

From: Chad Walldorf <chad@eightysixllc.com>
To: Soura, ChristianChristianSoura@gov.sc.gov
Date: 6/13/2013 5:17:08 PM
Subject: Fwd: Preliminary May Revenues Reports
Attachments: 20130613161624485.pdf
ATT00001.htm

Begin forwarded message:

From: "Rainwater, Frank" <Frank.Rainwater@ors.sc.gov>
To: "Chad Walldorf" <chad@eightysixllc.com>, "Don Herriott" <DHERRIOT@mailbox.sc.edu>, "Howell Clyborne" <HClyborne@ghs.org>, "bill.blume@sctax.org" <bill.blume@sctax.org>
Cc: "Martin, Robert" <Robert.Martin@bea.sc.gov>, "DiBiase, Greg" <Greg.DiBiase@bea.sc.gov>, "Shuford, Gordon" <Gordon.Shuford@bea.sc.gov>, "Glenn, Debbie" <Debbie.Glenn@bea.sc.gov>, "Rainwater, Frank" <Frank.Rainwater@ors.sc.gov>
Subject: Preliminary May Revenues Reports

Hi Chad, Don, Howell, and Bill,

Attached are some preliminary revenue reports. We will review and finalize our comments and estimates on Monday and Tuesday, but this should provide you with some helpful information.

Hopefully, the attached worksheets show that

- Although revenues for May 2013 were 1.0% below a year ago and the overall surplus in the monitor declined from \$89.4 to \$63.5 million, timing and one-time events still distorted the monthly picture and the underlying trend improved the likelihood and magnitude of a revenue surplus for FY 13. The improvement in the surplus, though, was not due to stronger than expected overall growth.
- We expect that the increase in Individual Paid with Returns is due mostly to the tax law changes beginning in 2013 that moved expected revenue from FY 2013-14 to FY 2012-13. We do not expect the increase in PWR to remain in the base and should not forecast expected growth in FY 2013-14 from this artificially high level.
- No change to the forecast, however, is still expected for FY 14.
- From last month, sales rebounded with 5.4% growth; this growth recaptured some of the previous shortfall, but sales is still likely to be below estimate.
- Individual Income improved but not in the manner as expected. Refunds were much higher

than believed but Paid with Returns was even much higher. Withholding continues to run consistently behind estimate.

- Corporate Income still continues to do well, but the shortage in Corp Licenses continues to worsen.

- The chart on Page 7 compares the anticipated surplus estimated based upon April revenue to an updated number based on May revenue; the major difference is an increase of \$45 million in Paid with Returns.

We will have a complete set of documents and updated notes for you on Tuesday. Let us know if you have any questions or comments.

Thanks,
Frank

From: Glenn, Debbie
Sent: Thursday, June 13, 2013 4:31 PM
To: Rainwater, Frank
Subject: Revised charts

Thanks,
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