

H. 3516 FISCAL IMPACT - MAY 31, 2017

**Fee Revenue
(Millions of Dollars)**

Fiscal Year	Motor Fuel Fee Increase (Total of \$0.12 over 6 years)	Increased Vehicle Registration Fee Revenue	Hybrid and Alternative Fuel Vehicle Fee Revenue	Maintenance Fee/Sales Tax	Out-of-State Transfers	Motor Carrier Fee Revenue	Total Additional Road Funding
1	2	3	4	5	6	7	8
FY 2017-18	\$68.9	\$12.7	\$0.7	\$74.4	\$20.1	\$0.0	\$176.7
FY 2018-19	\$154.0	\$26.1	\$1.5	\$74.4	\$20.3	\$4.3	\$280.5
FY 2019-20	\$234.3	\$26.7	\$1.6	\$74.4	\$20.6	\$8.9	\$366.6
FY 2020-21	\$316.9	\$27.4	\$1.7	\$74.4	\$20.9	\$9.1	\$450.4
FY 2021-22	\$401.7	\$28.1	\$1.8	\$74.4	\$21.2	\$9.4	\$536.5
FY 2022-23	\$485.8	\$28.8	\$2.0	\$74.4	\$21.5	\$9.6	\$622.0
FY 2023-24	\$487.0	\$29.5	\$2.1	\$74.4	\$21.8	\$9.8	\$624.6
FY 2024-25	\$488.1	\$30.2	\$2.3	\$74.4	\$22.1	\$10.1	\$627.2
FY 2025-26	\$489.3	\$30.9	\$2.5	\$74.4	\$22.4	\$10.3	\$629.8
FY 2026-27	\$490.7	\$31.7	\$2.6	\$74.4	\$22.7	\$10.6	\$632.7

Notes:

2 - Beginning July 1, 2017, fee increase of \$0.02 per year for 6 years, for a total of \$0.12. FY 2017-18 represents eleven months of a fiscal year.

3 - Effective date is January 1, 2018. FY 2017-18 represents six months of a fiscal year. Additional revenue is based upon growth rate of 2.46% from DMVs monthly Active Registration by County Plate Class and Vehicle Type report.

4 - Effective date is January 1, 2018. FY 2017-18 represents six months of a fiscal year. Additional revenue for FY 2017-18 to FY 2023-24 based upon DMV data. Additional revenue for hybrid vehicles for FY 2024-25 to FY 2026-27 based on 7.73% growth rate. Additional revenue for alternative fuel vehicles for FY 2024-25 to FY 2026-27 based on growth rate of 10.7%.

5 - Effective date is July 1, 2017. Projections based upon base year revenue adjusted for increased maximum tax. Maximum increased to \$500.

6 - Effective date is July 1, 2017. Additional revenue for FY 2017-18 is based on U.S. Census Bureau's migration data. Additional revenue for FY 2018-19 to FY 2026-27 based upon growth rate of 1.4% for S.C. population growth. Out-of-State fee is \$250.

7 - Effective date is January 1, 2019. Additional revenue projected based upon historical long-range average growth of 2.5%. FY 2018-19 reflects a partial year.

8 - Total additional road funding.

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Tax Credits and Exemptions

(Millions of Dollars)

Fiscal Year	Motor Fuel Income Tax Credit			
	Estimated Total Motor Fuel Income Tax Credits	Safety Maintenance Account Balance	Safety Maintenance Account Transfer to DOR	DOT Transfer to DOR
1	2	3	4	5
FY 2017-18	\$0.0	\$20.1	\$0.0	\$0.0
FY 2018-19	\$40.0	\$20.3	\$30.2	\$9.8
FY 2019-20	\$65.0	\$20.6	\$20.5	\$44.5
FY 2020-21	\$85.0	\$20.9	\$20.8	\$64.2
FY 2021-22	\$110.0	\$21.2	\$21.1	\$88.9
FY 2022-23	\$114.0	\$10.8	\$21.4	\$92.6
FY 2023-24				
FY 2024-25				
FY 2025-26				
FY 2026-27				

General Fund Reductions				
Earned Income Tax Credit	Two Wage Earner Credit	Tuition Tax Credit	Manufacturing Property Value Exemption	Total
6	7	8	9	10
\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
\$20.4	\$3.3	\$6.2	\$6.3	\$36.2
\$27.8	\$6.7	\$6.3	\$12.4	\$53.2
\$33.1	\$10.0	\$6.5	\$18.3	\$67.8
\$36.5	\$13.2	\$6.6	\$24.2	\$80.4
\$39.6	\$16.2	\$6.8	\$30.0	\$92.7
\$42.7	\$19.2	\$6.9	\$35.8	\$104.7
\$44.6	\$19.7	\$7.1	\$35.5	\$106.9
\$46.5	\$20.1	\$7.3	\$35.3	\$109.1
\$48.5	\$20.5	\$7.4	\$35.0	\$111.5

Notes:

2-Refundable private passenger motor vehicle maintenance income tax credit of up to 100% of increase in the motor fuel user fee. Projections based upon vehicle growth of 2.5% and average fuel consumption growth of -0.5%. Subject to annual limitation on total credits. Ends after tax year 2022.

3- Infrastructure maintenance fees on out-of-state transfers are credited to the Safety Maintenance Account until December 31, 2022.

4-Safety Maintenance Account transfer occurs each January 31st beginning in 2019 and ending 2023.

5-DOT transfer to DOR for credits in excess of Safety Maintenance Account transfer

6-Non-refundable credit of 125% of federal Earned Income Tax Credit (EITC) phased-in at 20.833% per year. Additional years based upon growth of 4.3% from federal EITC growth in I.R.S. Statistics of Income.

7-Increase two-wage earner credit wage maximum from \$30,000 to \$50,000 phased in at \$3,333 per year. Additional years based upon growth of 2.2%.

8-Increase tuition credit to 50% of tuition up to \$1,500 per student. Additional years based upon growth of 2.4%.

9-Exempt 14.29% of manufacturing property value from property taxes phased in over 6 years at 2.382% per year beginning TY 2018.

10-Total General Fund reductions - sum of columns 6 to 9

TAX YEAR 2023 ESTIMATED EARNED INCOME TAX CREDIT
(125% of Federal Credit)

Tax Liability After Credits Range (TY 2014 Base)	Total Estimated Returns (TY 2023)	Percent of Total	Est. Returns with Federal Earned Income Credits (TY 2023)	Percent of Returns by Range	Est. Returns Claiming Credit (TY 2023)	Percent of Returns by Range	Est. Total Credits Claimed (TY 2023 Amount)	Average Credit Claimed
1	2	3	4	5	6	7	8	9
\$0	1,103,253	42.2%	485,517	44%	0	0.0%	\$0	\$0
\$1-\$500	468,351	17.9%	121,895	26%	121,895	26.0%	\$25,402,588	\$208
\$501-\$1,000	204,194	7.8%	26,180	13%	26,180	12.8%	\$16,685,245	\$637
\$1,001-\$1,500	156,019	6.0%	1,078	1%	1,078	0.7%	\$480,300	\$446
\$1,501-\$2,000	122,240	4.7%	39	0%	39	0.0%	\$49,586	\$1,271
\$2,001-\$2,500	97,017	3.7%	13	0%	13	0.0%	\$29,431	\$2,264
\$2,501-\$3,000	77,372	3.0%	7	0%	7	0.0%	\$12,572	\$1,796
\$3,001-\$3,500	62,152	2.4%	4	0%	4	0.0%	\$6,602	\$1,650
\$3,501-\$4,000	50,782	1.9%	3	0%	3	0.0%	\$8,753	\$2,918
\$4,001-\$4,500	42,176	1.6%	4	0%	4	0.0%	\$15,152	\$3,788
\$4,501-\$5,000	34,860	1.3%	-	0%	0	0.0%	\$0	\$0
\$5,001-\$5,500	28,002	1.1%	3	0%	3	0.0%	\$7,005	\$2,335
\$5,501-\$6,000	23,128	0.9%	1	0%	1	0.0%	\$111	\$111
\$6,001-\$6,500	18,686	0.7%	-	0%	0	0.0%	\$0	\$0
\$6,501-\$7,000	15,535	0.6%	-	0%	0	0.0%	\$0	\$0
\$7,001-\$7,500	13,028	0.5%	1	0%	1	0.0%	\$1,043	\$1,043
\$7,501-\$8,000	10,784	0.4%	-	0%	0	0.0%	\$0	\$0
\$8,001-\$9,000	16,766	0.6%	1	0%	1	0.0%	\$3,805	\$3,805
\$9,001-\$10,000	12,435	0.5%	1	0%	1	0.0%	\$6,953	\$6,953
Over \$10,000	56,901	2.2%	4	0%	4	0.0%	\$7,392	\$1,848
Total	2,613,681	100.0%	634,752	24%	149,234	5.7%	\$42,716,538	\$286

Note: Non-refundable credit equal to 125% of federal earned income tax credit

Source: Revenue and Fiscal Affairs; Analysis of 2014 federal and state matched income tax return 87% sample

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