

From: Chad Walldorf <chad@eightysixllc.com>
To: Soura, ChristianChristianSoura@gov.sc.gov
Date: 4/12/2013 4:28:01 PM
Subject: Fwd: March Revenue Briefing
Attachments: 20130412152404401.pdf
ATT00001.htm

FYI. On the road so haven't read yet.

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>, "Glenn, Debbie" <Debbie.Glenn@bea.sc.gov>, "Shuford, Gordon" <Gordon.Shuford@bea.sc.gov>, "Meredith Cleland" <CLELANM@sctax.org>
Subject: March Revenue Briefing

Hi Chad, Don, Howell, and Bill,

Attached are the revenue numbers for March 2013.

Overall, as the income tax refunds processing caught-up last month, the huge revenue excess disappeared. We still have a few timing issues, but through March, revenues are up 8.3% and \$23.4 million above estimates. We have more words of caution this month than notes of optimism.

Sales Tax was up 0.6% for the month and 4.1% for the fiscal year and actual revenue equals estimated revenue for the FYTD. (The FY growth assumption is 4.0). Since Dec, the FYTD growth has dropped a full one percent. It appears the Feb forecast assumption of lower spending was right, however, the growth for the third quarter was only 2.5% and if this continues for the fourth quarter, revenue would be \$26 below estimate.

Individual Income down 106.6 percent as the refunds accelerated in March. Despite the pick-up in refunds, refunds were still \$60 behind the FYTD estimates through March. Individual is \$32.8 million above estimate, but if refunds had met the estimate, Ind would be below the FYTD estimate by \$27.2 million. Hopefully, April processing will give us a clear picture of how refunds, declarations, and paid with returns will do for the year. The larger concern is Withholding.

Withholdings grew 4.3% for the month and the FYTD growth of 4.4% is below the annual estimate of 5.0%. We are reviewing daily deposits to see if there are any timing issues.

Corporate Income continues to exceed estimates, but Corp License was below the monthly

estimate by \$26 million. DOR is analyzing the Corp License data to help us determine if this a trend which would affect the estimate or a timing difference.

Bottom Line

- revenues are \$23 million above estimate for March because refunds are behind estimates by \$60 million;
- Sales Tax is right on top of estimates, but the recent growth rate has been below the estimated growth rate for the full year;
- Individual is up because of timing of refunds; we hope April will provide a clearer picture of how refunds, dec, and paid with returns will do compared to the estimate; Withholding is growing slower than the estimated annual growth rate.
- corporate License is falling behind estimates and offsetting the surplus in Corp Income.

We will send you the handouts on Tuesday p.m. Let us know if you have any questions.

Have a good weekend.

Frank

-----Original Message-----

From: Frank Rainwater [<mailto:frank.rainwater@ors.sc.gov>]

Sent: Friday, April 12, 2013 3:24 PM

To: Rainwater, Frank

Subject:

This E-mail was sent from "RicMPC4500" (Aficio MP C4500).

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Queries to: richo@drss.state.sc.us