

From: Chad Walldorf <chad@eightysixllc.com>

To: Veldran, KatherineKatherineVeldran@gov.sc.gov

Date: 5/20/2015 4:12:35 PM

Subject: FW: April Revenue & May Meeting Update - PRELIMINARY

Attachments: BEA May 2015 Meeting - preliminary.pdf

fyi

From: Chad Walldorf

Sent: Wednesday, May 20, 2015 4:11 PM

To: 'rick@rickquinn.com'

Subject: FW: April Revenue & May Meeting Update - PRELIMINARY

Rick,

Per your request, see BEA staffs' preliminary recommendations below. As I'm sure you know, any increase voted on at next week's meeting will be in non-recurring dollars for the current budget year. Historically, however, that has also generally resulted in an additional corresponding increase in the recurring base budget for the following year.

Thanks,

Chad

From: Rainwater, Frank [<mailto:Frank.Rainwater@rfa.sc.gov>]

Sent: Friday, May 08, 2015 12:39 PM

To: Chad Walldorf; Howell Clyborne; Emerson Gower; Rick Reames (ReamesR@sctax.org)

Cc: Martin, Robert; DiBiase, Greg; Dunbar, Jade; Meredith Cleland; Boles, Les; Shuford, Gordon

Subject: April Revenue & May Meeting Update - PRELIMINARY

Hi Chad, Emerson, Howell, and Rick,

Attached are a couple of preliminary sheets about April Revenue and overall status. We will have more for you later next week, but wanted to share the big picture with you before the weekend started (Monday is a holiday too) In regards to the forecast, through April, we are \$199.5 million above estimates. A large portion of this is due to Individual Income tax payments (Apr 15) and we still are concerned that some of the surplus is due to timing. Here is a summary of where we **think** we are and what we will focus on for next week. But, this is very positive.

Sales Tax growth slowed and is \$19.3 million above estimate; we think this is solid and can raise the estimate by \$20 million.

Admission Tax is ahead of the estimate by \$2.7 million and we can raise the estimate by \$3 million

Bank Tax is down \$1.0 million below estimate, but we recommend no change.

Documentary Stamp is \$2.2 million above estimates and we can increase by \$2 million.

Insurance Tax is \$2.2 million above estimate and we increase by \$2 million.

Corp Income fell back this month and is \$5.5 million above estimate, but we are thinking no change given the normal volatility in this category.

Dept Revenue is \$10 million above estimates (due to several items) and we think we can raise the estimate by \$10 million

*Corporate License Tax is still up \$35.1 million, but we are concerned about timing and the estimate we have for June and we might fall short then. However, we have already exceeded the estimate for the full year so any money received the next two months is additional surplus; we're thinking raise the estimate by \$10 million.

Individual Income is \$123.6 million above the estimate. We are still concerned about being behind in refunds which is about \$36 million. At this point, we would not recommend changing the refund estimate and which would reduce the surplus by this amount. We, however, will continue to monitor refund processing and will update you on refunds as the month progress. Ind Dec are \$10 million above the estimate and think this is solid and can increase.

Withholdings fell back a little and is only \$5 million above the estimate (being of \$5 million in a \$3.3 billion item is pretty good) and we would not change this estimate. The big item, though, is Paid with Returns. We are \$74 million above the estimate and do not expect any timing issues to affect this in May (but will double check and make sure). We think we can raise this time by \$75 million.

In sum, as of today, the recommended increases are

Sales - \$20 million

Admissions - \$3 million

Documentary Stamps - \$2 million

Insurance - \$2 million

Dept Revenue - \$10 million (subject to some verification)

Corp License - \$10 million

Individual Income \$85 million (subject to review of refunds being processed in May)

Total - \$132 million plus or minus what we learn on refunds, Corp License, and Dept Revenue.

Please note, however, the CG numbers are preliminary and are subject to some adjustments, but we don't expect any changes that would significantly changes these numbers. Most of this will carryover into FY 16, but we are still working through this and may provide some adjustments.

Have a good weekend.

Frank