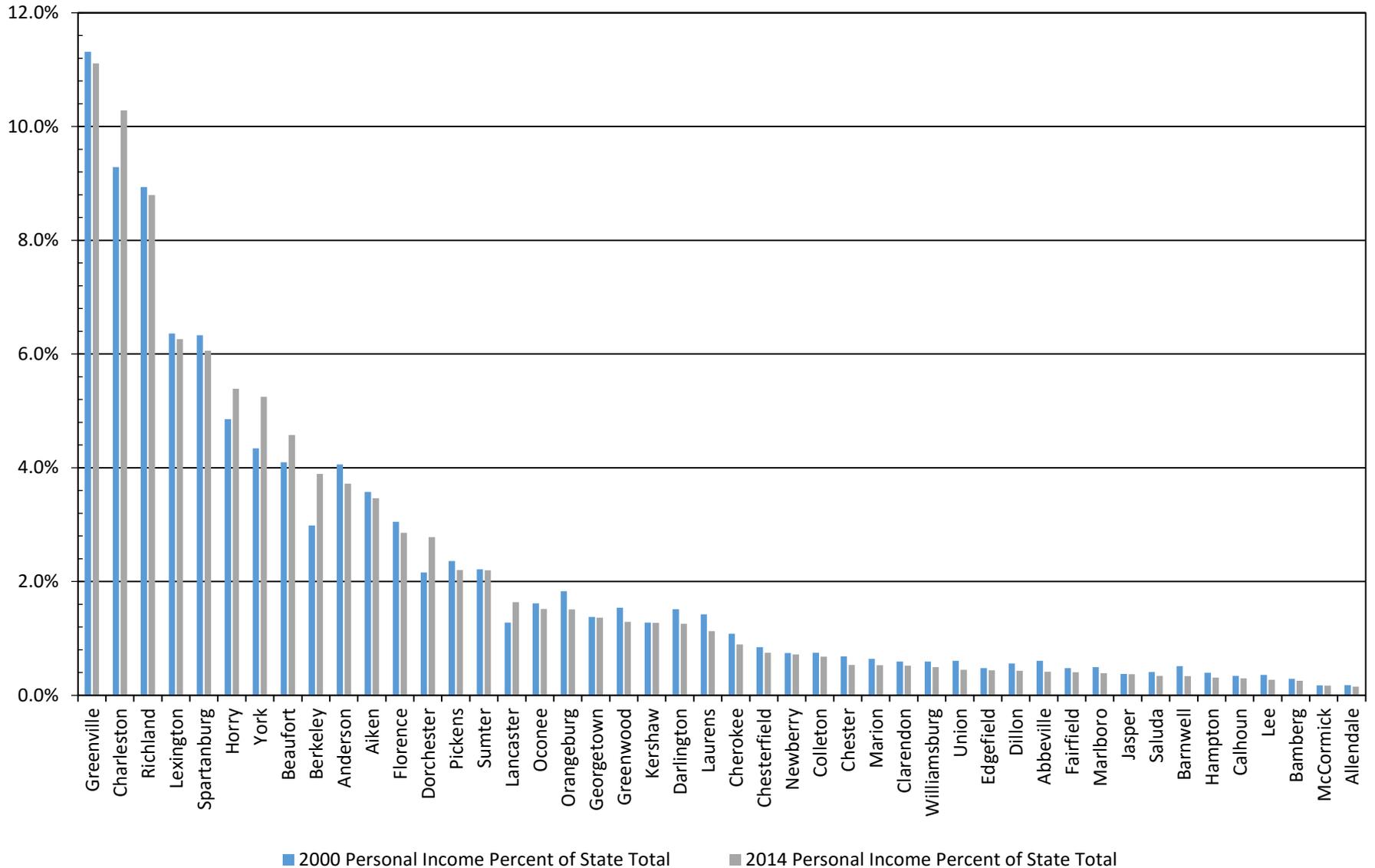
SC PERSONAL INCOME FY GROWTH RATES

Actuals, Estimates, and Averages

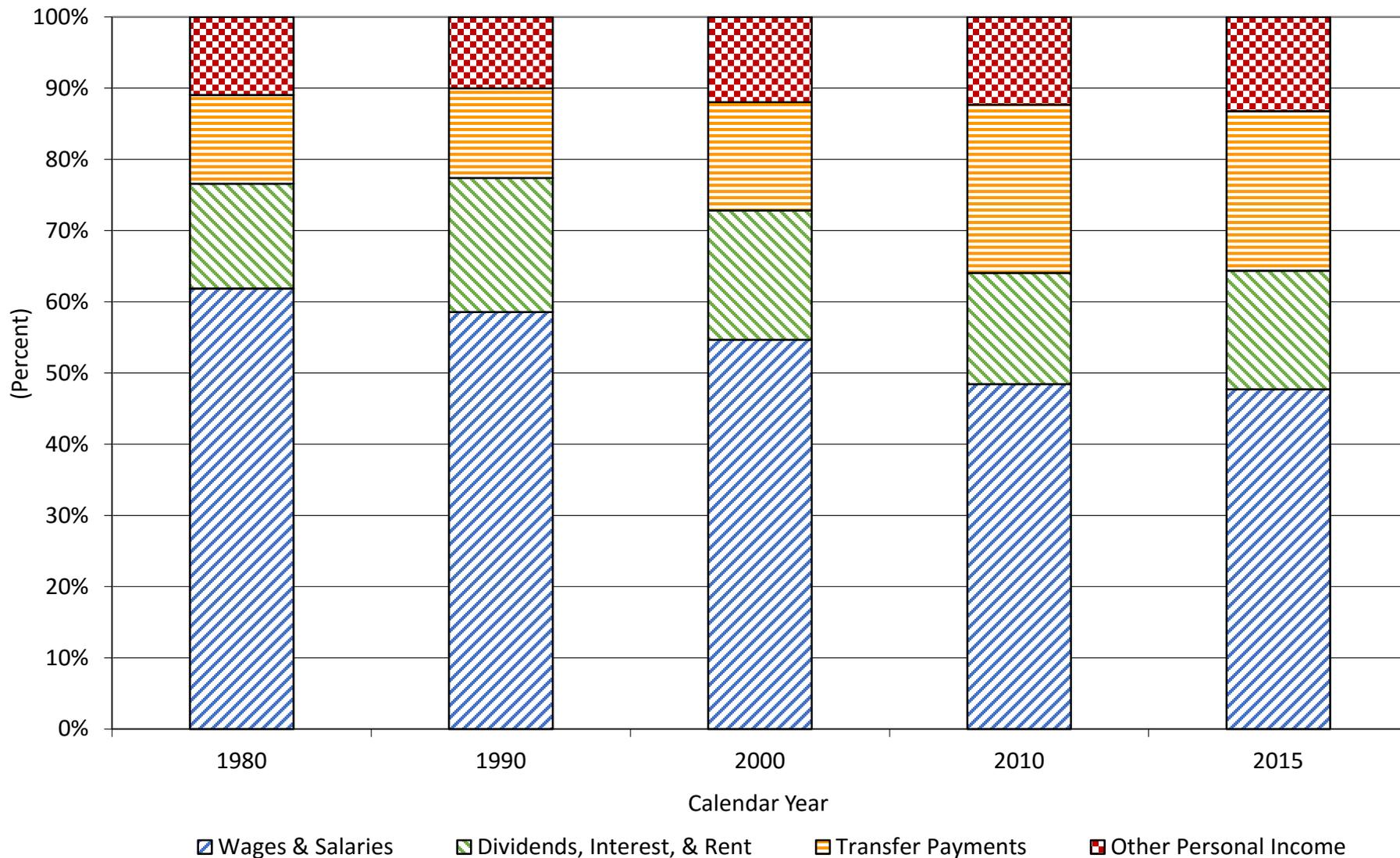


Source: US Department of Commerce, Bureau of Economic Analysis RFA-LJ/08/19/16

PERSONAL INCOME BY COUNTY AS A PERCENT OF STATE TOTAL 2000 AND 2014



SHARES OF PERSONAL INCOME COMPONENTS In South Carolina



TRENDS:

IMPACTING THE FUTURE

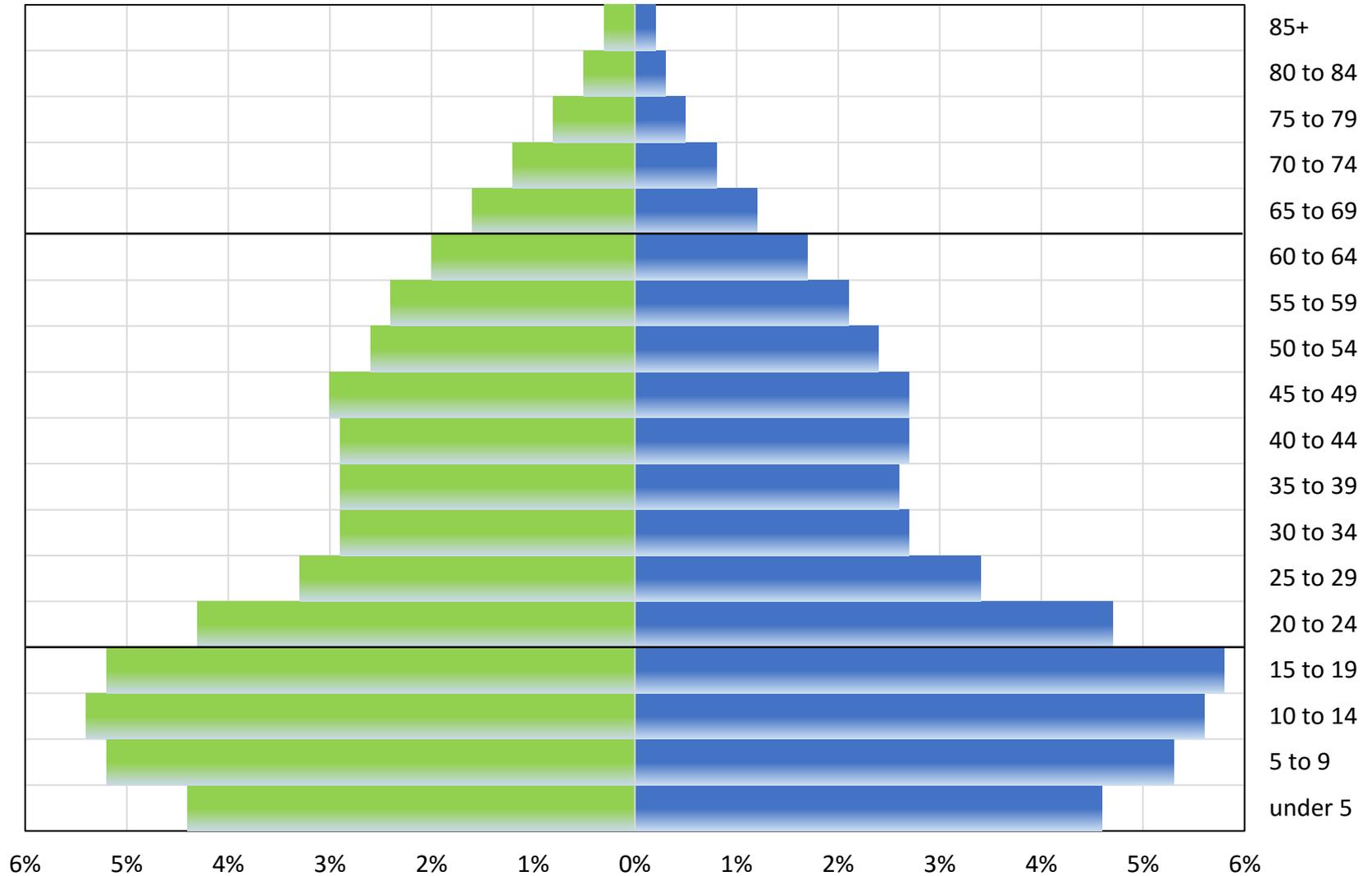


SOUTH CAROLINA POPULATION PYRAMID

1970

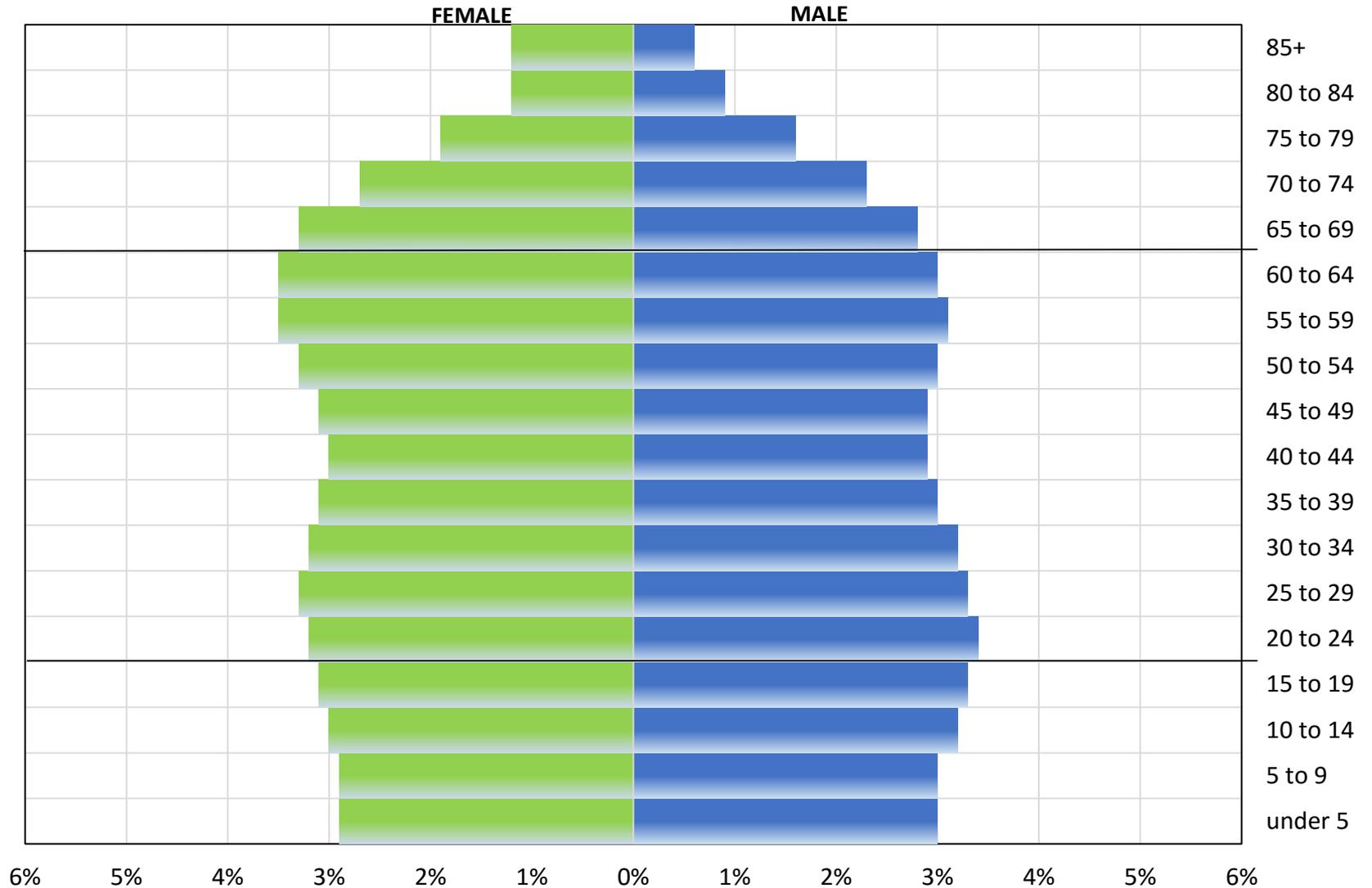
FEMALE

MALE



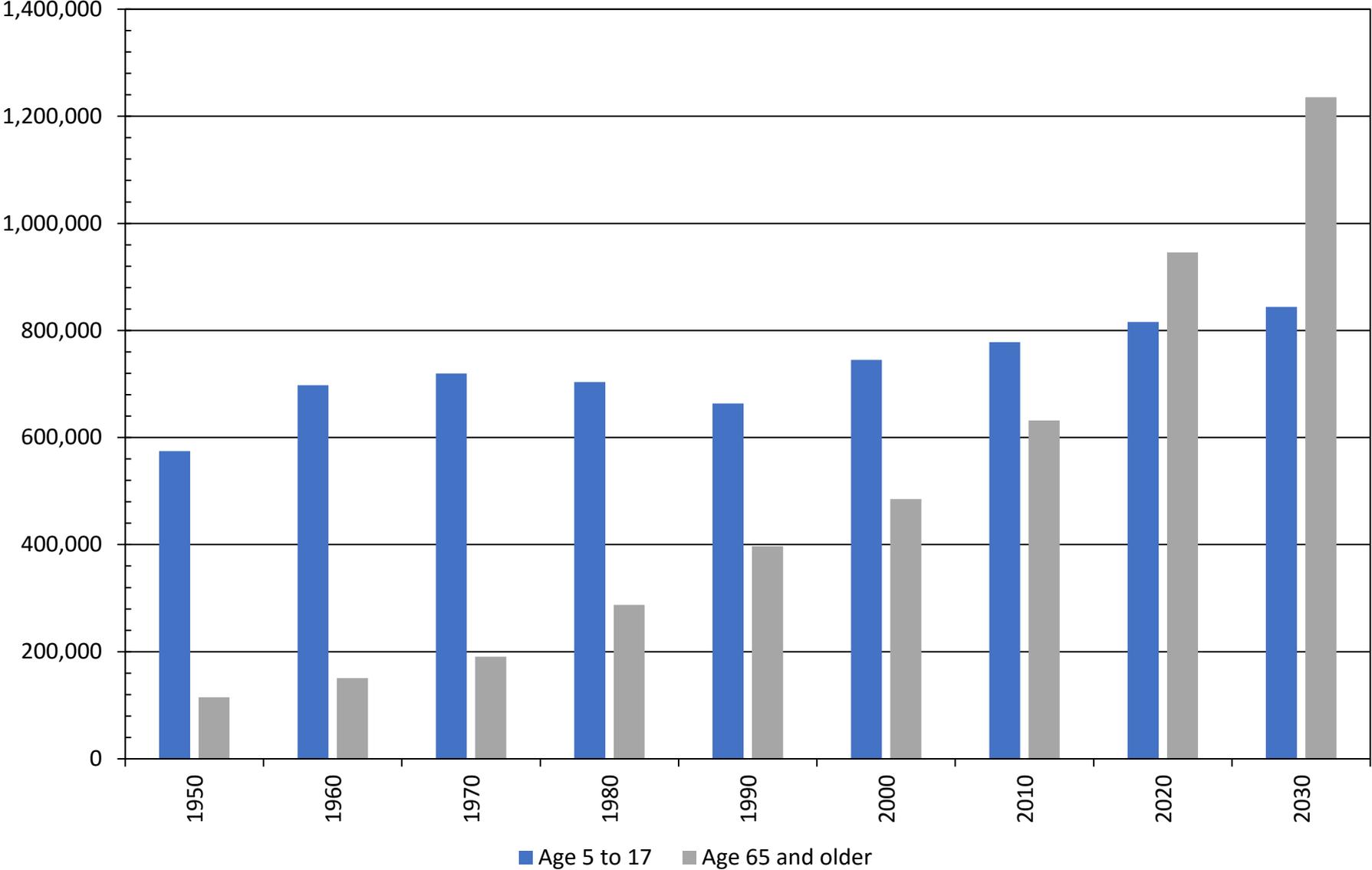
SOUTH CAROLINA POPULATION PYRAMID

Estimated 2020



SOUTH CAROLINA POPULATION TRENDS

Age 5 to 17 and Age 65 and Older



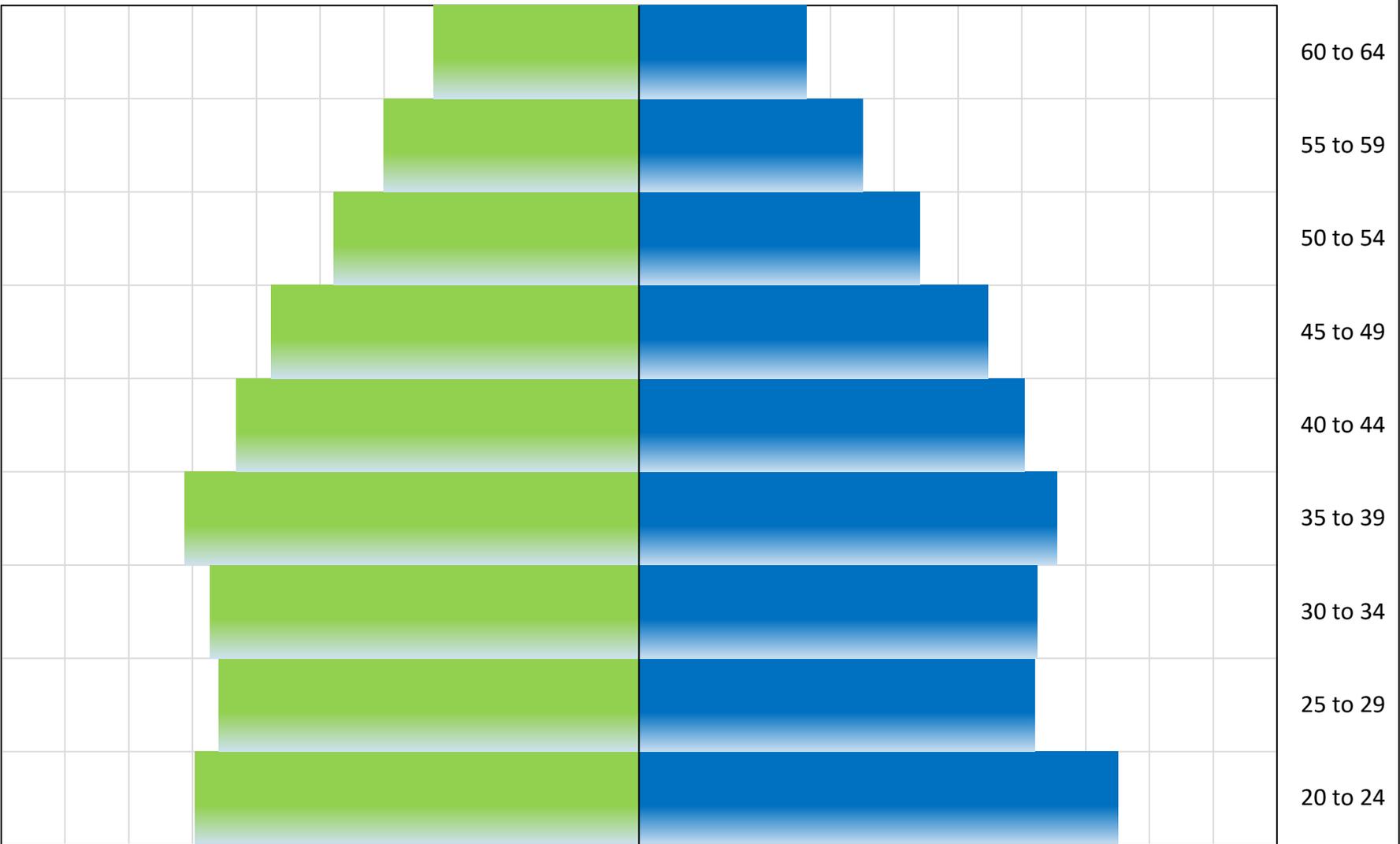
Source: Revenue and Fiscal Affairs Office: LPW

SHARE OF SOUTH CAROLINA WORKFORCE POPULATION BY AGE GROUP

1960

FEMALE

MALE



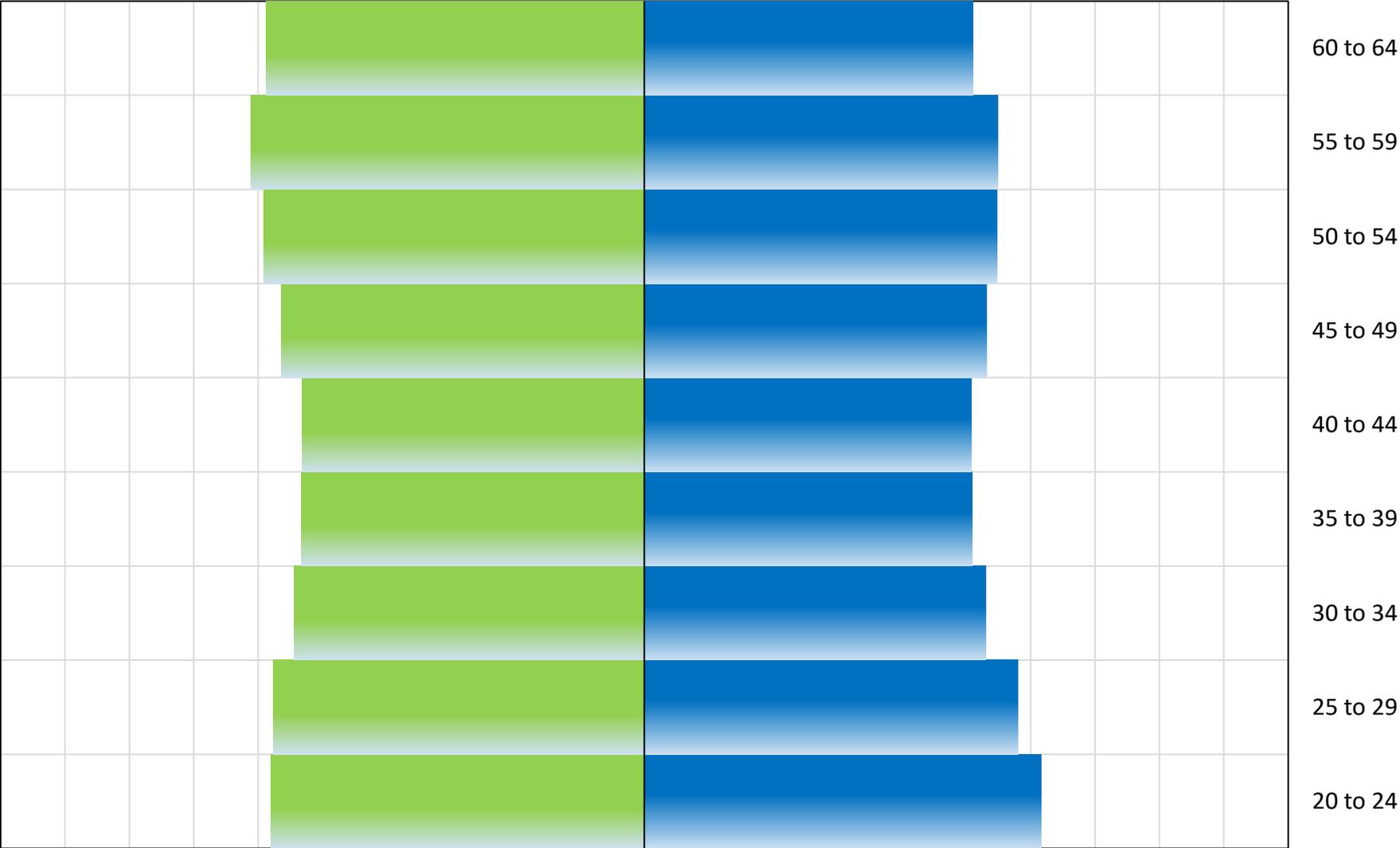
10% 9% 8% 7% 6% 5% 4% 3% 2% 1% 0% 1% 2% 3% 4% 5% 6% 7% 8% 9% 10%

SHARE OF SOUTH CAROLINA WORKFORCE POPULATION BY AGE GROUP

2016

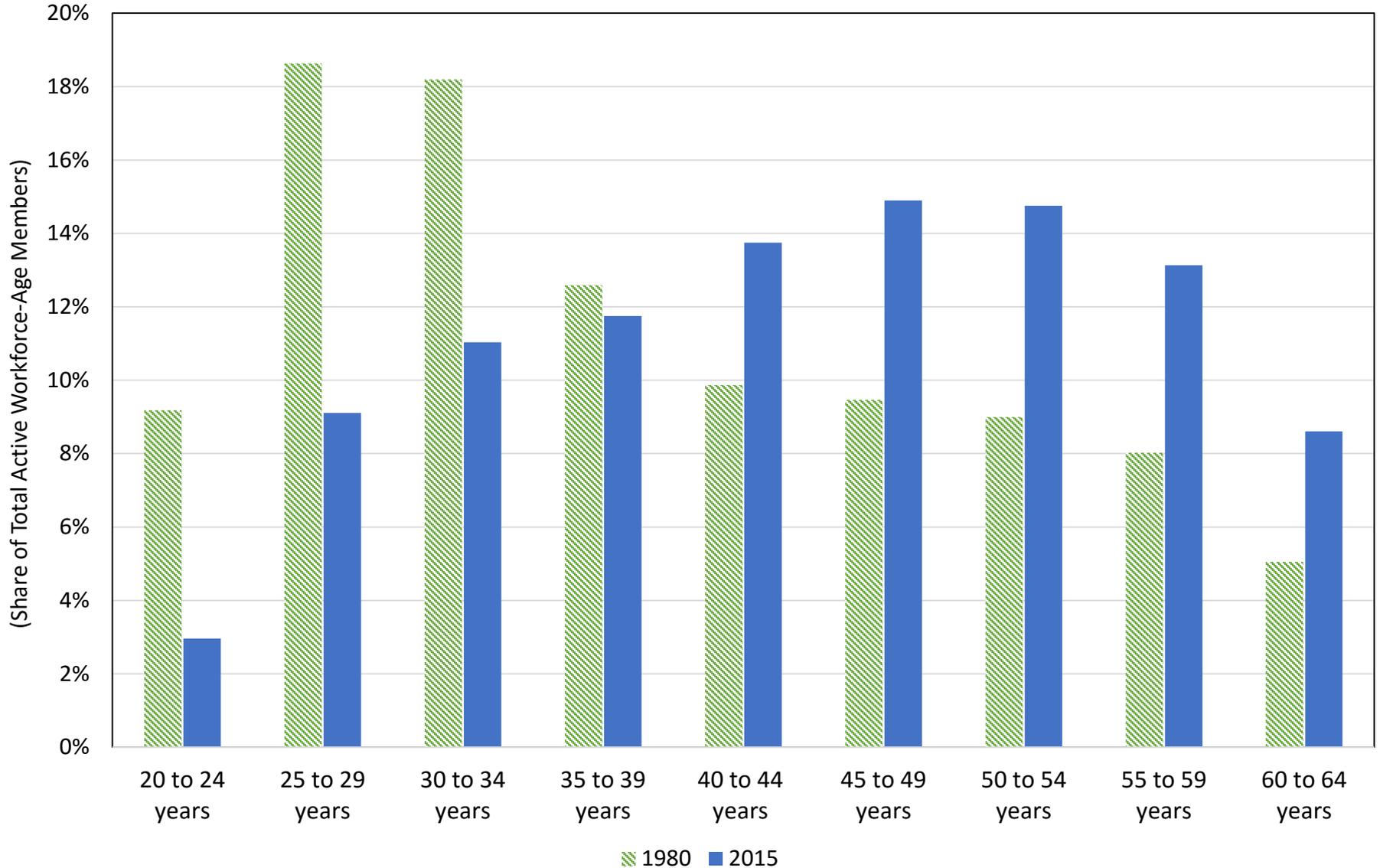
FEMALE

MALE



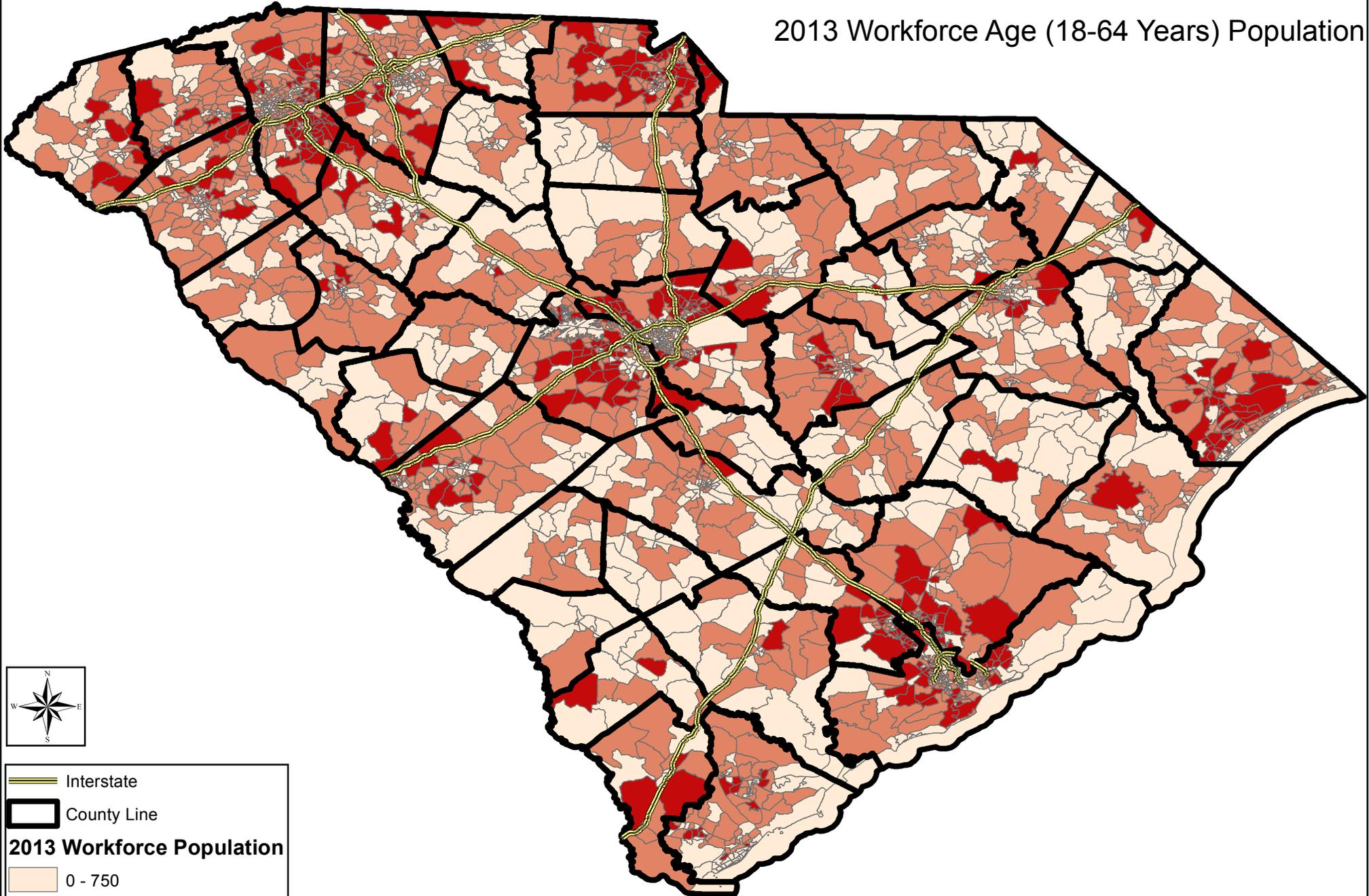
10% 9% 8% 7% 6% 5% 4% 3% 2% 1% 0% 1% 2% 3% 4% 5% 6% 7% 8% 9% 10%

SHARE OF SOUTH CAROLINA PEBA ACTIVE MEMBERS BY AGE GROUP 1980 vs. 2015



SOUTH CAROLINA

2013 Workforce Age (18-64 Years) Population

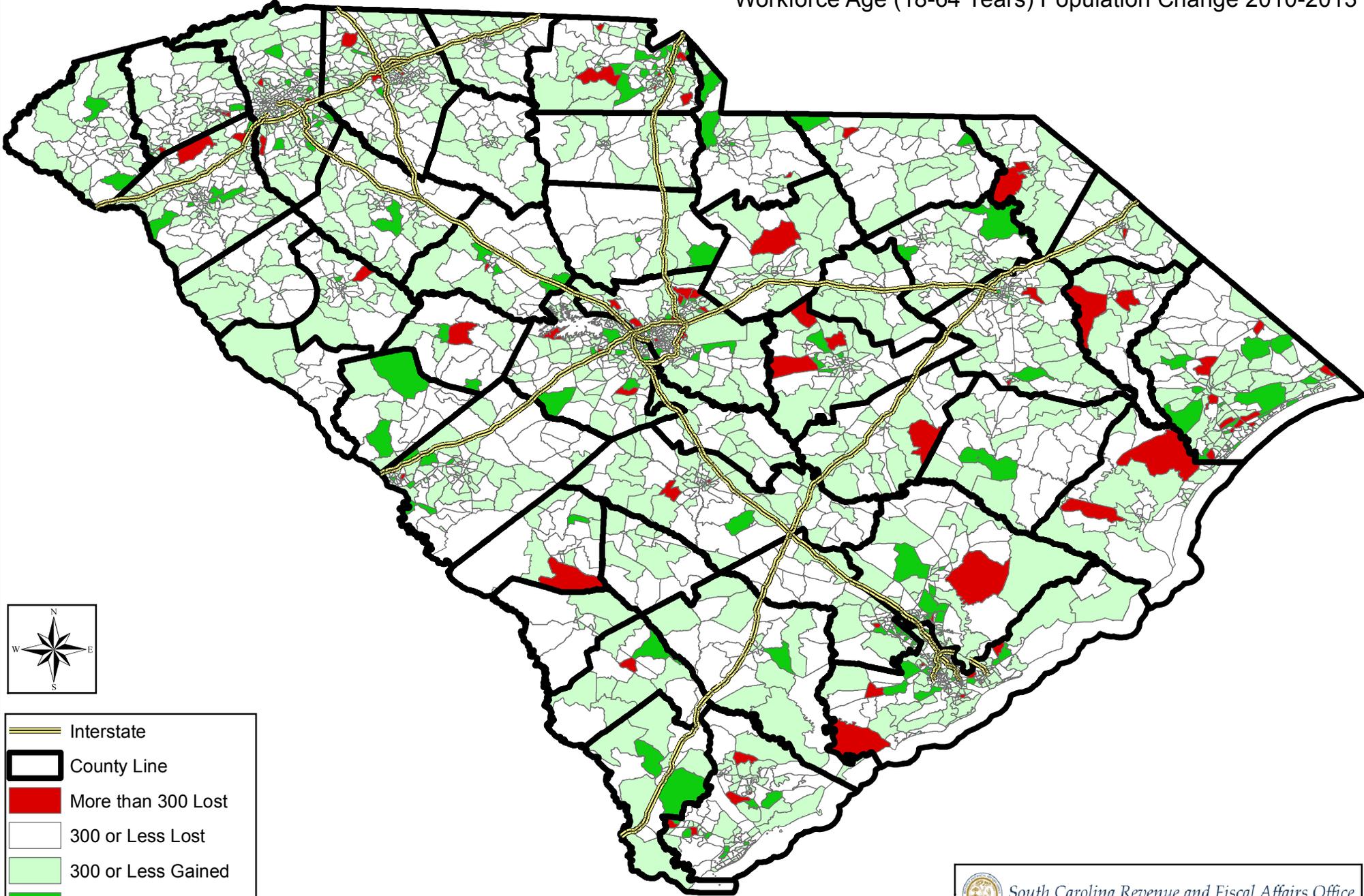


Legend:

- Interstate
- County Line
- 2013 Workforce Population**
- 0 - 750
- 751 - 1500
- 1501 - 6575

SOUTH CAROLINA

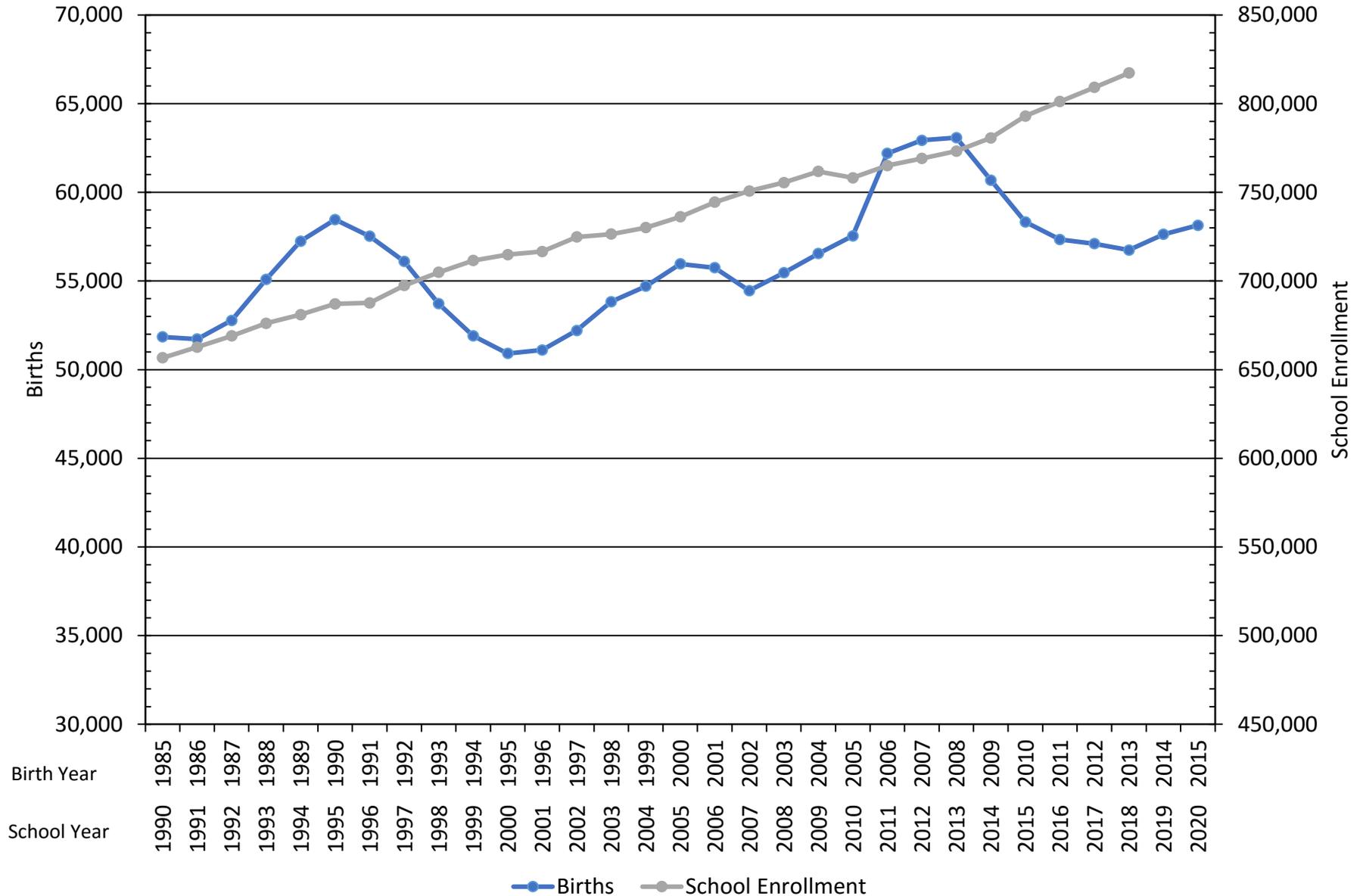
Workforce Age (18-64 Years) Population Change 2010-2013



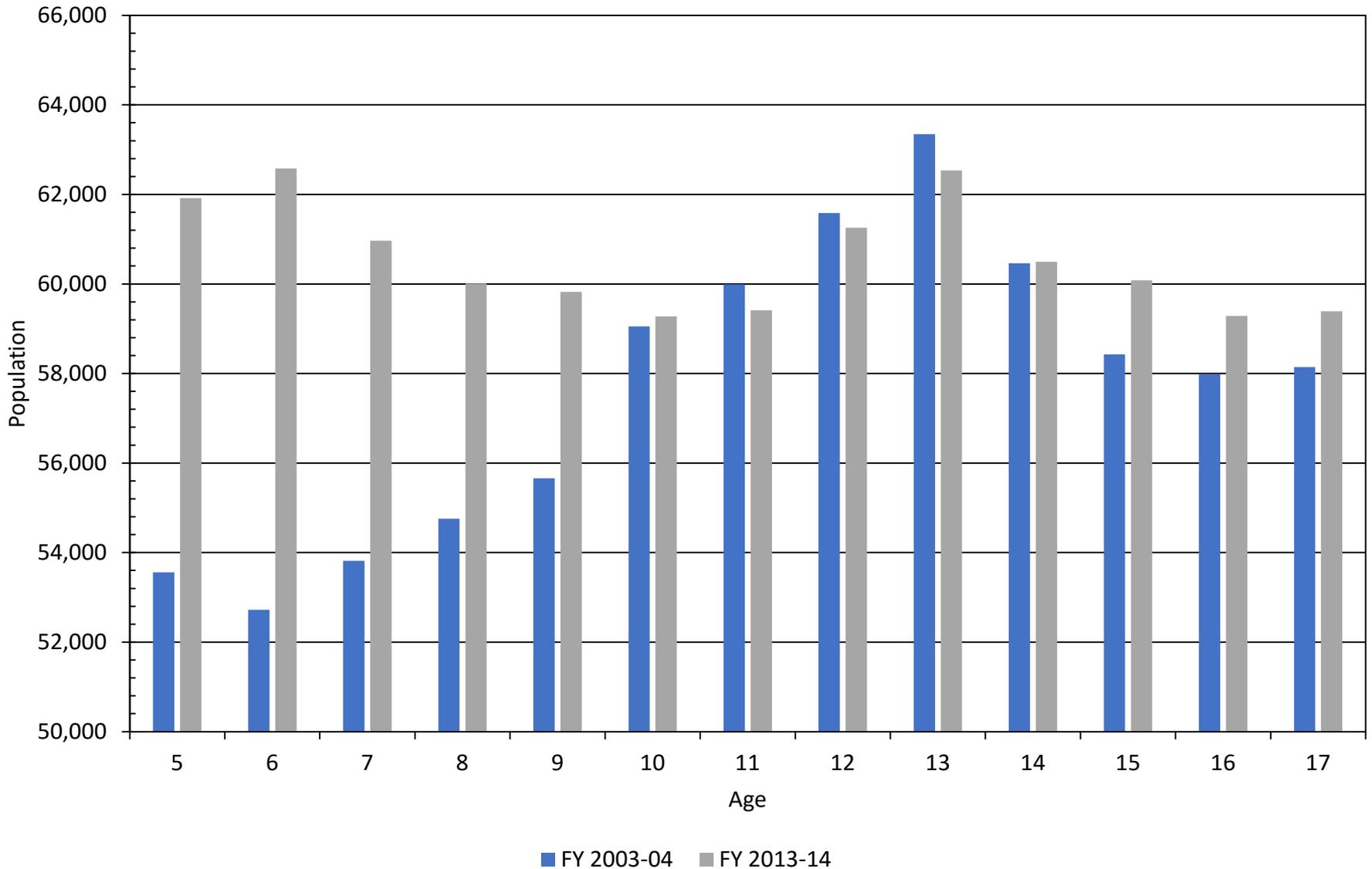
-  Interstate
-  County Line
-  More than 300 Lost
-  300 or Less Lost
-  300 or Less Gained
-  More than 300 Gained



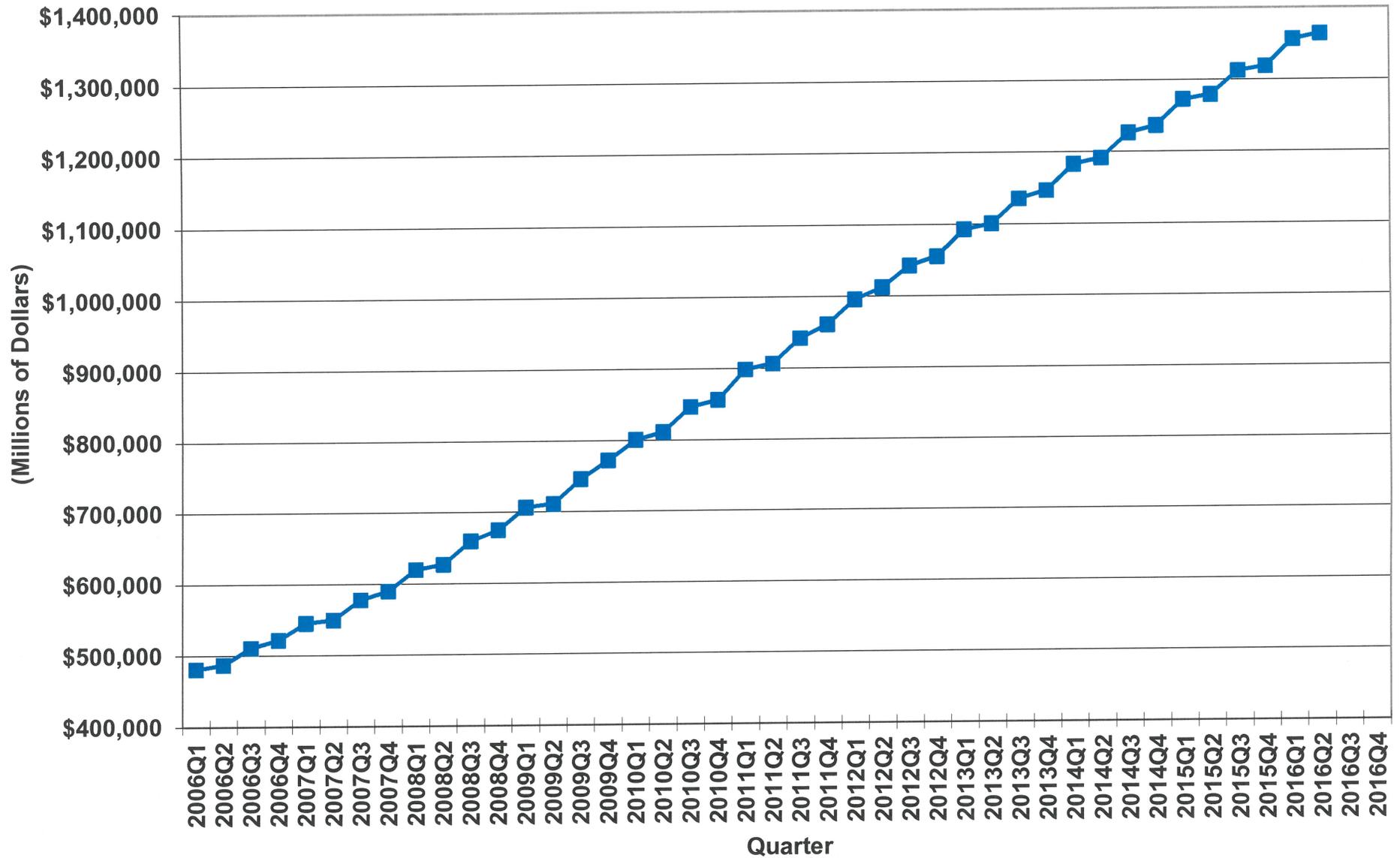
TOTAL SOUTH CAROLINA BIRTHS AND SCHOOL ENROLLMENT



SCHOOL AGE POPULATION (5-17 YEARS) FY 2003-04 and FY 2013-14

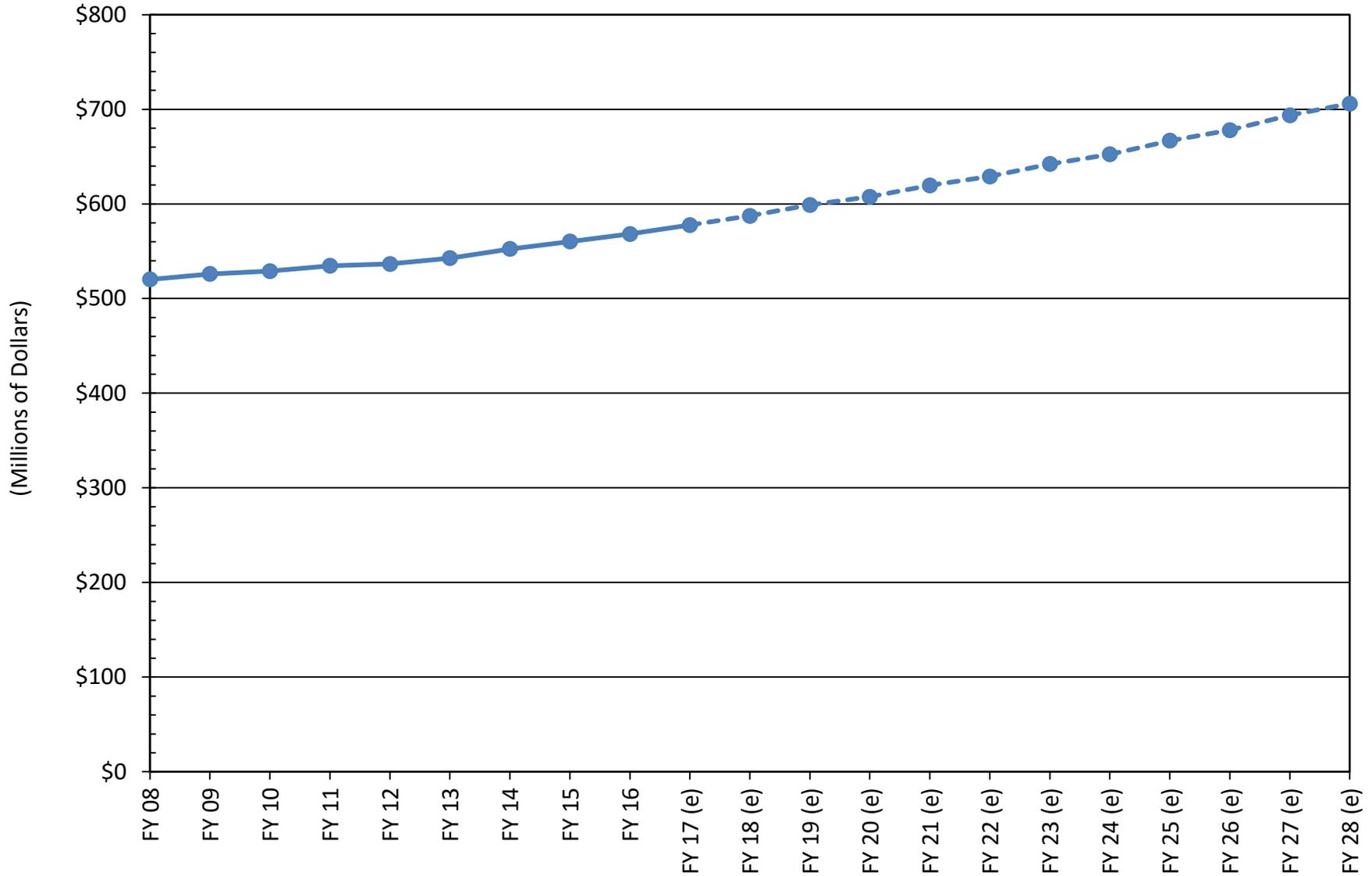


Total Outstanding Student Loan Debt in the U.S.

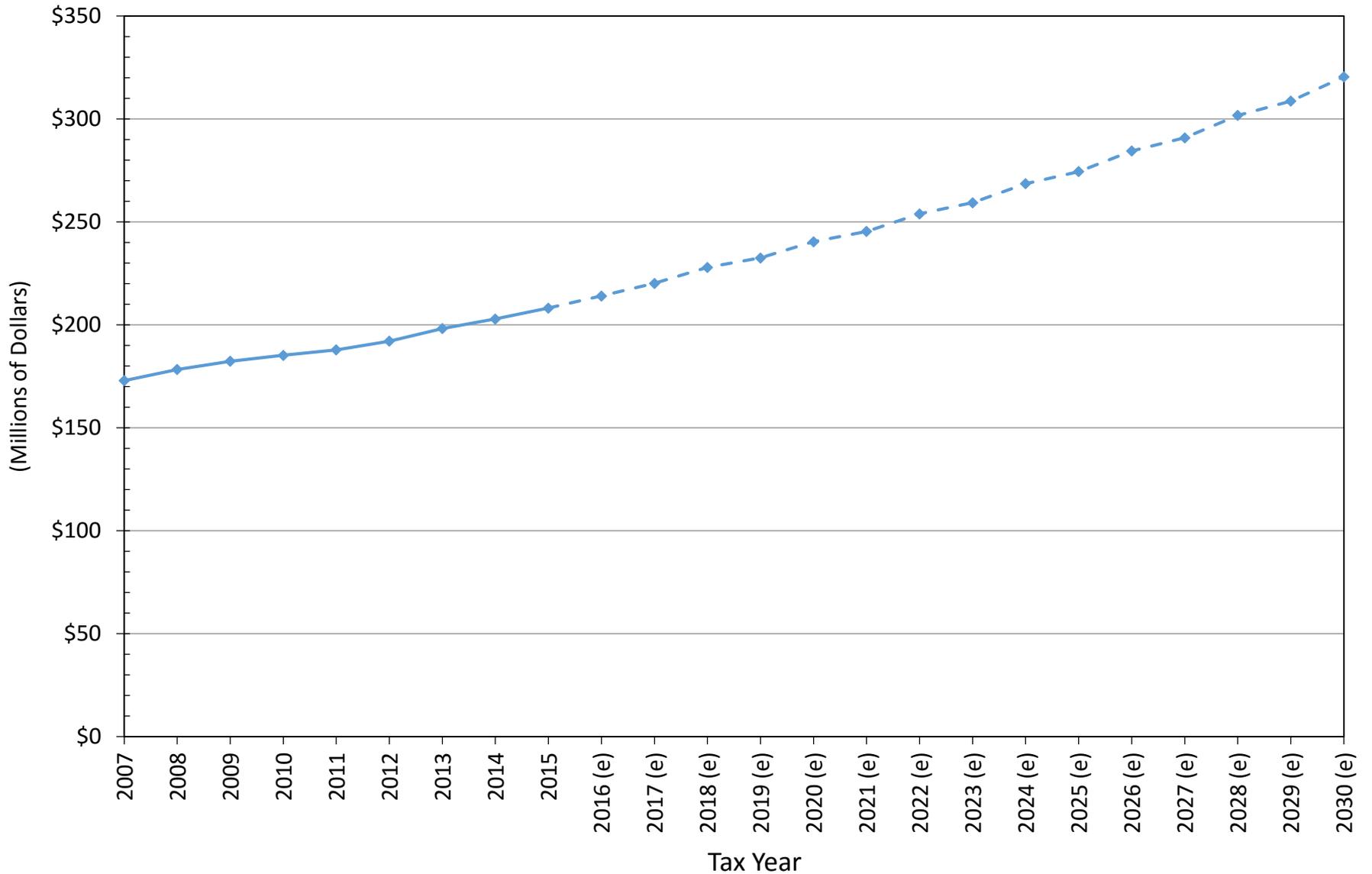


Source: The Board of Governors of the Federal Reserve System
 SCBEA/RWM/08/25/16

TRUST FUND FOR TAX RELIEF

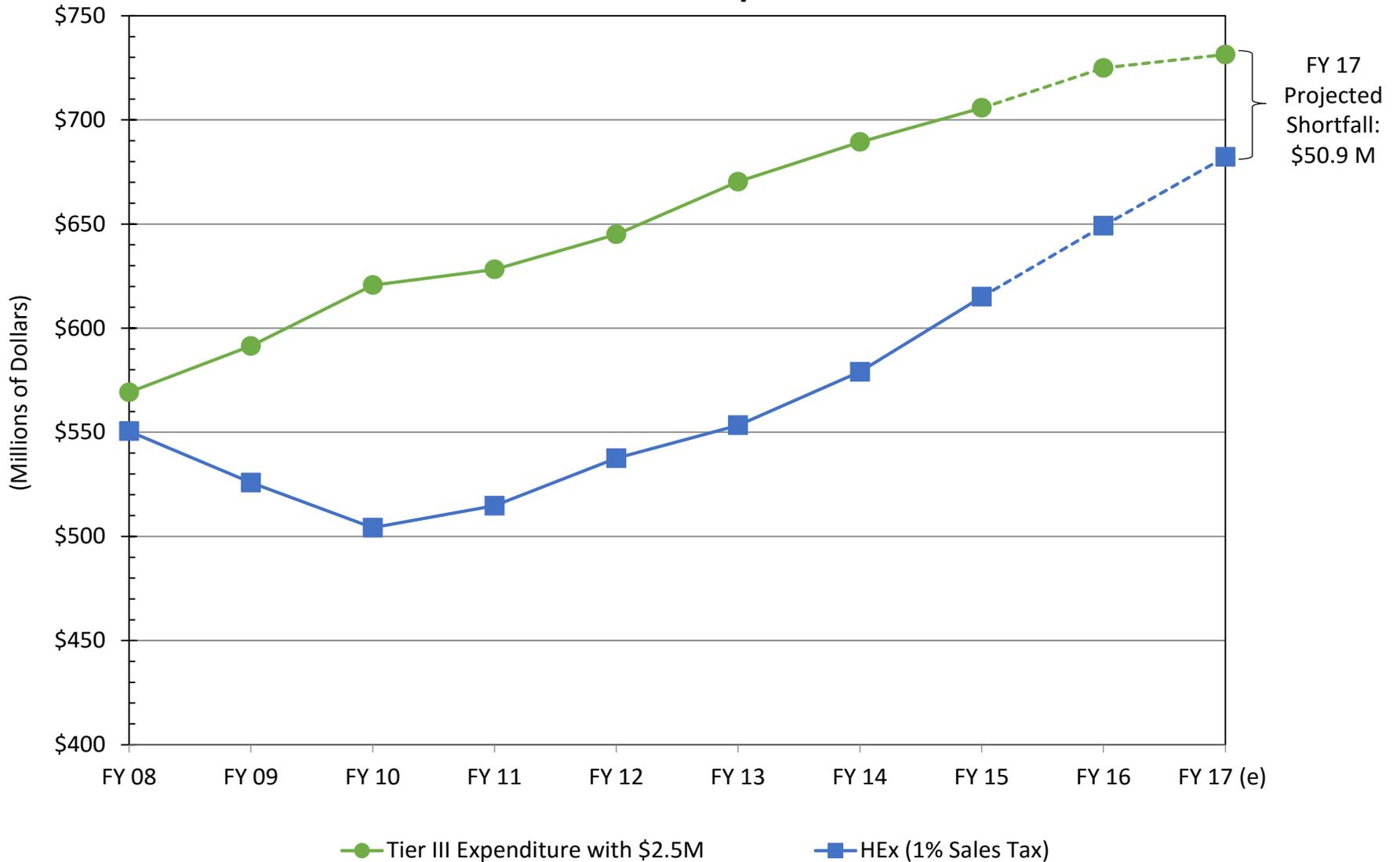


PROJECTED OVER 65 HOMESTEAD EXEMPTION REIMBURSEMENTS 2007 to 2030



HOMESTEAD EXEMPTION FUND (TIER III)

Revenues and Expenditures



Note: Tier III Expenditure includes \$2.5M minimum disbursements and lease purchase lawsuit revisions. Revenue projection based upon 02/10/16 BEA forecast.

