

GENERAL FUND REVENUE COLLECTIONS - FEBRUARY 2014

REVENUE CATEGORIES	FY2012-13	FY2013-14	\$ CHANGE	% CHANGE
Sales Tax - Total	175,918,598	153,865,854	(22,052,744)	(12.5)
Individual Income Tax	(115,562,904)	(248,422,018)	(132,859,114)	(115.0)
Corporation Income Tax	7,708,692	(543,450)	(8,252,142)	(107.0)
Admissions Tax - Total	1,611,050	1,957,559	346,509	21.5
Alcoholic Liquor Tax	5,644,444	6,373,698	729,254	12.9
Beer and Wine Tax	7,483,405	8,034,588	551,183	7.4
Business License Tax	2,905,529	1,861,104	(1,044,425)	(35.9)
Corporation License Tax	1,606,002	6,601,909	4,995,907	311.1
Departmental Revenue	2,093,926	2,074,865	(19,061)	(0.9)
Documentary Tax	1,982,873	2,192,406	209,533	10.6
Earned on Investments	2,131,966	1,571,924	(560,042)	(26.3)
Insurance Tax	2,798,403	2,186,240	(612,163)	(21.9)
Other Miscellaneous Taxes	2,047,430	1,340,183	(707,247)	(34.5)
Gross General Fund Revenue	\$98,369,414	(\$60,905,138)	(\$159,274,552)	(161.9)

FEBRUARY 2014

- GENERAL FUND REVENUE DECLINED \$159.3 MILLION OR 161.9 PERCENT FROM FEBRUARY A YEAR-AGO.
- THE DECLINE WAS LARGELY DUE TO:
 - THE TRANSFER OF \$28.6 MILLION OF SIX MONTHS VEHICLE SALES TAX (JULY-DECEMBER SALES) TO DOT.
 - THE TIMING OF \$524.0 MILLION IN INDIVIDUAL INCOME TAX REFUNDS. THIS IS \$97.1 MILLION MORE THAN A YEAR-AGO.
 - NO NEW ISSUES THAT RAISE A CONCERN REGARDING THE FORECAST OR ASSUMPTIONS.

GENERAL FUND REVENUE COLLECTIONS - JULY- FEBRUARY FY2013-14

REVENUE CATEGORIES	FY2012-13	FY2013-14	\$ CHANGE	% CHANGE
Sales Tax	1,395,908,035	1,440,584,623	44,676,588	3.2
Individual Income Tax	2,421,074,122	2,377,155,911	(43,918,211)	(1.8)
Corporation Income Tax	166,576,353	135,954,962	(30,621,391)	(18.4)
Admissions Tax - Total	11,761,059	13,038,158	1,277,099	10.9
Alcoholic Liquor Tax	35,793,451	37,743,988	1,950,537	5.4
Beer and Wine Tax	58,471,531	60,027,041	1,555,510	2.7
Business License Tax	16,220,982	15,201,018	(1,019,964)	(6.3)
Corporation License Tax	26,807,211	36,820,063	10,012,852	37.4
Departmental Revenue	27,845,427	55,889,504	28,044,077	100.7
Documentary Tax	16,689,080	20,393,626	3,704,546	22.2
Earned on Investments	18,918,713	13,542,607	(5,376,106)	(28.4)
Insurance Tax	114,960,966	89,499,856	(25,461,110)	(22.1)
Other Miscellaneous Taxes	71,090,502	64,956,574	(6,133,928)	(8.6)
Gross General Fund Revenue	\$4,382,117,432	\$4,360,807,931	(\$21,309,501)	(0.5)

"BIG 3 TAXES BY COMPONENTS: MONTHLY AND CUMULATIVE RESULTS, FEBRUARY 2014 (in Millions)

Notes: General Fund Revenue collections, only.

						TABLE 3 A
SALES, USE & EXCISE TAX COMPONENTS 1/	FEBRUARY of FY2012-13	FEBRUARY of FY2013-14	% CHANGE Month / Month	JULY-FEB. FY2012-13	JULY-FEB. FY2013-14	% CHANGE FY'13 - FY'14
GENERAL RETAIL	163.9	145.0	(11.5) %	1,298.7	1,336.9	2.9 %
USE TAX	10.4	11.5	10.0	86.5	96.6	11.6
RETAIL SALES / USE TAXES	174.3	156.5	(10.2)	1,385.3	1,433.5	3.5
CASUAL SALES - EXCISE	1.6	(2.6)	(261.0)	10.6	7.1	(33.1)
TOTAL SALES TAXES	175.9	153.9	(12.5) %	1,395.9	1,440.6	3.2 %

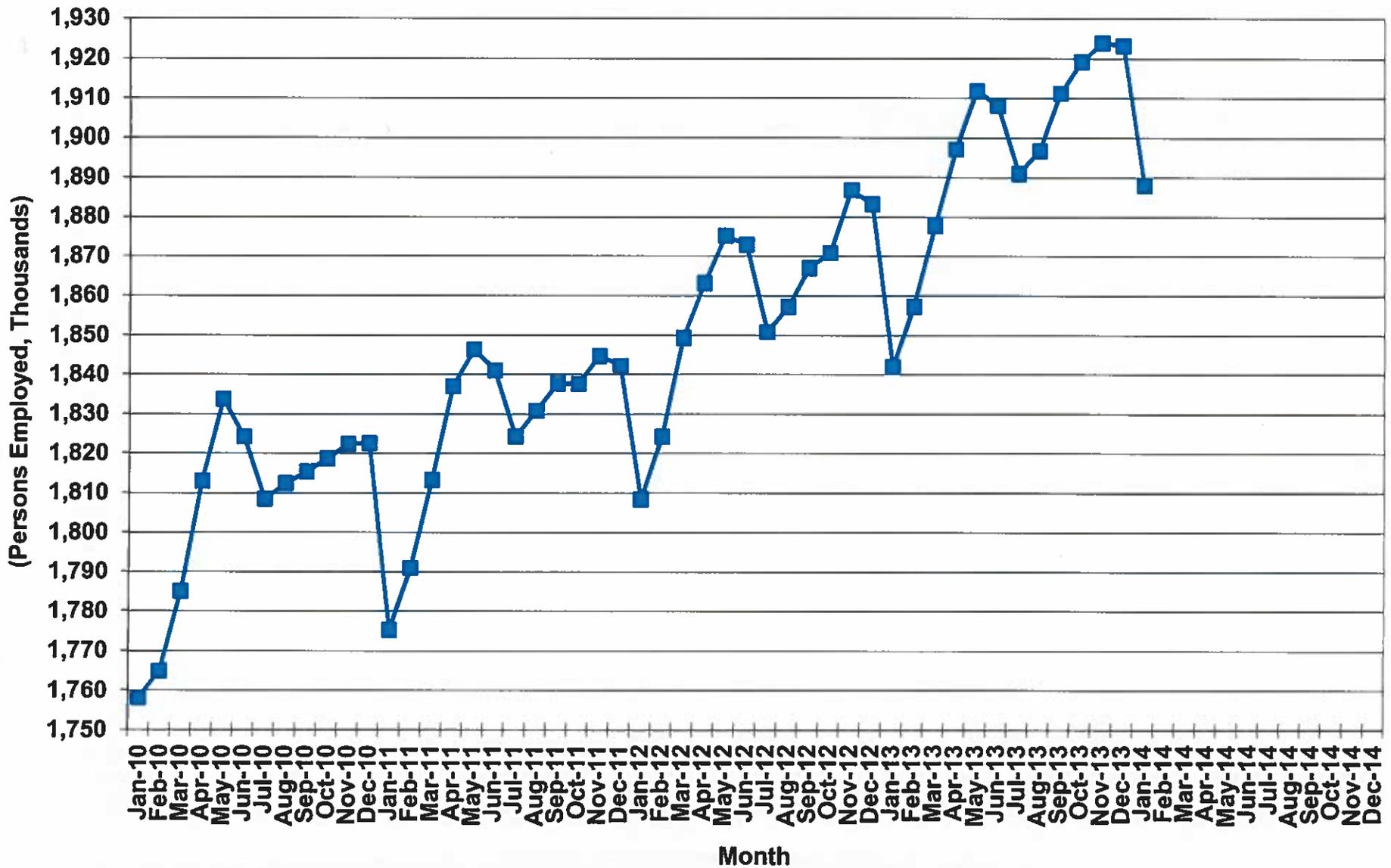
						TABLE 3 B
INDIVIDUAL INCOME TAX COMPONENTS 2/	FEBRUARY of FY2012-13	FEBRUARY of FY2013-14	% CHANGE Month / Month	JULY-FEB. FY2012-13	JULY-FEB. FY2013-14	% CHANGE FY'13 - FY'14
TOTAL WITHHOLDINGS	311.5	346.4	11.2 %	2,639.9	2,780.3	5.3 %
TOTAL DECLARATIONS	3.4	3.0	(12.4)	236.6	234.0	(1.1)
TOTAL PAID W/RETURNS	(3.6)	(73.8)	(1,965.6)	132.7	88.9	(33.0)
GROSS INDIVIDUAL INCOME	311.3	275.6	(11.5)	3,009.1	3,103.2	3.1
REFUNDS	(426.9)	(524.0)	22.8	(588.1)	(726.1)	23.5
NET INDIVIDUAL INCOME	(115.6)	(248.4)	(115.0) %	2,421.1	2,377.2	(1.8) %

						TABLE 3 C
CORPORATION INCOME TAX COMPONENTS 2/	FEBRUARY of FY2012-13	FEBRUARY of FY2013-14	% CHANGE Month / Month	JULY-FEB. FY2012-13	JULY-FEB. FY2013-14	% CHANGE FY'13 - FY'14
TOTAL WITHHOLDINGS	1.0	1.1	12.8 %	3.7	5.8	56.4 %
TOTAL DECLARATIONS	3.2	3.5	9.4	119.1	139.4	17.1
TOTAL PAID W/RETURNS	4.5	(3.6)	(179.1)	77.0	18.8	(75.5)
GROSS CORPORATE INCOME	8.7	1.0	(88.1)	199.8	164.1	(17.9)
REFUNDS	(1.0)	(1.6)	59.4	(33.2)	(28.1)	(15.4)
NET CORPORATE INCOME	7.7	(0.5)	(107.0) %	166.6	136.0	(18.4) %

JULY-FEBRUARY 2014 YEAR-TO-DATE

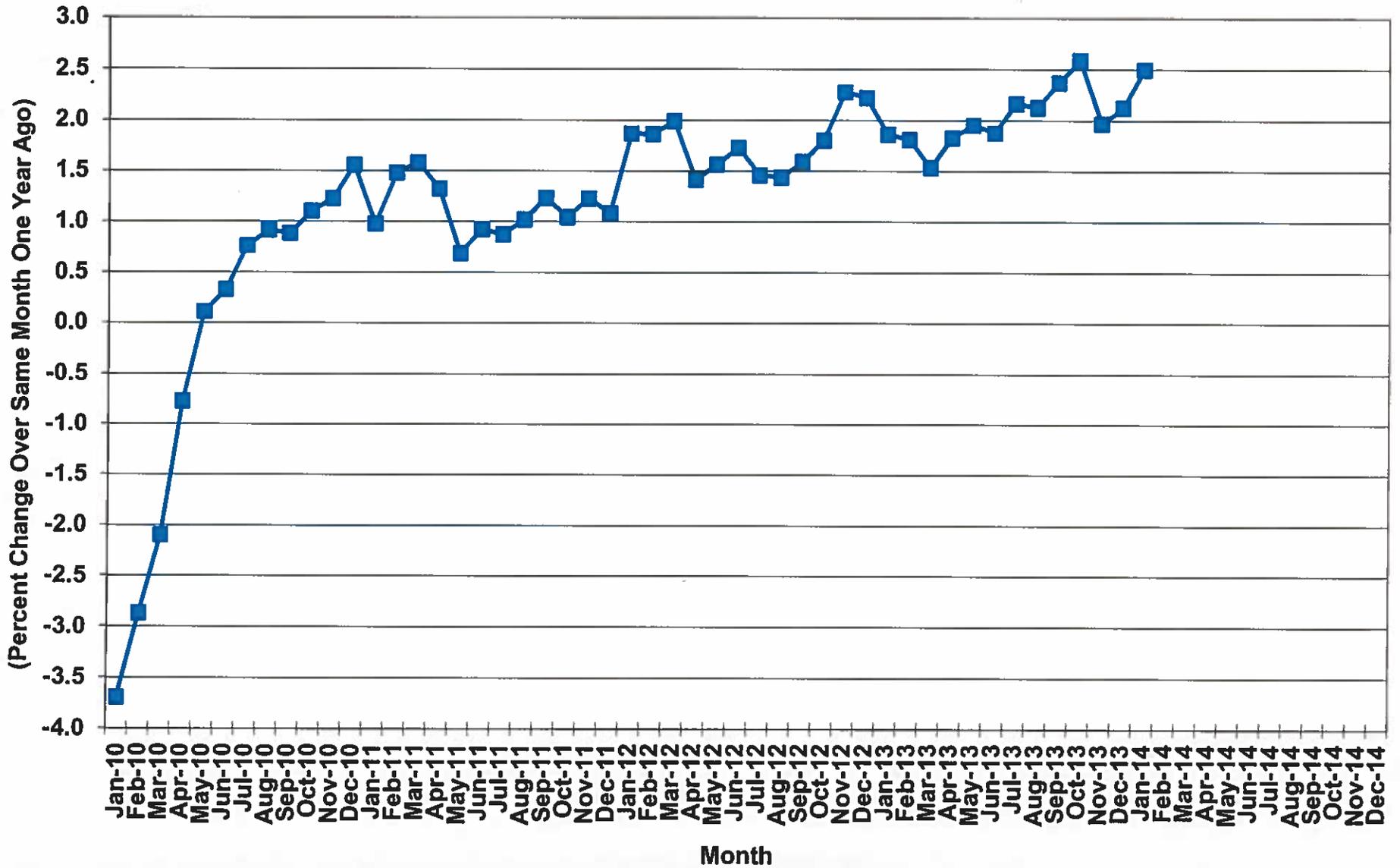
- FOR THE FISCAL YEAR-TO-DATE, GENERAL FUND REVENUES DECLINED \$21.3 MILLION OR 0.5 PERCENT.
 - RETAIL SALES & USE TAX GROWTH IS 3.2 PERCENT WHICH IS ABOVE THE ESTIMATED GROWTH OF 2.0 PERCENT.
 - WITHHOLDING GROWTH IS 5.3 PERCENT WHICH IS ABOVE THE ESTIMATE OF 4.0 PERCENT GROWTH.

Total Employment in South Carolina



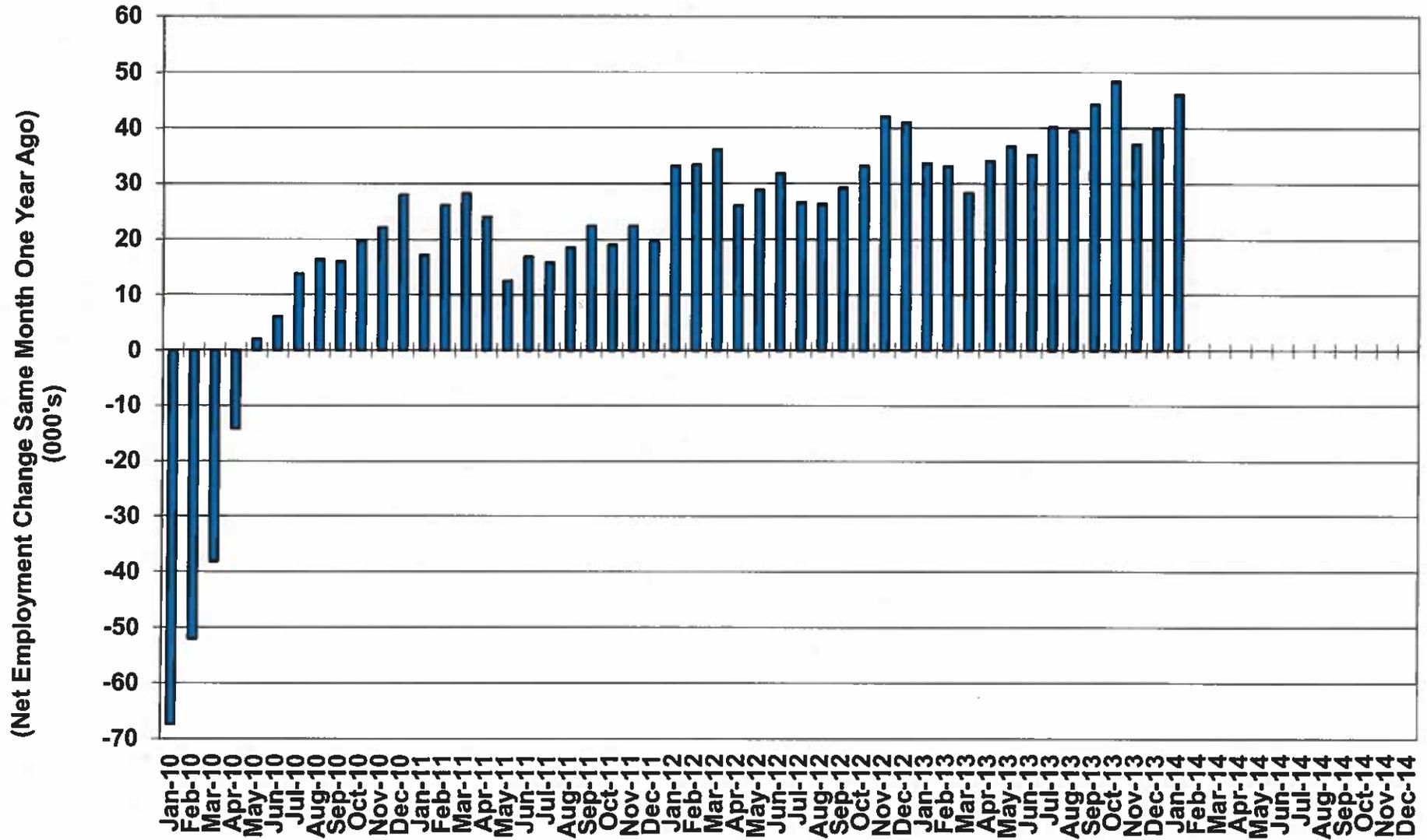
Source: South Carolina Department of Employment and Workforce
SCBEA/RWM/03/18/14

Total Nonfarm Employment Growth in South Carolina



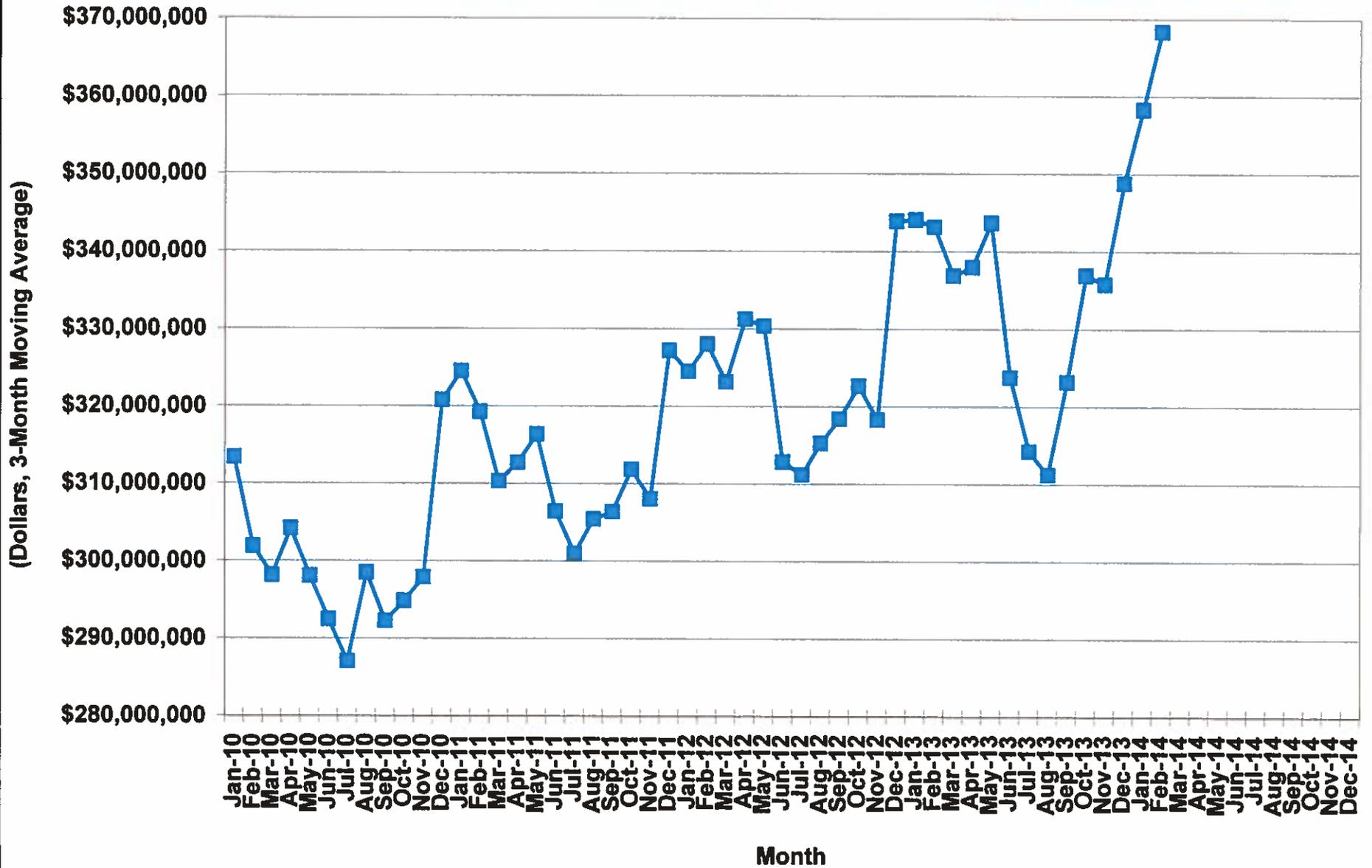
Source: South Carolina Department of Employment and Workforce
SCBEA/RWM/03/18/14

Net Employment Increase/Decrease in South Carolina



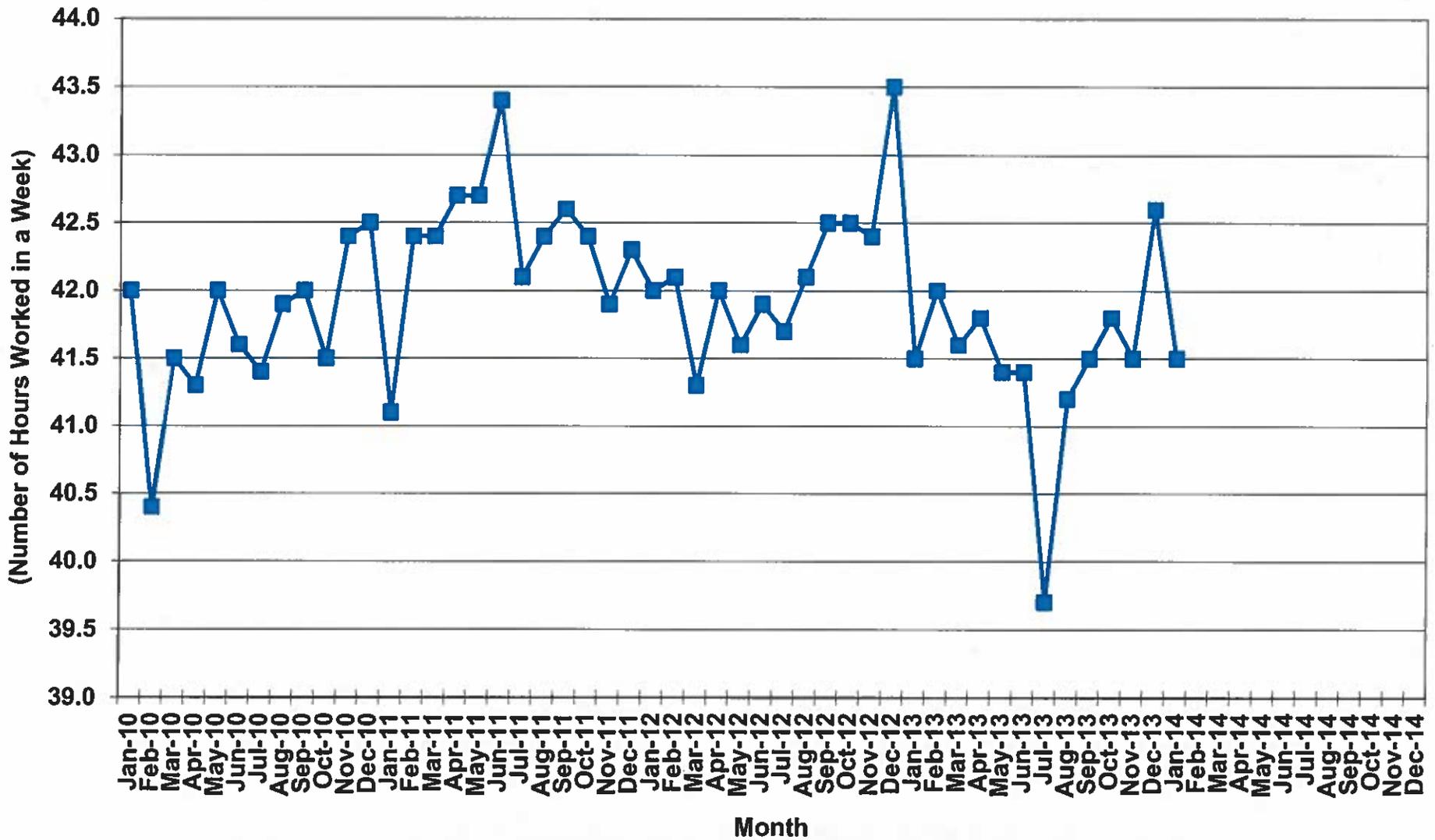
Source: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. Month
SCBEA/RWM/03/18/14

South Carolina Income Tax Withholdings



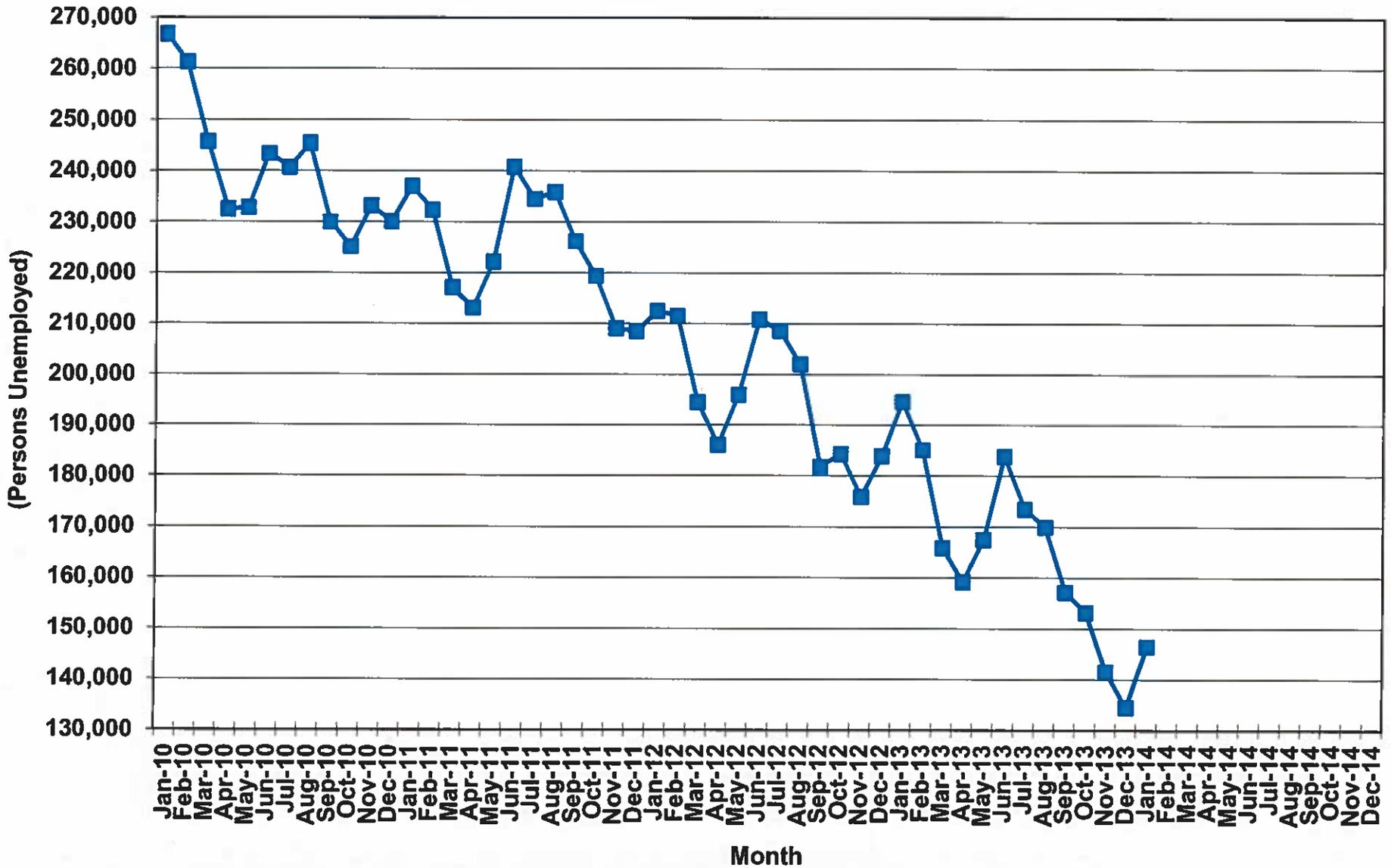
Source: South Carolina Office of the Comptroller General
 SCBEA/RWM/03/18/14

Average Work Week of Manufacturing Employees in South Carolina



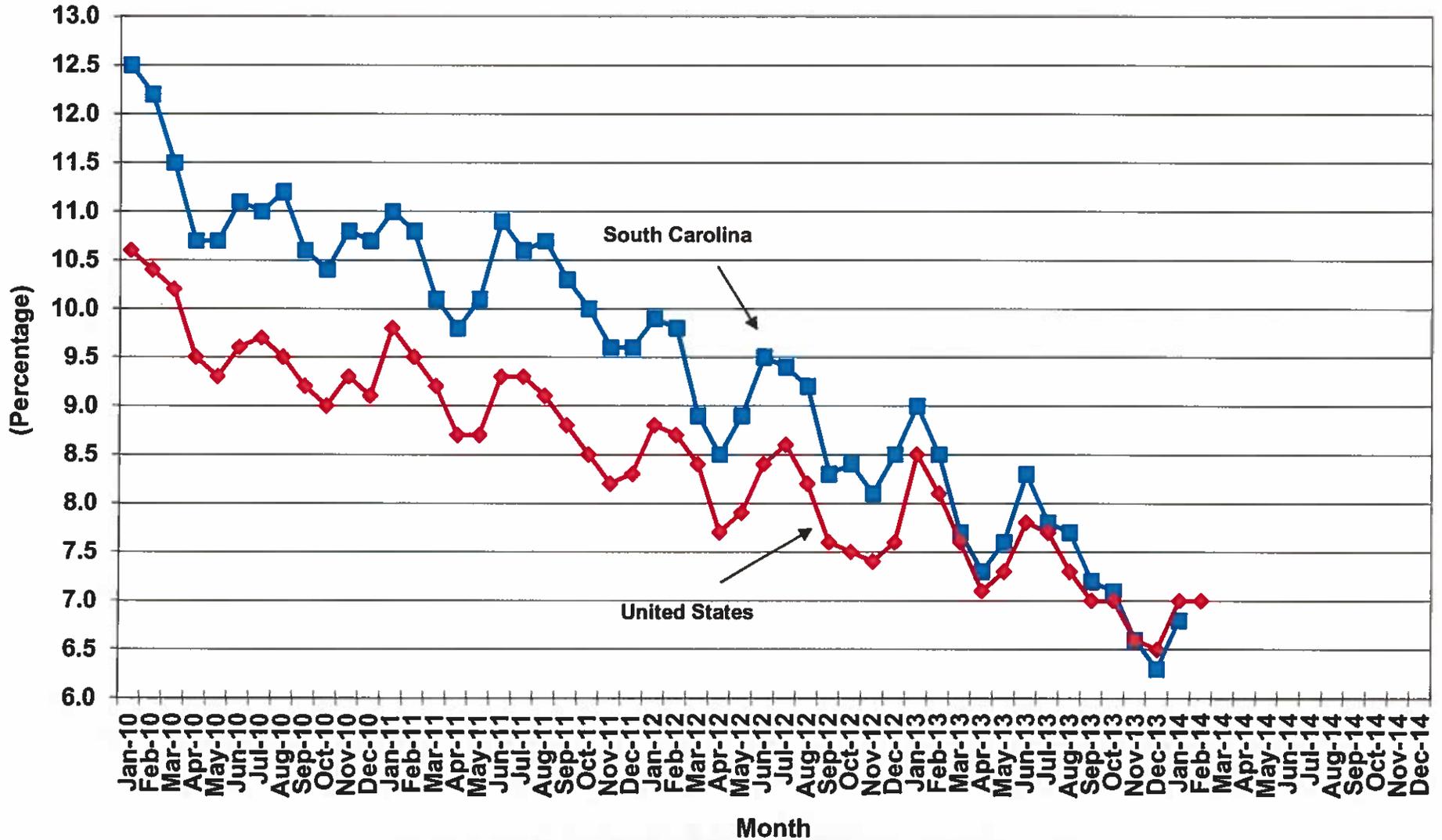
Source: U.S. Department of Labor, Bureau of Labor Statistics
SCBEA/RWM/03/18/14

Total Unemployment in South Carolina (Unadjusted)



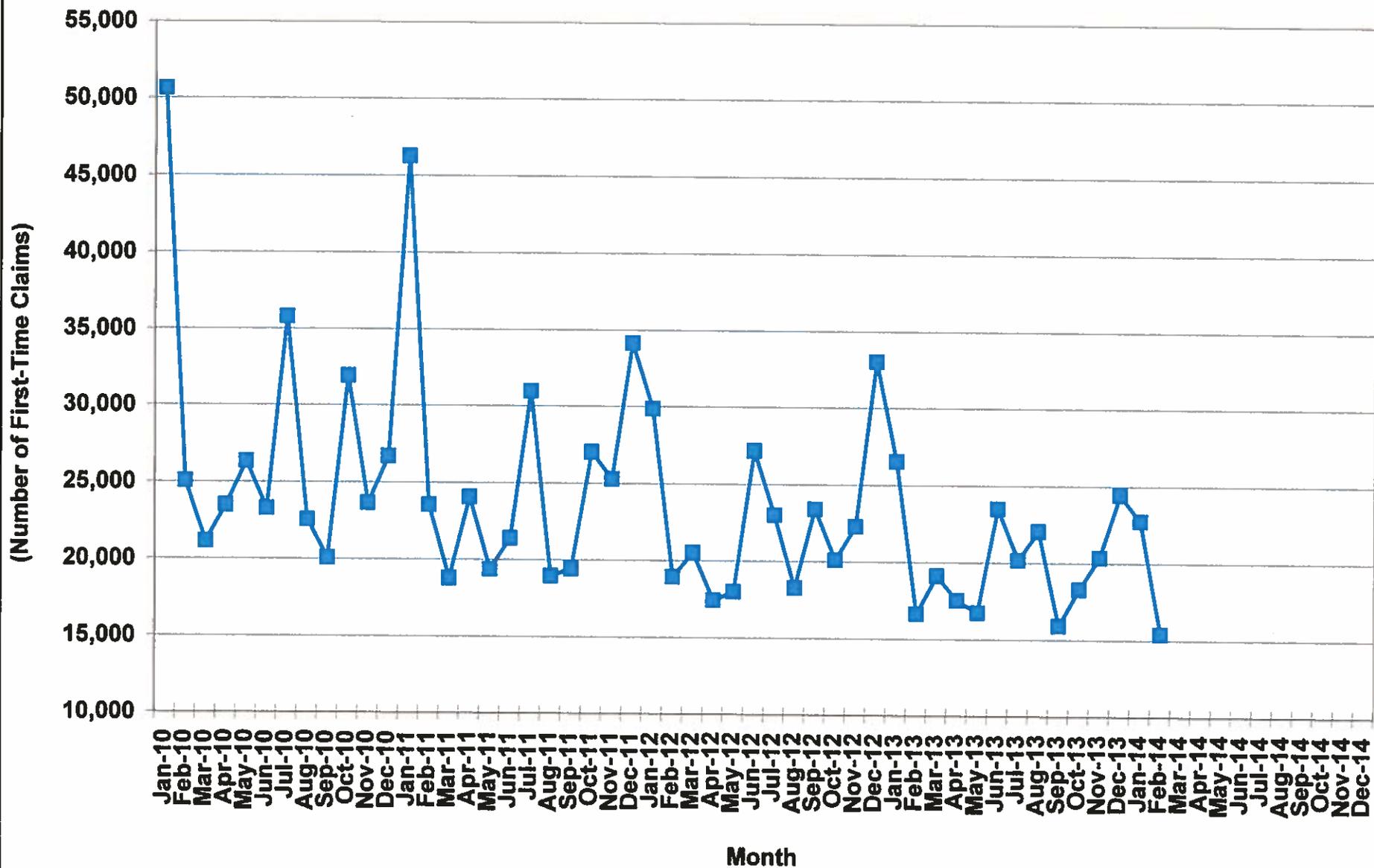
Source: South Carolina Department of Employment and Workforce
SCBEA/RWM/03/18/14

Unemployment Rate in South Carolina (Unadjusted)



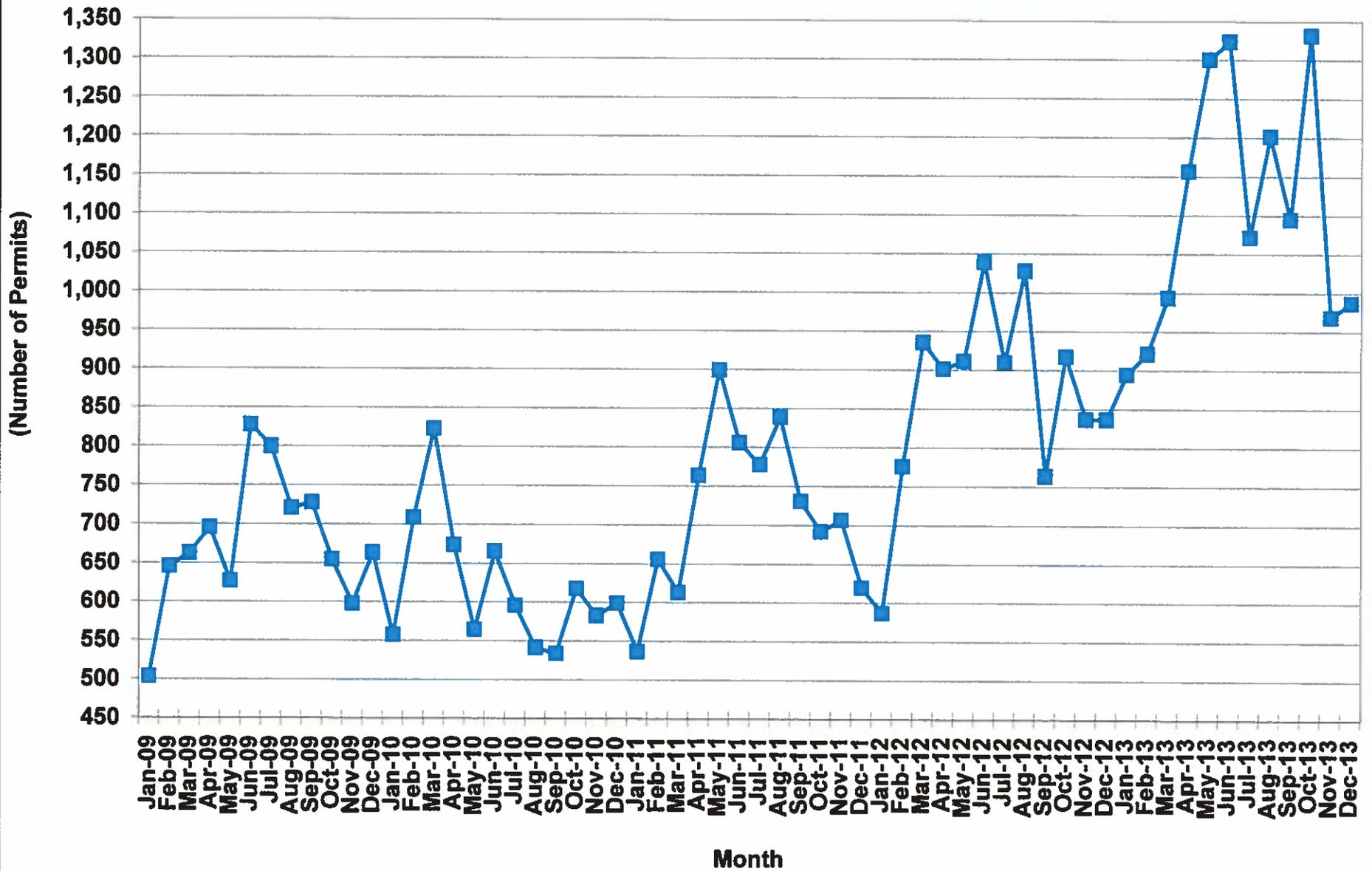
Source: South Carolina Department of Employment and Workforce
SCBEA/RWM/03/18/14

Initial Claims for Unemployment Insurance in South Carolina



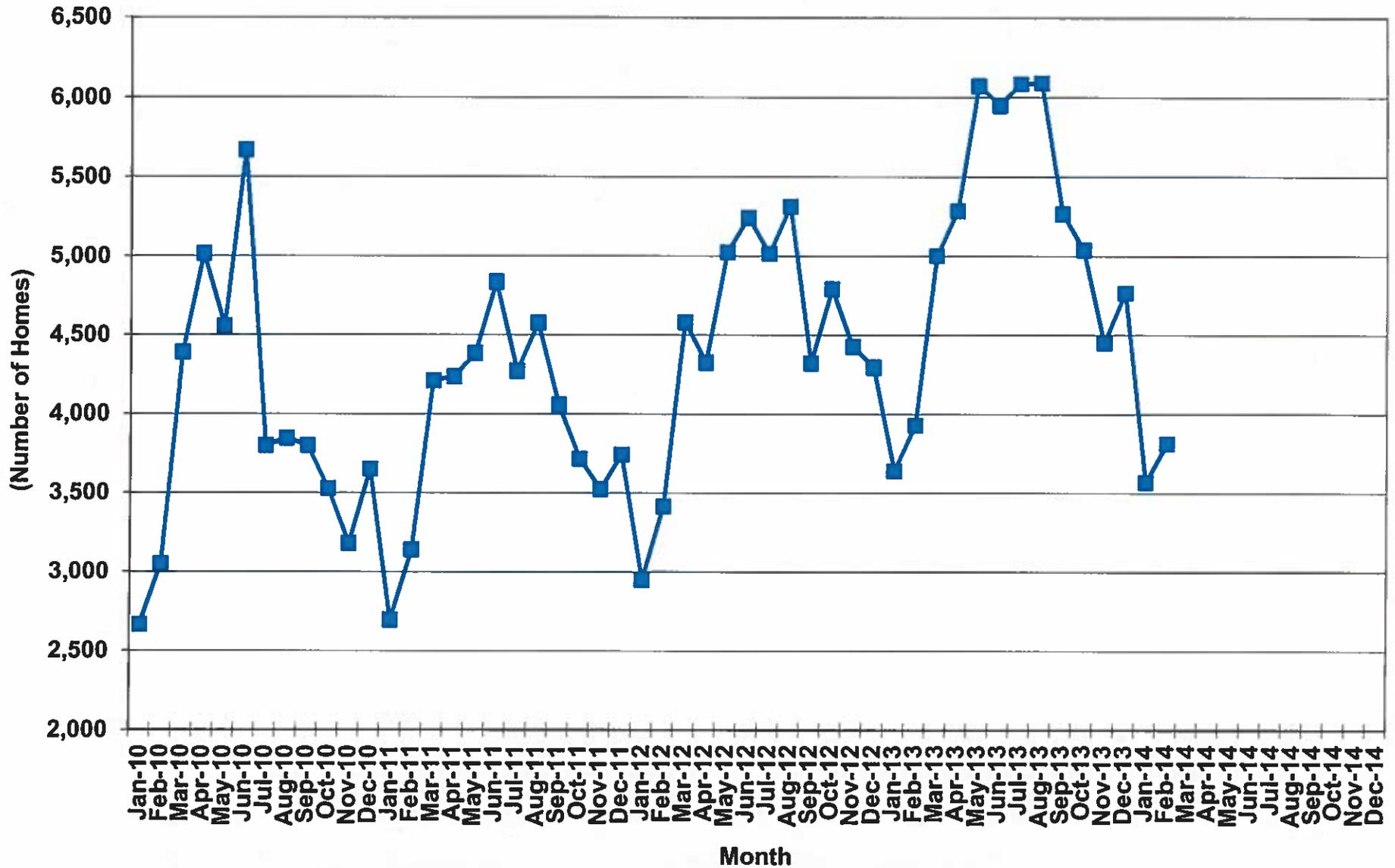
Source: South Carolina Department of Employment and Workforce
SCBEA/RWM/03/18/14

Residential Building Permits in South Carolina

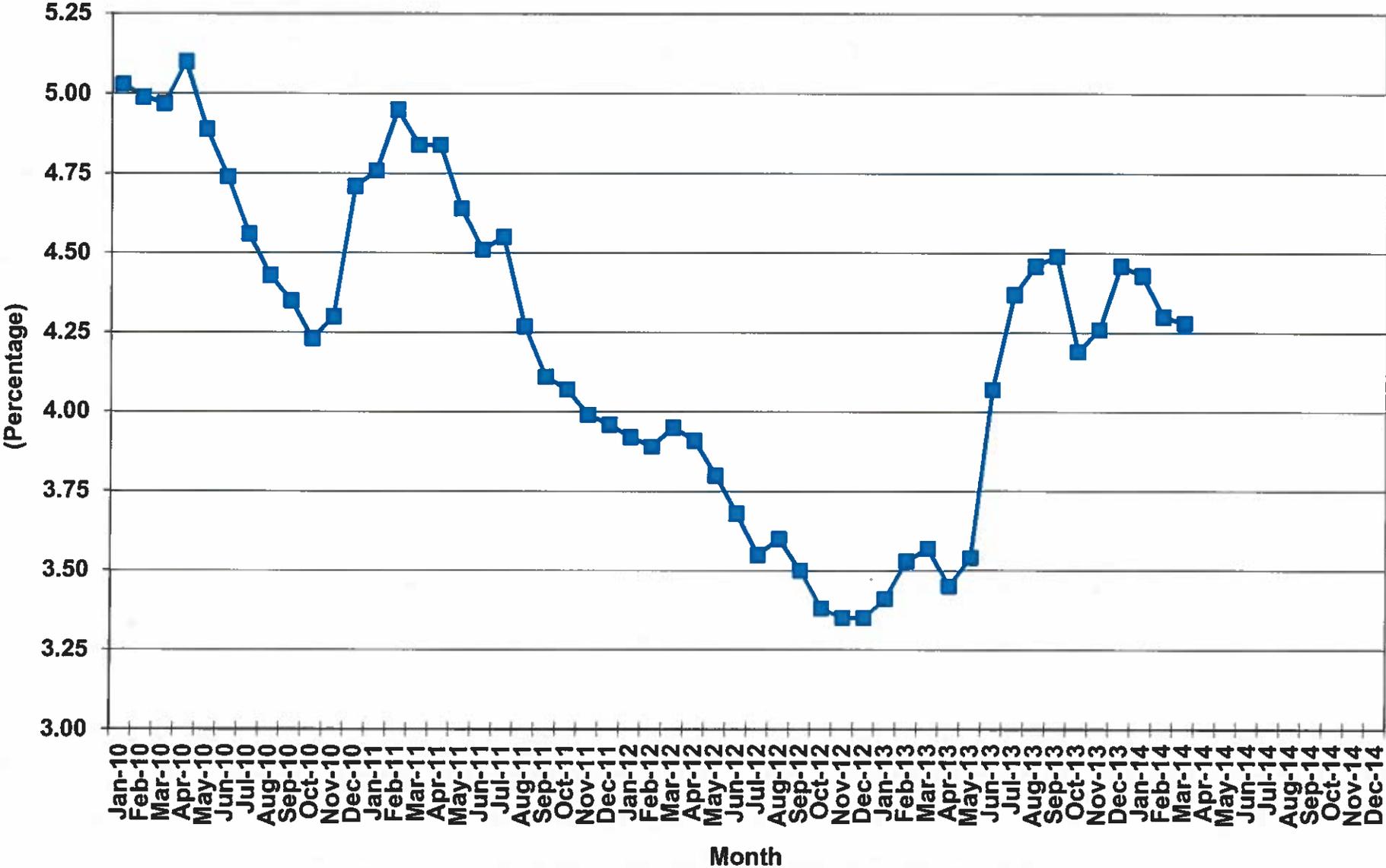


Source: U.S. Department of Commerce, Bureau of the Census, Washington, D.C.
SCBEA/RWM/03/18/14

Number of Homes Sold in South Carolina

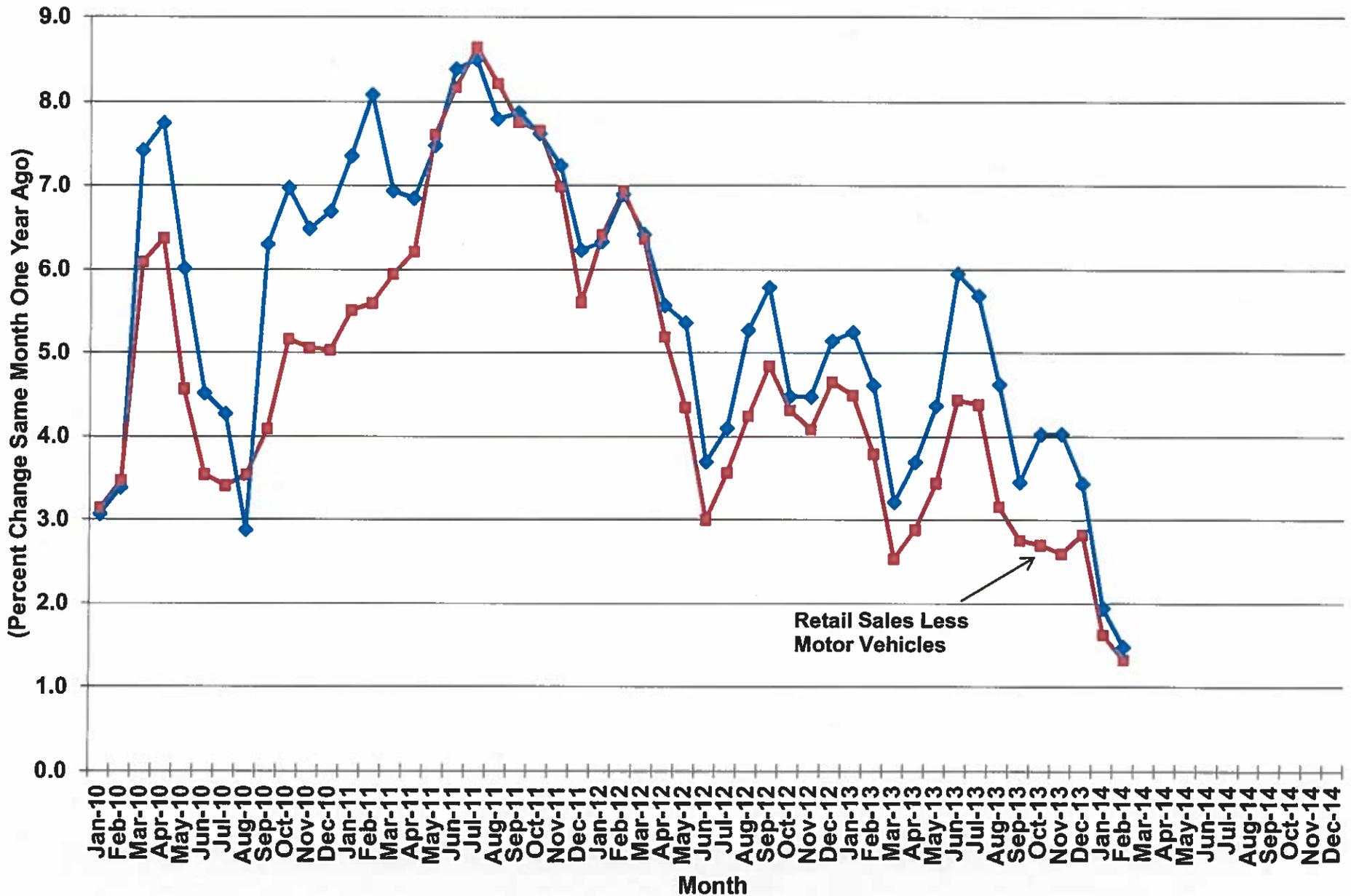


30-Year Fixed Mortgage Rates

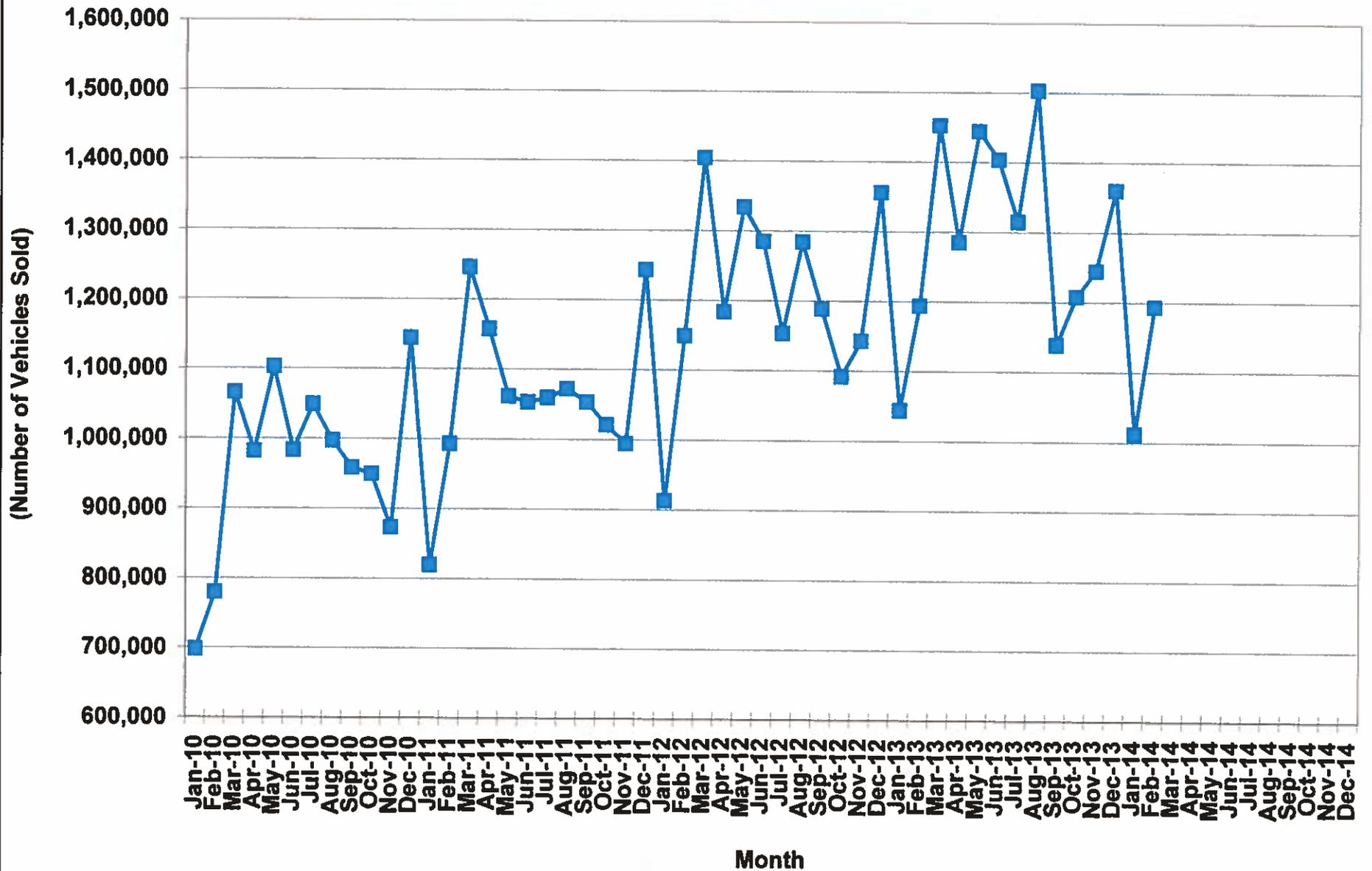


Source: The Board of Governors of the Federal Reserve System
 SCBE/RWM/03/18/14

U.S. Retail & Food Service Sales

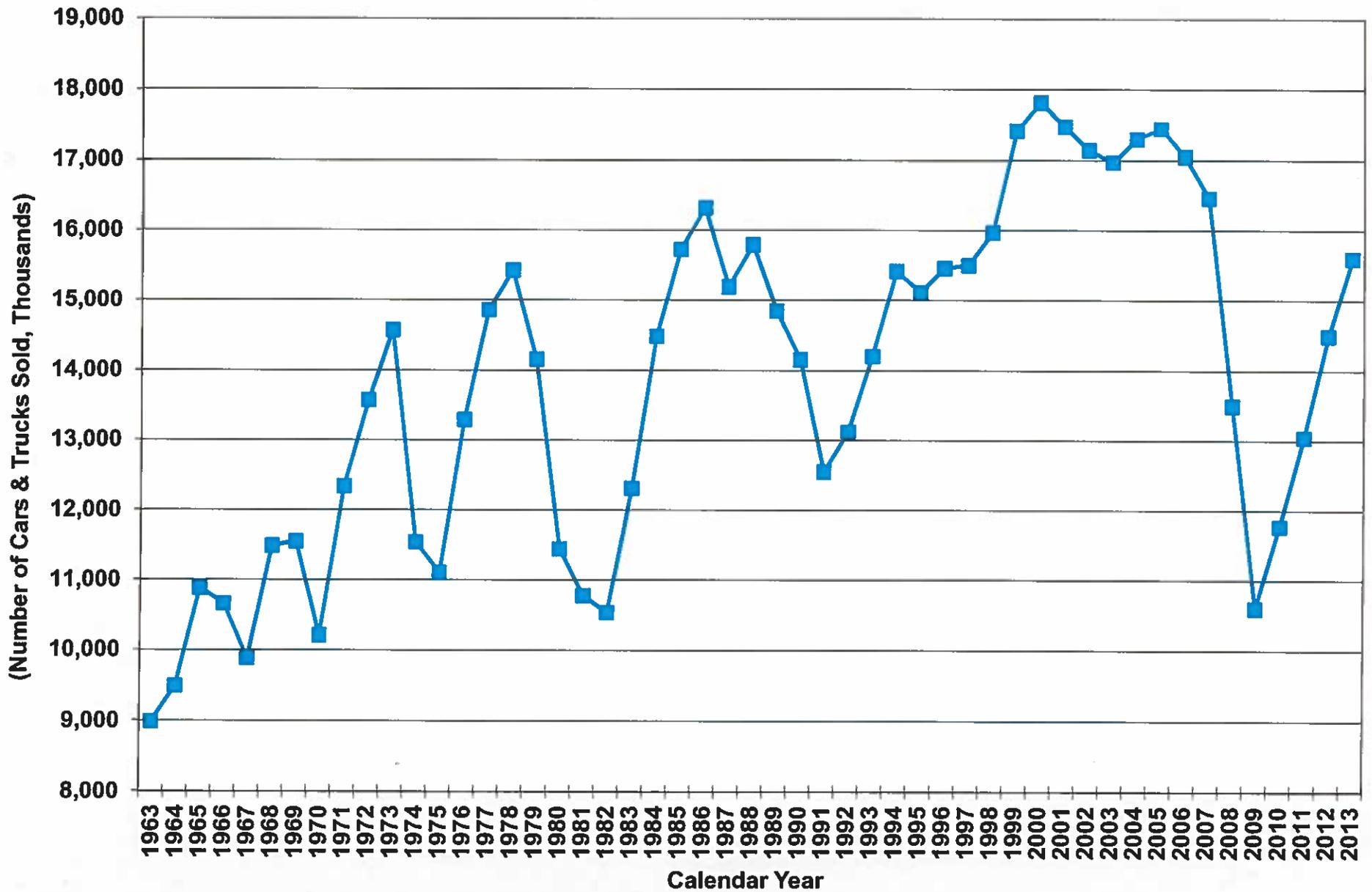


Total Light Vehicle Sales in the United States



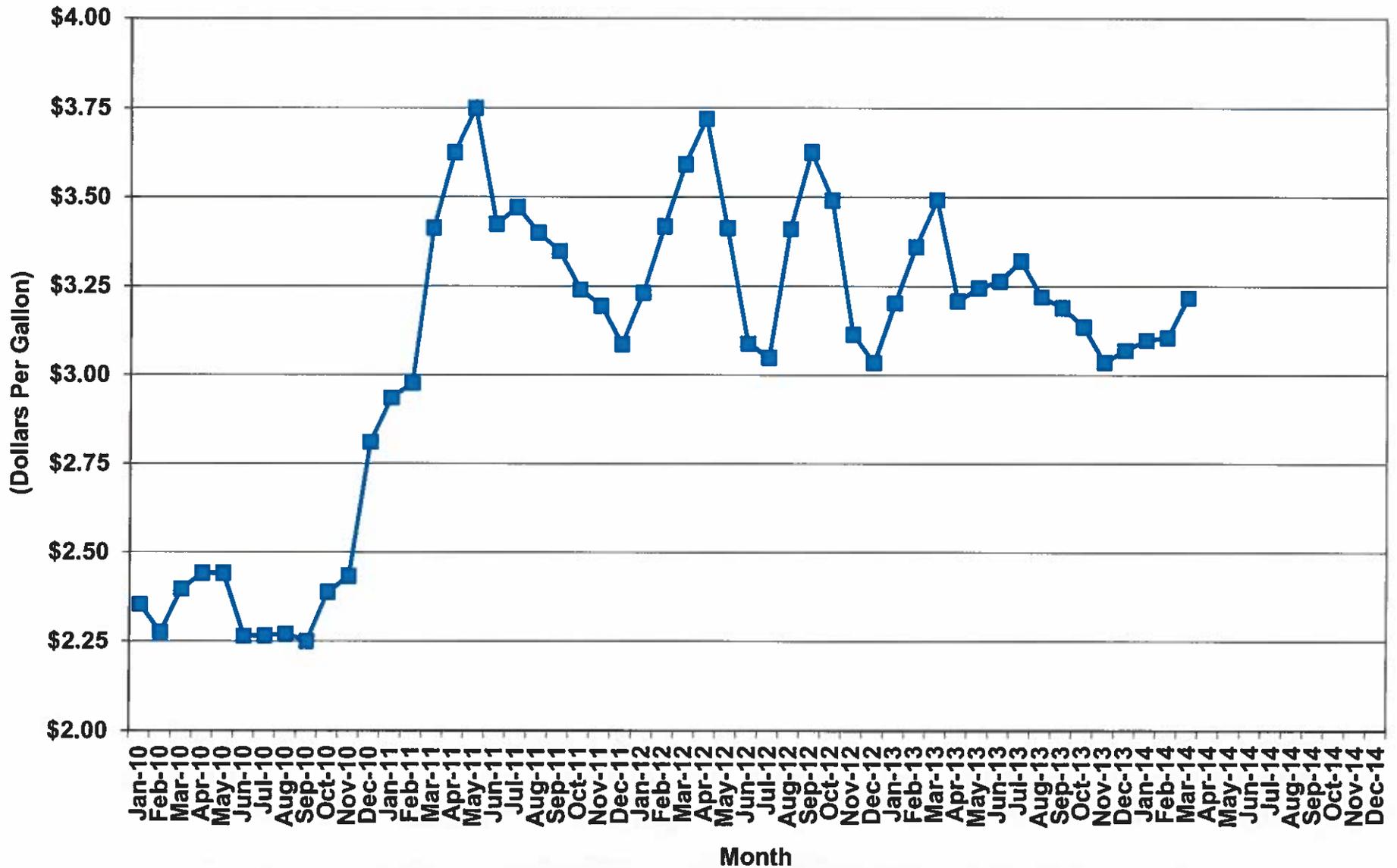
Source: Autodata Corporation, Motor Intelligence Division
SCBEA/RWM/03/18/14

U.S. Car & Truck Sales - 1963 to 2013



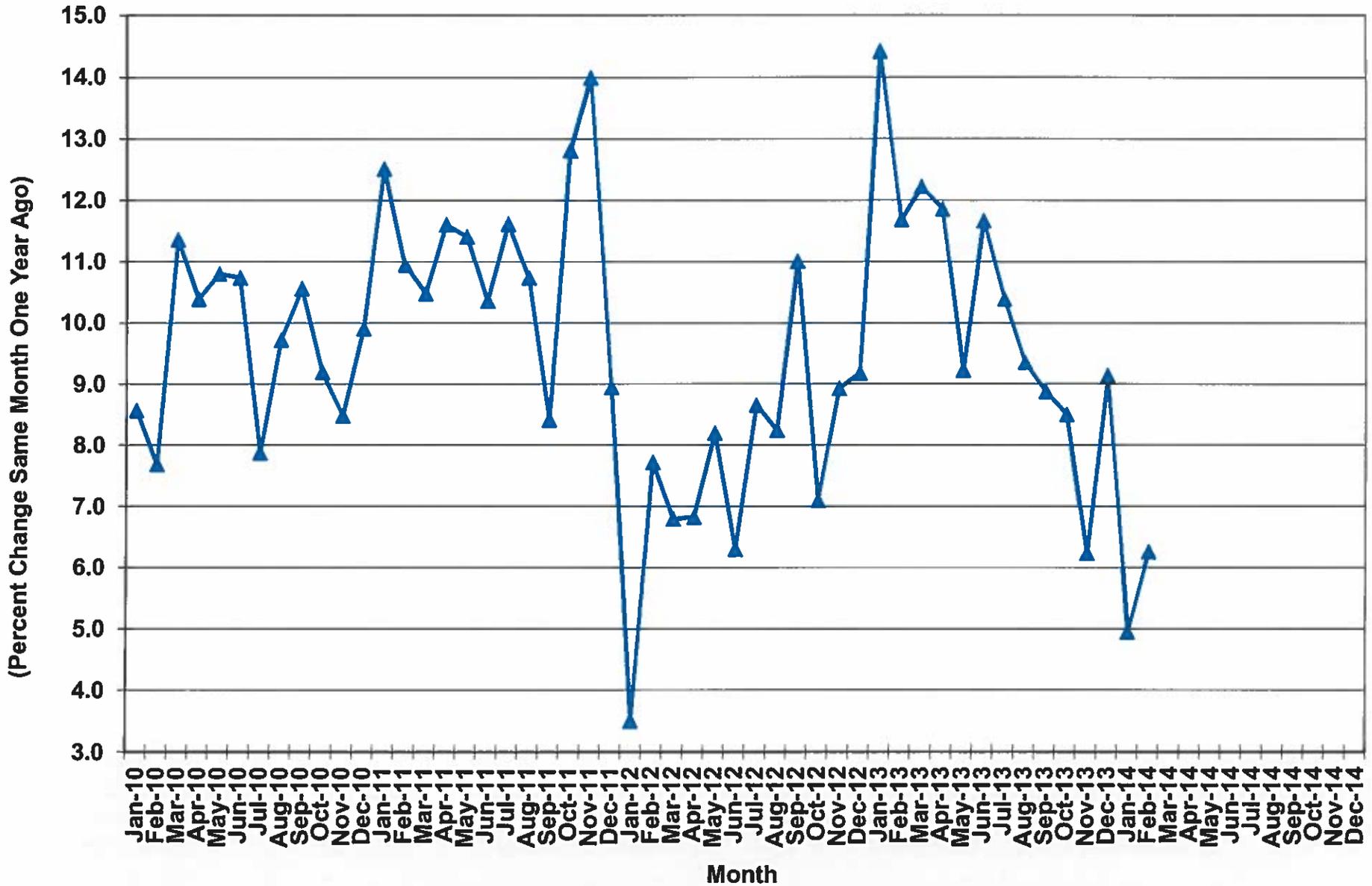
Sources: Ward's Automotive Group; Autodata Corporation.

Gasoline Prices in South Carolina

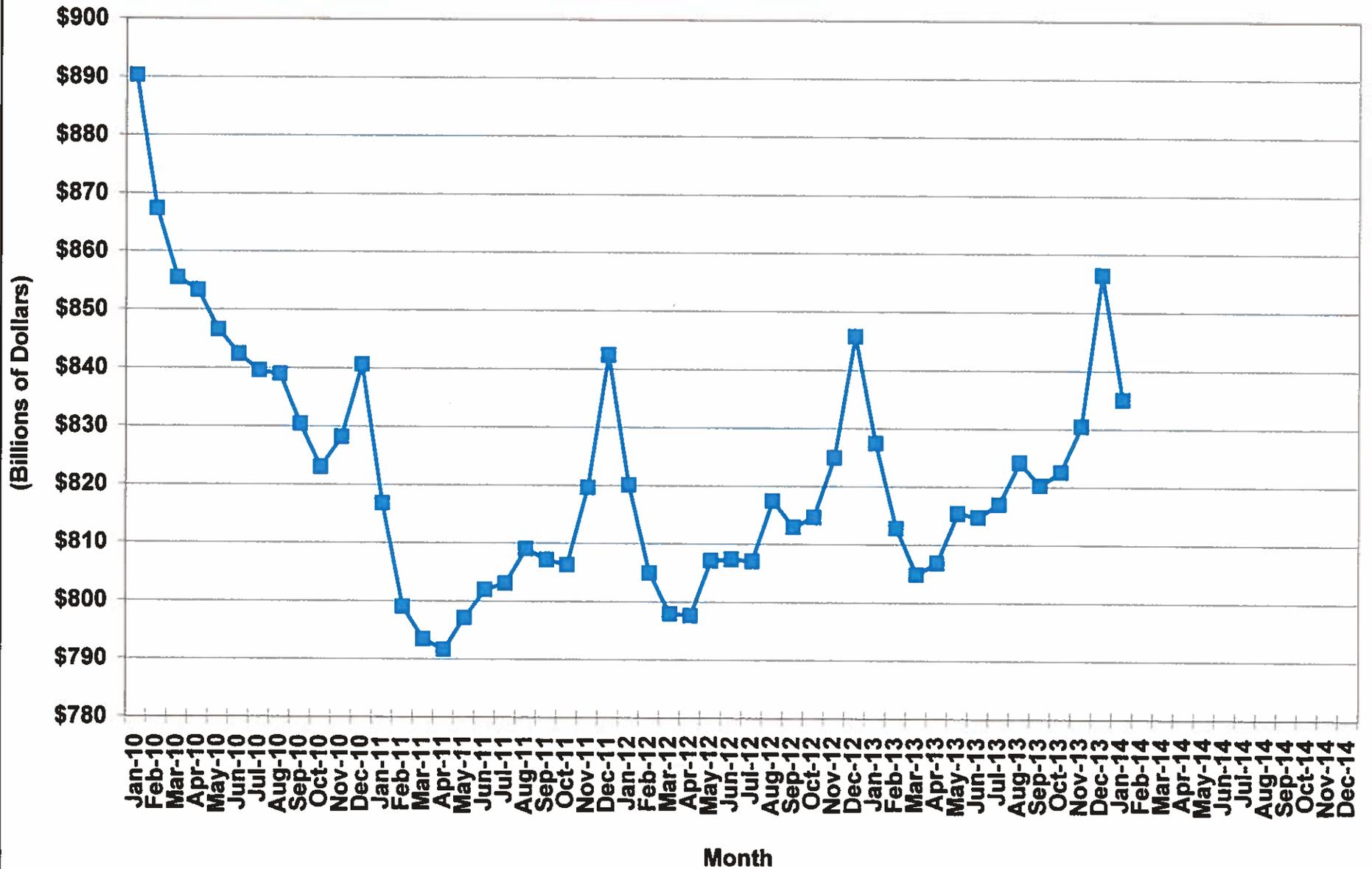


Source: U.S. Department of Energy, Energy Information Administration; AAA of the Carolina's SCBEA/RWM/03/18/14

Nonstore Retail Sales in the U.S.

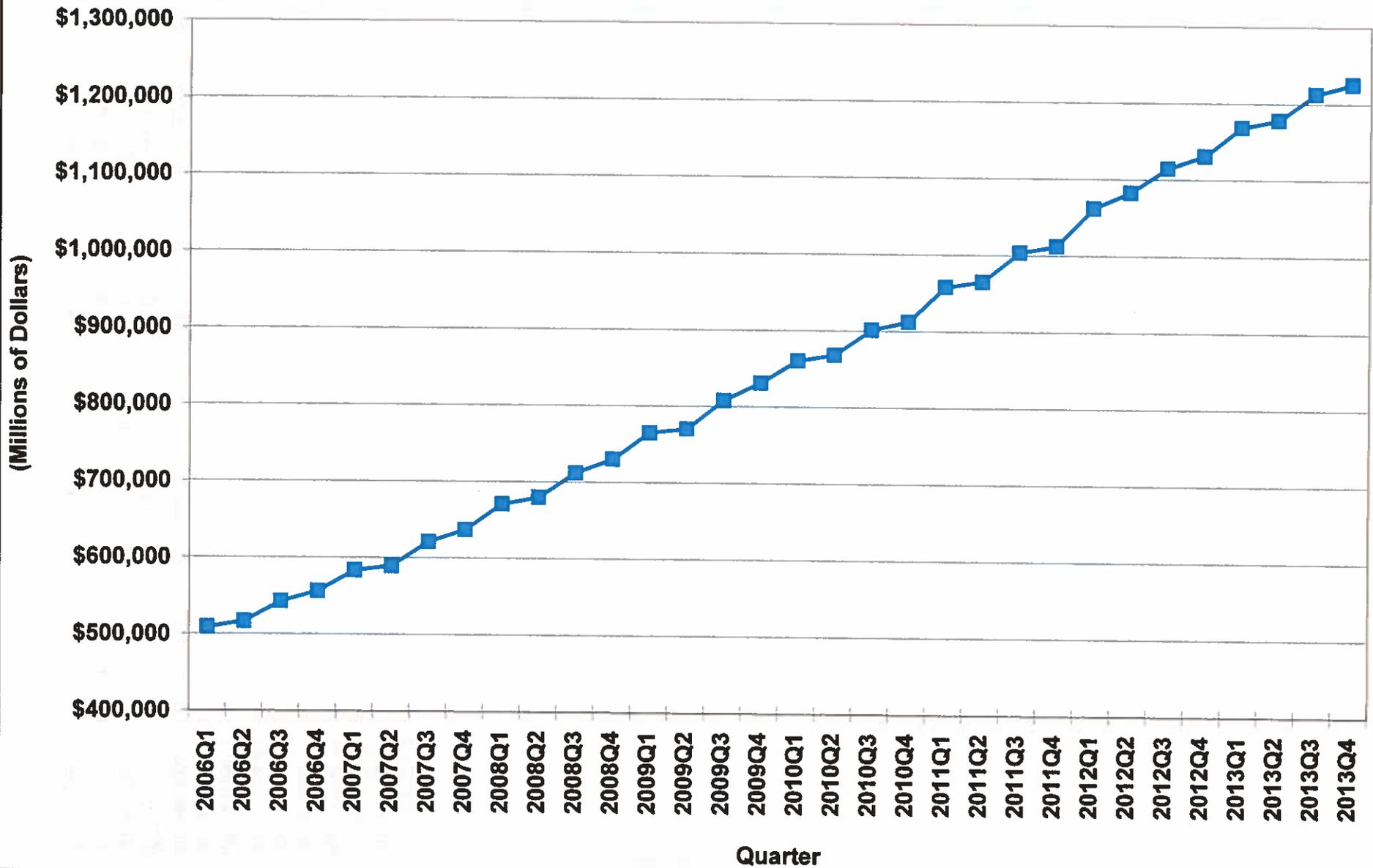


Total Revolving Credit Outstanding in the U.S.



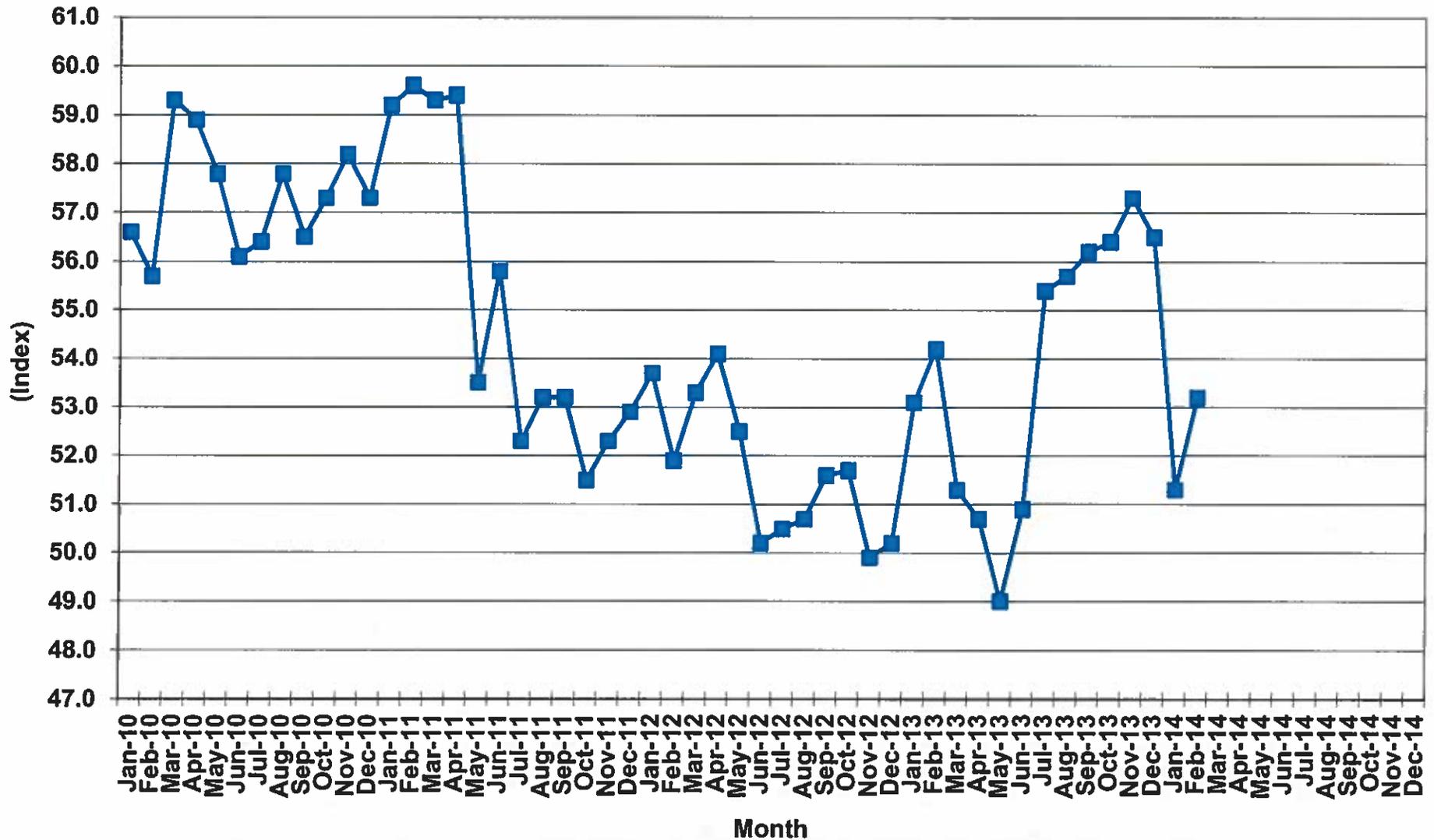
Source: The Board of Governors of the Federal Reserve System
 SCBEA/RWM/03/18/14

Total Outstanding Student Loan Debt in the U.S.

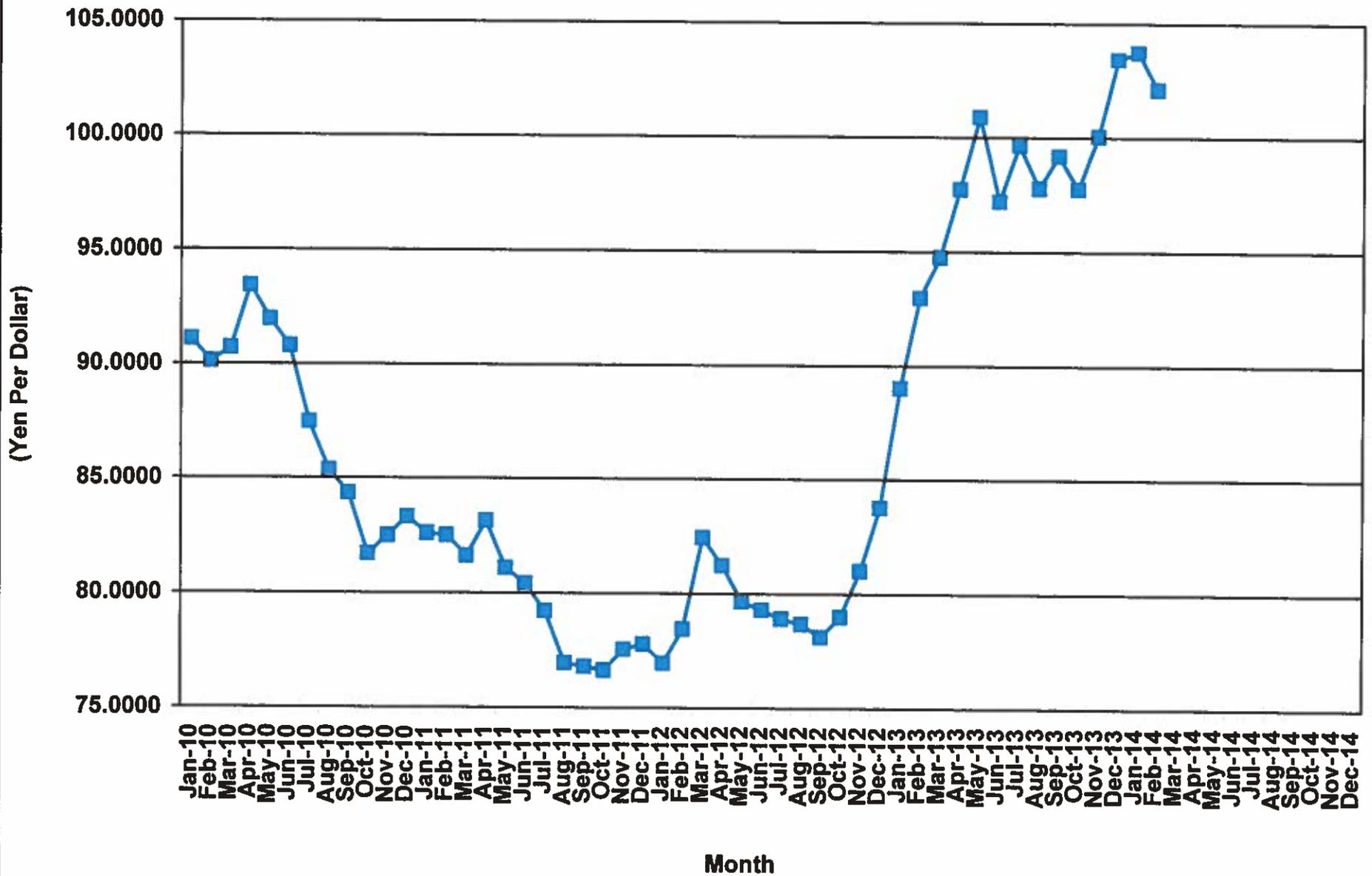


Source: Board of Governors of the Federal Reserve System
BEA/RWM/03/18/14

Index of Manufacturing Purchasing Managers Index (NAPM)

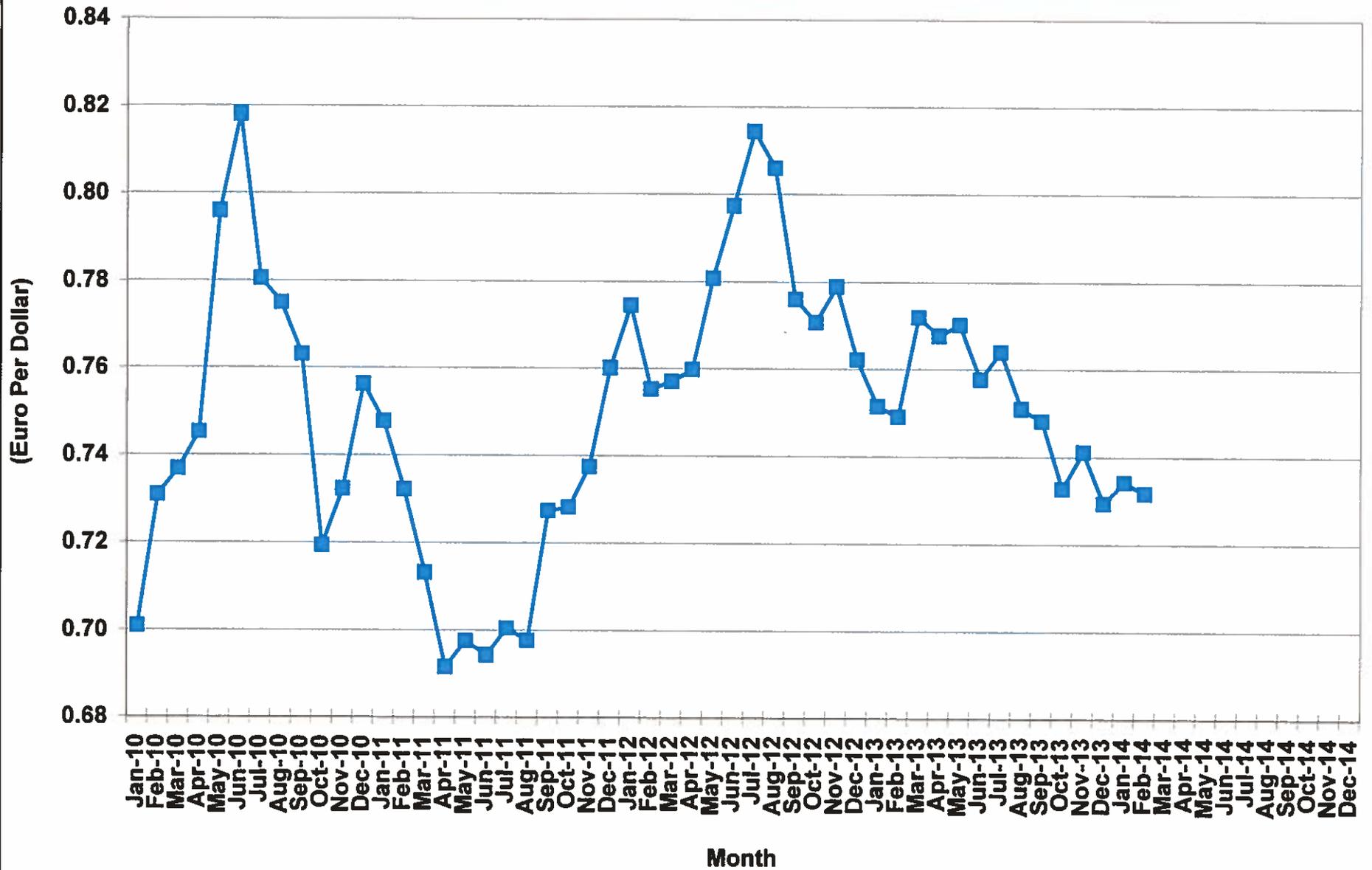


Value of the Yen vs. the U.S. Dollar



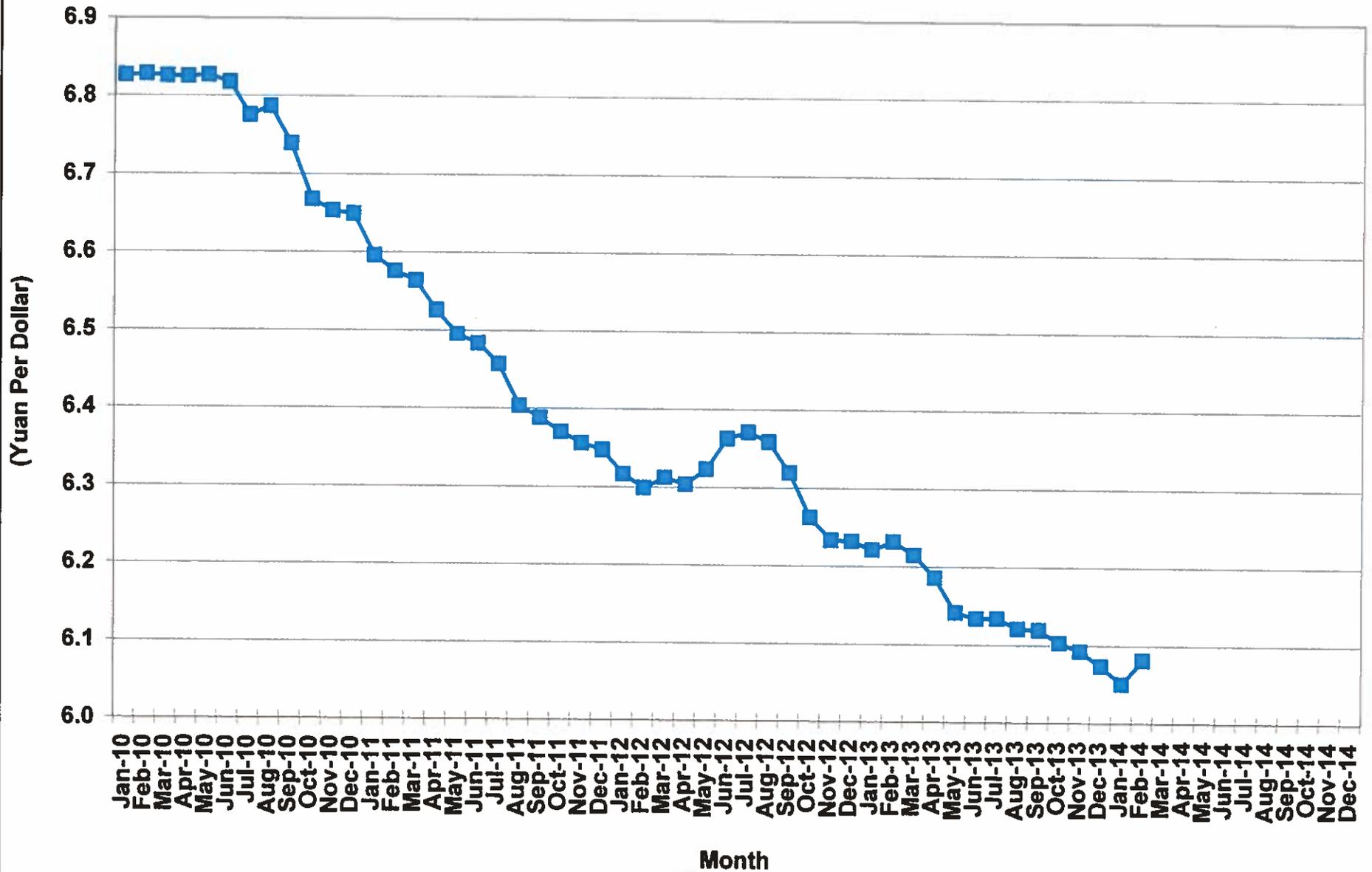
Source: The Board of Governors of the Federal Reserve System
 SCBEA/RWM/03/18/14

Value of the Euro vs. the U.S. Dollar



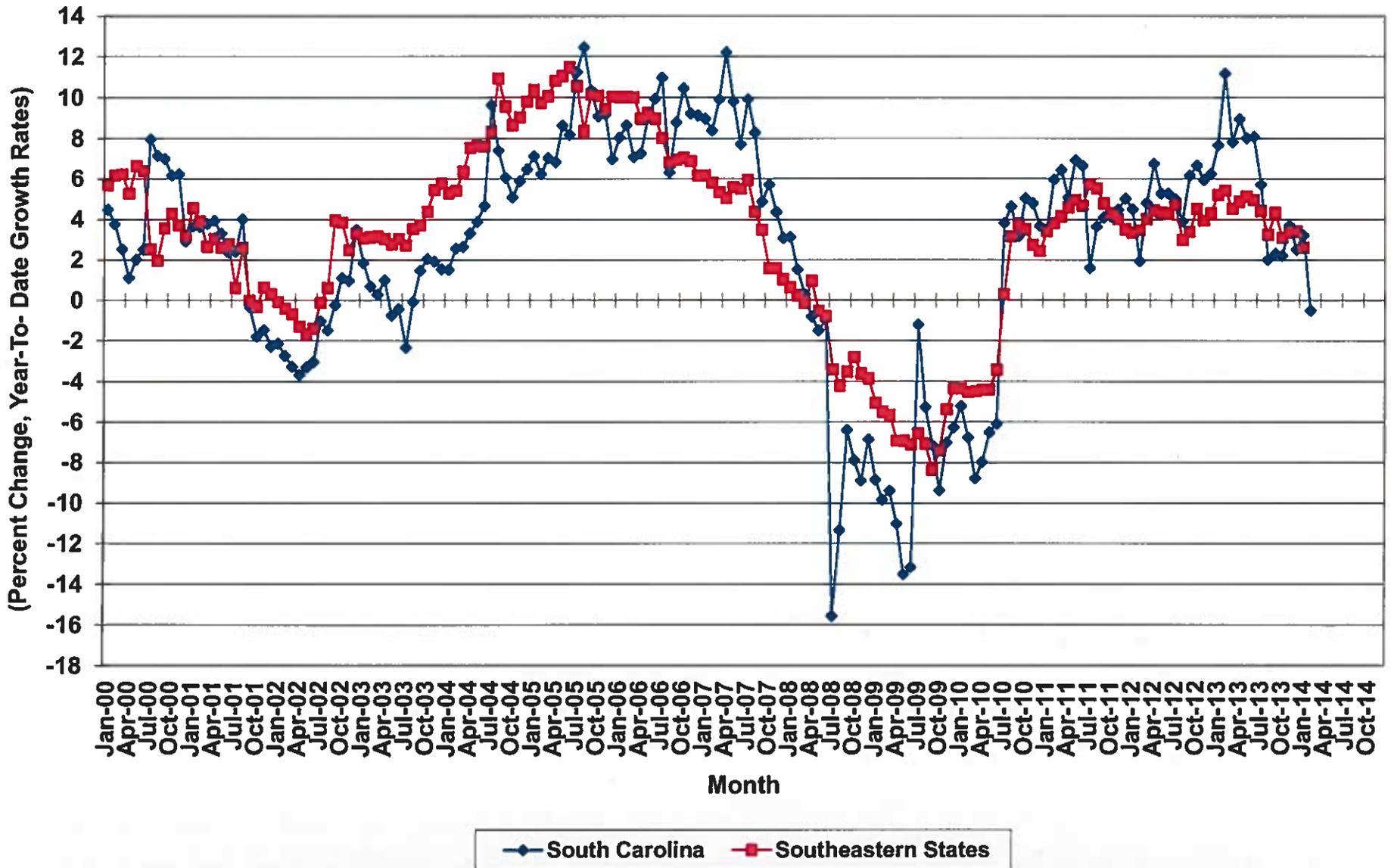
Source: The Board of Governors of the Federal Reserve System
 SCBEARWM/03/18/14

Value of the Yuan vs. the U.S. Dollar



Source: The Board of Governors of the Federal Reserve System
SCBEA/RWM/03/18/14

Growth in General Fund Revenue South Carolina & the Southeastern States



South Carolina Economic Indicators February 2014

- **Rebenchmarked employment grew 2.0% in CY2013 – the fastest annual pace since the last recession**
- **Increased employment aided withholding growth**
- **State unemployment rate below U.S. rate for second consecutive month**
- **Inclement weather kept consumers away from stores, car lots, and construction sites – effect on revenue**
- **Questions remain - Rising mortgage rates, weak car sales, personal income growth?**

Revenues vs. 02/13/14 BEA Working Estimate of \$6,966.8 Million in FY 2013-14 1/
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	JULY - FEBRUARY OF FY 2013-14			Revenue Growth Rates (%)	
	(\$ in Millions)			Estimate	Actual
	Actual Revenues	Expected Revenues	Excess / (Shortfall)	Full Fiscal Yr.	Yr. to Date
Total General Fund Revenue	4,360.8	4,346.3	14.5	0.6	(0.5)
Sales Tax	1,440.6	1,424.5	16.1	2.0	3.2
Individual Income Tax	2,377.2	2,370.5	6.7	1.3	(1.8)
Corporate Income Tax	136.0	143.8	(7.9)	(15.9)	(18.4)
All Other Revenues	384.2	385.8	(1.6)	(2.7)	1.7
Admissions Tax - Total	13.0	11.8	1.2	1.5	10.9
Alcoholic Liquors Tax	37.7	36.7	1.1	2.5	5.4
Bank Tax	15.4	22.2	(6.8)	12.0	(22.0)
Beer and Wine Tax	60.0	59.1	1.0	1.0	2.7
Business License Tax	15.2	16.1	(0.9)	(1.0)	(6.3)
Coin - Operated Devices	0.2	0.3	(0.2)	5.4	(47.6)
Corporation License Tax	36.8	32.3	4.5	10.0	37.4
Departmental Revenue 2/	55.9	47.7	8.2	20.1	100.7
Documentary Tax	20.4	18.3	2.1	9.5	22.2
Earnings on Investments	13.5	13.6	(0.1)	(28.0)	(28.4)
Estate and Gift Taxes	0.0	0.0	0.0	0.0	---
Insurance Tax	89.5	97.7	(8.2)	(5.2)	(22.2)
Motor Vehicle Licenses	5.8	5.6	0.2	2.0	5.6
Workers' Comp. Insurance Tax	1.5	4.0	(2.5)	(15.8)	(68.4)
All Other Balance	19.2	20.5	(1.3)	(2.7)	(3.8)
Miscellaneous Revenue	22.9	21.7	1.2	(0.9)	10.2
Unclaimed Property Fund	7.5	7.5	0.0	0.0	0.0
Miscellaneous Revenue Balance	15.4	14.2	1.2	(1.5)	15.9

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

2/: Includes nominal amounts from former recurring revenues.

Notes: Actual Revenues adjusted for offsets to CG July-November final reports. Detail may not sum due to rounding.

SC REVENUE PLAN FY2013-14 - FISCAL YEAR THROUGH FEBRUARY-2014

Revenue Category	Actual Revenues	Estimated Revenues	Revenue Excess /Shortfall	Actual % Growth	Plan FYTD % Growth	Est. Annual % Growth	Recent Trends Percent			Recent Excess Dollars 1/		
							3-MMA	6-MMA	12-MMA	1Q	2Q	3Q
(millions of dollars and percent change)												
Retail Sales	1,440.6	1,424.5	16.1	3.2	2.1	2.0	0.4	3.1	3.2	9.8	27.4	0.0
Beer / Wine	60.0	59.2	0.8	2.7	1.2	1.0	3.3	3.2	0.6	(0.4)	(0.3)	0.0
Alcoholic Liquors	37.7	36.6	1.1	5.4	0.0	2.5	7.6	5.2	4.6	0.1	0.4	0.0
Documentary Stamp	20.4	18.3	2.1	22.2	8.9	9.5	10.7	21.0	9.8	0.9	1.7	0.0
Admissions Tax (Total)	13.0	11.7	1.3	10.9	(0.8)	1.5	10.6	7.9	4.6	0.7	1.2	0.0
Bus. License (Tobacco)	15.2	16.1	(0.9)	(6.3)	(0.6)	(1.0)	(2.9)	(7.9)	(2.9)	0.1	0.1	0.0
Individual Income	2,377.2	2,370.5	6.7	(1.8)	(2.1)	1.3	(13.5)	(3.0)	(2.8)	(11.4)	(28.4)	0.0
Withholding	2,780.3	2,739.9	40.4	5.3	3.8	4.0	7.3	6.4	4.8	5.6	(12.2)	0.0
Declarations	234.0	228.2	5.8	(1.1)	(3.6)	0.5	(7.8)	(1.3)	1.0	(3.6)	(3.4)	0.0
Paid With Returns	88.9	161.1	(72.2)	(33.0)	21.6	(7.0)	(252.9)	(48.1)	12.1	(5.5)	17.4	0.0
Refunds	726.1	758.8	(32.7)	23.5	29.0	5.7	21.8	24.1	26.4	7.8	30.2	0.0
Corporate Income	136.0	143.9	(7.9)	(18.4)	(13.6)	(15.9)	(44.4)	(20.0)	16.0	(4.7)	1.0	0.0
Corp Withholdings	5.8	4.5	1.3	56.4	18.4	(10.9)	42.9	73.3	58.0	1.5	1.0	0.0
Corp Declarations	139.4	147.9	(8.5)	17.1	24.2	12.8	(5.8)	16.4	28.3	(7.3)	(4.1)	0.0
Corp Paid w/ Returns	18.8	34.1	(15.3)	(75.5)	(55.7)	(47.4)	(82.5)	(77.9)	(17.6)	(0.6)	(9.1)	0.0
Corp Refunds	28.1	42.4	(14.3)	(15.4)	28.1	27.9	80.6	(11.0)	(15.7)	(1.7)	(13.2)	0.0
Corporate Licenses	36.8	32.3	4.5	37.4	20.1	10.0	71.0	25.7	(14.4)	4.3	(1.4)	0.0
Bank	15.4	22.1	(6.7)	(22.0)	12.2	12.0	8.7	(23.9)	(2.4)	1.3	(6.7)	0.0
Insurance	89.5	97.5	(8.0)	(22.2)	(15.1)	(5.2)	6.0	(20.9)	(9.7)	(0.9)	(4.1)	0.0
Ins. License	11.1	10.5	0.6	(64.9)	(66.7)	(50.0)	26.3	(75.9)	(61.7)	0.3	1.0	0.0
Earnings on Invest.	13.5	13.5	0.0	(28.4)	(28.2)	(28.0)	(20.0)	(26.3)	(23.6)	(0.3)	0.2	0.0
Workers Comp.	1.5	4.0	(2.5)	(68.4)	(16.6)	(15.8)	(36.0)	(58.1)	(18.3)	(0.1)	(1.6)	0.0
Departmental Rev	55.9	47.6	8.3	100.7	70.7	20.1	8.8	133.5	87.8	(6.8)	11.0	0.0
Other Revenue Items	48.2	48.5	(0.3)	----	----	----	----	----	----	----	----	----
Gross General Fund	4,360.8	4,346.3	14.5	(0.5)	(0.8)	0.6	(7.9)	(1.1)	0.5	(7.6)	0.6	0.0

1/ Quarters adjusted to 02/13/14 BEA Working Estimate.
 Detail may be off + or - .1 to .2 due to rounding
 Source: SC Board of Economic Advisors DLG, 03/18/2014

FORECAST UPDATE FEBRUARY 2014

REGARDING THE FORECAST, GENERAL FUND REVENUES ARE \$14.5 MILLION ABOVE THE REVENUE PLAN THROUGH FEBRUARY.

- SALES TAX REVENUE IS \$16.1 MILLION ABOVE GUIDE.
- INDIVIDUAL INCOME TAX IS \$6.7 MILLION ABOVE GUIDE.
- CORPORATE INCOME TAX IS \$7.8 MILLION *BELOW* GUIDE.
- CORPORATE LICENSE TAX IS \$4.5 MILLION ABOVE GUIDE.
- BANK TAX IS \$6.8 MILLION *BELOW* GUIDE.
- INSURANCE TAX IS \$8.2 MILLION *BELOW* GUIDE.

APRIL MEETING ISSUES

- END OF THIRD QUARTER
 - IMPACT OF SNOW STORMS ON SALES TAX
 - INSURANCE TAX FINAL ANNUAL RETURNS
 - CORPORATE INCOME & LICENSE TAX – BIG QUARTER
 - LATER EASTER
 - CAR REVENUE TO BE TRANSFERRED MONTHLY
 - LAWSUIT REVENUE – BOTOX & LG
 - REFUND PROCESSING TRENDS
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➤ ADMINISTRATIVE AND ORGANIZATIONAL ISSUES
REGARDING RESTRUCTURING