FINANCING GEORGIA’S FUTURE

Peter Bluestone, David L. Sjoquist, William J. Smith and Sally Wallace

FRP Report No. 97
December 14 2004
INTRODUCTION

This Session explores how Georgia finances its expenditures through various revenue sources. In particular, the Session compares Georgia’s taxes across states and over time on multiple dimensions.

There are five sections to the materials:

I. A Cross-State Comparison of Tax Levels.

II. Fiscal Capacity and Effort.

III. A Cross-State Comparison of Tax Structures.

IV. Tax Burdens by Income Level.

V. Revenue Trends in Georgia’s Taxes.
I. A CROSS-STATE COMPARISON OF TAX LEVELS

This section compares Georgia with other states in terms of tax levels and how tax burdens in Georgia have changed over time. Two measures are used: taxes per capita and taxes per $1000 of personal income. Each measure is calculated for state and local taxes, state taxes, and local taxes, where local includes counties, municipalities, school boards, and special districts. Tax data are from the Bureau of the Census; 2002 is the latest year data is available.

The first table shows tax burden for Georgia while the second table shows how Georgia ranks nationally for each category.

- In terms of taxes per capita:
  - Georgia’s total state and local taxes per capita increased 67 percent between 1981 and 2002.
  - Nationally, this was the 9th largest percent increase for the period.
  - Most of this increase, 58 percent, can be attributed to increases in Georgia’s state and local sales taxes.
In terms of taxes per $1000 of income:

- Georgia’s total state and local taxes per $1000 of income increased 8 percent between 1981 and 2002, from $91 in 1981 to $98 in 2002.
- Georgia’s overall ranking fell from 30th in 1981 to 35th in 2002.
- Georgia’s state taxes per $1000 of income decreased from $59 to $56.
- Total local taxes per $1000 increased; Georgia’s went from 32nd in 1981 to 16th in 2002.
Georgia’s Tax Revenue-Summary

<table>
<thead>
<tr>
<th></th>
<th>Per Capita 1981*</th>
<th>Per Capita 2002</th>
<th>Per $1000 of Personal Income 1981</th>
<th>Per $1000 of Personal Income 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Taxes -State &amp; Local</td>
<td>$1,691</td>
<td>$2,816</td>
<td>$91</td>
<td>$98</td>
</tr>
<tr>
<td>Total Taxes -State</td>
<td>$1,094</td>
<td>$1,612</td>
<td>$59</td>
<td>$56</td>
</tr>
<tr>
<td>Total Taxes – Local</td>
<td>$597</td>
<td>$1,204</td>
<td>$32</td>
<td>$42</td>
</tr>
<tr>
<td>Personal Income Tax – State</td>
<td>$375</td>
<td>$759</td>
<td>$20</td>
<td>$26</td>
</tr>
<tr>
<td>Sales Tax – State</td>
<td>$366</td>
<td>$704</td>
<td>$20</td>
<td>$24</td>
</tr>
<tr>
<td>Sales Tax – State &amp; Local</td>
<td>$445</td>
<td>$1,100</td>
<td>$24</td>
<td>$38</td>
</tr>
<tr>
<td>Corporate Income Tax – State &amp; Local</td>
<td>$9</td>
<td>$66</td>
<td>$5</td>
<td>$2</td>
</tr>
<tr>
<td>Property Tax - Local</td>
<td>$372</td>
<td>$771</td>
<td>$20</td>
<td>$27</td>
</tr>
</tbody>
</table>

Source: Bureau of the Census.

*Inflation adjusted.

Georgia’s Ranking-Summary

<table>
<thead>
<tr>
<th></th>
<th>Per Capita 1981</th>
<th>Per Capita 2002</th>
<th>Per $1000 of Personal Income 1981</th>
<th>Per $1000 of Personal Income 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Taxes -State &amp; Local</td>
<td>37</td>
<td>29</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Total Taxes -State</td>
<td>39</td>
<td>38</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>Total Taxes – Local</td>
<td>37</td>
<td>21</td>
<td>32</td>
<td>16</td>
</tr>
<tr>
<td>Personal Income Tax – State</td>
<td>18</td>
<td>17</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Sales Tax – State</td>
<td>26</td>
<td>41</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Sales Tax – State &amp; Local</td>
<td>22</td>
<td>23</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td>Corporate Income Tax – State &amp; Local</td>
<td>23</td>
<td>26</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>Property Tax - Local</td>
<td>39</td>
<td>30</td>
<td>37</td>
<td>31</td>
</tr>
</tbody>
</table>
The next table compares tax burdens across nine comparison states, which are the states used in the expenditure comparisons in the previous session. Note that “Rank” in the following table refers to the states’ ranking nationally, while the ranks in the bullet points refer to just the comparison states.

- Georgia ranks 6th in total state and local taxes per capita.
- Georgia ranks 4th in total state and local taxes per $1000 of income.
- For states other than Tennessee, total state and local taxes per $1000 range from $92 to $100.
- Georgia ranks 6th in state taxes per capita and 4th in state taxes per $1000 of income.

<table>
<thead>
<tr>
<th>State</th>
<th>Total State and Local</th>
<th>State</th>
<th>Total State and Local</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Capita</td>
<td>Per $1000 of Income</td>
<td>Per Capita</td>
<td>Per $1000 of Income</td>
</tr>
<tr>
<td>Colorado</td>
<td>20</td>
<td>3,088</td>
<td>45</td>
<td>92</td>
</tr>
<tr>
<td>Georgia</td>
<td>29</td>
<td>2,816</td>
<td>35</td>
<td>98</td>
</tr>
<tr>
<td>Illinois</td>
<td>15</td>
<td>3,303</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>5</td>
<td>3,721</td>
<td>39</td>
<td>95</td>
</tr>
<tr>
<td>Missouri</td>
<td>36</td>
<td>2,667</td>
<td>41</td>
<td>94</td>
</tr>
<tr>
<td>North Carolina</td>
<td>33</td>
<td>2,718</td>
<td>34</td>
<td>98</td>
</tr>
<tr>
<td>Tennessee</td>
<td>50</td>
<td>2,241</td>
<td>51</td>
<td>81</td>
</tr>
<tr>
<td>Virginia</td>
<td>24</td>
<td>3,037</td>
<td>44</td>
<td>93</td>
</tr>
<tr>
<td>Washington</td>
<td>17</td>
<td>3,216</td>
<td>30</td>
<td>99</td>
</tr>
</tbody>
</table>
The next table shows the percentage of total state and local taxes collected by state government.

- Over the period 1981 to 2002 the state share of total taxes in Georgia fell from 65 percent in 1981 to 57 percent in 2002.
- In 2002, only two of the comparison states had a lower state share.

<table>
<thead>
<tr>
<th>State</th>
<th>1981</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td>Georgia</td>
<td>65%</td>
<td>57%</td>
</tr>
<tr>
<td>Illinois</td>
<td>55%</td>
<td>54%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>56%</td>
<td>62%</td>
</tr>
<tr>
<td>Missouri</td>
<td>55%</td>
<td>58%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>72%</td>
<td>69%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>58%</td>
<td>60%</td>
</tr>
<tr>
<td>Virginia</td>
<td>60%</td>
<td>58%</td>
</tr>
<tr>
<td>Washington</td>
<td>73%</td>
<td>65%</td>
</tr>
</tbody>
</table>
The next three tables show the composition of taxes for total state and local governments, state governments, and local governments for the nine comparison states.

Georgia’s total state and local taxes are fairly evenly balanced. Sales tax contributes 39 percent, while individual income tax and property tax contribute 27 percent and 28 percent, respectively.

Tax Composition – State and Local Governments, 2002

<table>
<thead>
<tr>
<th>State</th>
<th>Ind. Income Tax</th>
<th>Corp. Income Tax</th>
<th>Property Tax</th>
<th>Sales Tax</th>
<th>Other Taxes</th>
<th>Total Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>25%</td>
<td>1%</td>
<td>30%</td>
<td>38%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Georgia</td>
<td>27%</td>
<td>2%</td>
<td>28%</td>
<td>39%</td>
<td>4%</td>
<td>100%</td>
</tr>
<tr>
<td>Illinois</td>
<td>18%</td>
<td>3%</td>
<td>38%</td>
<td>33%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>33%</td>
<td>3%</td>
<td>36%</td>
<td>22%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Missouri</td>
<td>26%</td>
<td>2%</td>
<td>26%</td>
<td>40%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>32%</td>
<td>3%</td>
<td>24%</td>
<td>35%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>1%</td>
<td>4%</td>
<td>27%</td>
<td>58%</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>Virginia</td>
<td>30%</td>
<td>1%</td>
<td>30%</td>
<td>30%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>Washington</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>61%</td>
<td>9%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Tax Composition – State Government, 2002

<table>
<thead>
<tr>
<th>State</th>
<th>Ind. Income Tax</th>
<th>Corp. Income Tax</th>
<th>Property Tax</th>
<th>Sales Tax</th>
<th>Other Taxes</th>
<th>Total Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>50%</td>
<td>3%</td>
<td>0%</td>
<td>41%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>Georgia</td>
<td>47%</td>
<td>4%</td>
<td>0%</td>
<td>44%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Illinois</td>
<td>33%</td>
<td>6%</td>
<td>0%</td>
<td>50%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>53%</td>
<td>5%</td>
<td>0%</td>
<td>35%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>Missouri</td>
<td>41%</td>
<td>3%</td>
<td>0%</td>
<td>47%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>47%</td>
<td>4%</td>
<td>0%</td>
<td>42%</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>2%</td>
<td>6%</td>
<td>0%</td>
<td>78%</td>
<td>14%</td>
<td>100%</td>
</tr>
<tr>
<td>Virginia</td>
<td>53%</td>
<td>2%</td>
<td>0%</td>
<td>37%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>Washington</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
<td>79%</td>
<td>10%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Tax Composition – Local Governments, 2002

<table>
<thead>
<tr>
<th>State</th>
<th>Ind. Income Tax</th>
<th>Corp. Income Tax</th>
<th>Property Tax</th>
<th>Sales Tax</th>
<th>Other Taxes</th>
<th>Total Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>0%</td>
<td>0%</td>
<td>60%</td>
<td>35%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Georgia</td>
<td>0%</td>
<td>0%</td>
<td>64%</td>
<td>33%</td>
<td>3%</td>
<td>100%</td>
</tr>
<tr>
<td>Illinois</td>
<td>0%</td>
<td>0%</td>
<td>83%</td>
<td>14%</td>
<td>3%</td>
<td>100%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>0%</td>
<td>0%</td>
<td>96%</td>
<td>2%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td>Missouri</td>
<td>5%</td>
<td>0%</td>
<td>60%</td>
<td>30%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>0%</td>
<td>0%</td>
<td>77%</td>
<td>18%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>0%</td>
<td>0%</td>
<td>67%</td>
<td>27%</td>
<td>6%</td>
<td>100%</td>
</tr>
<tr>
<td>Virginia</td>
<td>0%</td>
<td>0%</td>
<td>72%</td>
<td>19%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>Washington</td>
<td>0%</td>
<td>0%</td>
<td>63%</td>
<td>29%</td>
<td>8%</td>
<td>100%</td>
</tr>
</tbody>
</table>
II. FISCAL CAPACITY AND EFFORT

The following table presents a fiscal capacity index and fiscal effort index for the 9 comparison states.

The fiscal capacity index measures the underlying ability of a state to raise tax revenue relative to the average across all states. Capacity is based on income per capita. The fiscal effort index measures the ratio of actual taxes raised to the state’s capacity.

- Georgia’s fiscal capacity is below the national average and is at the lower end of fiscal capacity of the comparison states.
- Georgia’s fiscal effort is below the national average, but is about average for the comparison states.
- Differences across states in taxes per capita are largely explained by differences in income per capita.

### Fiscal Capacity and Effort

<table>
<thead>
<tr>
<th>State</th>
<th>Fiscal Capacity</th>
<th>Fiscal Effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>106.7</td>
<td>102.6</td>
</tr>
<tr>
<td>Georgia</td>
<td>93.2</td>
<td>96.2</td>
</tr>
<tr>
<td>Illinois</td>
<td>106.9</td>
<td>98.4</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>126.4</td>
<td>93.7</td>
</tr>
<tr>
<td>Missouri</td>
<td>92.2</td>
<td>92.1</td>
</tr>
<tr>
<td>North Carolina</td>
<td>89.9</td>
<td>99.9</td>
</tr>
<tr>
<td>Tennessee</td>
<td>89.3</td>
<td>79.9</td>
</tr>
<tr>
<td>Virginia</td>
<td>106.1</td>
<td>91.1</td>
</tr>
<tr>
<td>Washington</td>
<td>105.6</td>
<td>97.0</td>
</tr>
</tbody>
</table>
III. A CROSS-STATE COMPARISON OF TAX STRUCTURES

In this section we explore differences across nine states in the structure of specific taxes. The nine states referred to here are the nine states used in the expenditure comparisons in the previous session.

A. The Personal Income Tax

41 states have a broad-based income tax. Two states, Tennessee and New Hampshire, have limited income taxes. Seven states, Alaska, Florida, Nevada, Texas, South Dakota, Washington and Wyoming, have no income tax.

The following table provides details of the comparisons across the nine states.

- Washington has no income tax.
- Tennessee taxes only interest and dividend income.
- Two of the states base their income tax on Federal Taxable Income (FTI).
- Five of the states, including Georgia, base their income tax on Federal Adjusted Gross Income.
- Personal deductions in Georgia are generally larger than in the comparison states.
- Georgia’s tax rates are at the higher end of the 9 states.
- Three of the states have one rate, while Georgia has 6 tax brackets.
## Tax Structure of Income Taxes

<table>
<thead>
<tr>
<th>State</th>
<th>Tax Base</th>
<th>Single</th>
<th>Married/Joint</th>
<th>Dependents</th>
<th>Rate Up To*</th>
<th>Rate Over</th>
<th># of Brackets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>FTI</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>4.63%</td>
<td>4.63%**</td>
<td>1</td>
</tr>
<tr>
<td>Georgia</td>
<td>FAGI</td>
<td>$2,700</td>
<td>$5,400</td>
<td>$2,700</td>
<td>1%</td>
<td>6%</td>
<td>10,000</td>
</tr>
<tr>
<td>Illinois</td>
<td>FAGI</td>
<td>$2,000</td>
<td>$4,000</td>
<td>$2,000</td>
<td>3%</td>
<td>3%**</td>
<td>1</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>FAGI</td>
<td>$4,400</td>
<td>$8,800</td>
<td>$1,000</td>
<td>5.3%</td>
<td>5.30%**</td>
<td>1</td>
</tr>
<tr>
<td>Missouri</td>
<td>FAGI</td>
<td>$2,100</td>
<td>$4,200</td>
<td>$1,200</td>
<td>1.5%</td>
<td>6%</td>
<td>9,000</td>
</tr>
<tr>
<td>North Carolina</td>
<td>FTI</td>
<td>$2,500</td>
<td>$5,000</td>
<td>$2,500</td>
<td>6%</td>
<td>8.25%</td>
<td>200,000</td>
</tr>
<tr>
<td>Tennessee</td>
<td>Interest &amp;</td>
<td>$1,250</td>
<td>$2,500</td>
<td>$0</td>
<td>6%**</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Dividends only</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virginia</td>
<td>FAGI</td>
<td>$800</td>
<td>$1,600</td>
<td>$800</td>
<td>2%</td>
<td>5.75%</td>
<td>17,000</td>
</tr>
<tr>
<td>Washington</td>
<td>No Income tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Bracket levels for Georgia and North Carolina apply only to Married filing jointly.

** Flat rate.

Source: Federation of Tax Administrators’ website.
B. The Sales and Use Tax

The following table provides details of the comparisons across the nine states.

- Georgia’s state sales tax rate is one of the lowest of the comparison states.
- Georgia taxes 34 of the 164 services that the Federation of Tax Administrators has identified as being taxed in at least one state.
- Georgia sales tax base seems to be the broadest among the comparison states, as measured by the size of the sales tax base relative to the size of the economy as measured by total personal income.
- Georgia imposes its sales tax on purchases by businesses at about the same level the other states.
## Tax Structure of Sales Taxes

**Tax Rates, January 1, 2004**

<table>
<thead>
<tr>
<th>State</th>
<th>State Rate</th>
<th>Maximum Local Rate</th>
<th>State plus Maximum Local Rate</th>
<th>Food At Home Exempted</th>
<th>Prescription Drugs Exempted</th>
<th># of Services Taxed**</th>
<th>Base/Income</th>
<th>% Paid by Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>2.9%</td>
<td>7.0%</td>
<td>9.9%</td>
<td>Yes</td>
<td>Yes</td>
<td>14</td>
<td>43.0%</td>
<td>60%</td>
</tr>
<tr>
<td>Georgia</td>
<td>4.0%</td>
<td>3.0%</td>
<td>7.0%</td>
<td>Yes*</td>
<td>Yes</td>
<td>34</td>
<td>53.6%</td>
<td>64%</td>
</tr>
<tr>
<td>Illinois</td>
<td>6.25%</td>
<td>3.0%</td>
<td>9.25%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>17</td>
<td>30.7%</td>
<td>68%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>5.0%</td>
<td>0.0%</td>
<td>5.0%</td>
<td>Yes</td>
<td>Yes</td>
<td>20</td>
<td>27.4%</td>
<td>62%</td>
</tr>
<tr>
<td>Missouri</td>
<td>4.225%</td>
<td>4.5%</td>
<td>8.725%</td>
<td>1.225%</td>
<td>Yes</td>
<td>28</td>
<td>45.7%</td>
<td>64%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>4.5%</td>
<td>3.0%</td>
<td>7.5%</td>
<td>Yes*</td>
<td>Yes</td>
<td>28</td>
<td>43.3%</td>
<td>62%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>7.0%</td>
<td>2.75%</td>
<td>9.75%</td>
<td>6.0%</td>
<td>Yes</td>
<td>71</td>
<td>48.3%</td>
<td>63%</td>
</tr>
<tr>
<td>Virginia</td>
<td>3.5%^</td>
<td>1.0%</td>
<td>4.5%</td>
<td>3.0%</td>
<td>Yes</td>
<td>18</td>
<td>40.3%</td>
<td>70%</td>
</tr>
<tr>
<td>Washington</td>
<td>6.5%</td>
<td>2.3%</td>
<td>8.8%</td>
<td>Yes</td>
<td>Yes</td>
<td>154</td>
<td>47.3%</td>
<td>49%</td>
</tr>
</tbody>
</table>

*Food is taxed at the local level.

** out of 164 services taxed in at least one state.

^ Raised to 4 percent in 2004.

C. Corporate Income Tax

The following table illustrates differences across the 9 comparison states in the main features of the corporate income tax.

- Washington has no corporate income tax.
- All of the comparison states base their corporate income tax on Federal Taxable Income.
- States make numerous and different adjustments before arriving at State Taxable Income.
- State rates are flat, i.e., the same rate applies regardless of the amount of taxable income.
- Only one of the comparison states has a corporate income tax lower than Georgia’s 6 percent rate.
- A major issue is whether a firm with separate subsidiaries has to file a combined return.
  - Only in Illinois is there no allowance for firms to file a consolidated return.
  - In some states tax officials have authority to require combined reporting.
- Profits of multi-state firms are apportioned by formula to each state in which the firm has nexus.
  - State use different combinations of the proportion of the firm’s sales, property and wages in that state to determine the percentage of the firm’s profits that allocated to the state.
  - Like most states, Georgia double weights the sales factor.
  - One of the states uses only a sales factor.
  - Two of the states use the average of the three proportions.
## Tax Structure of Corporate Income Taxes

<table>
<thead>
<tr>
<th>State</th>
<th>Base**</th>
<th>Tax Rates***</th>
<th>Consolidated Return</th>
<th>Apportionment Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>Federal Taxable Income</td>
<td>4.63%</td>
<td>Elect</td>
<td>3 factor</td>
</tr>
<tr>
<td>Georgia</td>
<td>Federal Taxable Income</td>
<td>6.00%</td>
<td>Auth to require or permit</td>
<td>Doubled weighted Sales</td>
</tr>
<tr>
<td>Illinois</td>
<td>Federal Taxable Income</td>
<td>7.30%</td>
<td>Not allowed</td>
<td>Sales</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Federal Taxable Income</td>
<td>9.50%</td>
<td>Elect/Auth to require</td>
<td>Doubled weighted Sales</td>
</tr>
<tr>
<td>Missouri</td>
<td>Federal Taxable Income</td>
<td>6.25%</td>
<td>Elect</td>
<td>3 factor</td>
</tr>
<tr>
<td>North Carolina</td>
<td>Federal Taxable Income</td>
<td>6.90%</td>
<td>Auth to require</td>
<td>Doubled weighted Sales</td>
</tr>
<tr>
<td>Tennessee</td>
<td>Federal Taxable Income</td>
<td>6.50%</td>
<td>Auth to require or permit</td>
<td>Doubled weighted Sales</td>
</tr>
<tr>
<td>Virginia</td>
<td>Federal Taxable Income</td>
<td>6.00%</td>
<td>Elect</td>
<td>Doubled weighted Sales</td>
</tr>
<tr>
<td>Washington*</td>
<td></td>
<td>0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Washington has a Business and Occupation Tax, but not a corporate income tax.

**All states make modifications to federal taxable income, for example by subtracting certain taxes that are not deductible at the federal level.

***All these rates are flat and apply to the 1st dollar of taxable income.

Source: *2004 Multistate Corporate Tax Guide*
D. Excise Taxes

Most states impose excise taxes on gasoline, tobacco products and alcoholic beverages. The following table contains information about differences across states in the excise tax rates as of January 1, 2004. Note that several states operate state liquor stores and do not have excise taxes on alcoholic beverages as such.

- Georgia has the second lowest tax on gasoline.

- Florida has the lowest state excise tax on gasoline.
  - Local governments in Florida also levy an excise tax on gasoline, but local taxes on gasoline are not reflected in the table.

- Despite the recent increase in the tax on tobacco products, Georgia ranks 38\textsuperscript{th} in terms of excise tax on cigarettes.

- Georgia ranks 14\textsuperscript{th} for the tax on liquor.

- Georgia ranks 6\textsuperscript{th} for the tax on wine.

- Georgia ranks 7\textsuperscript{th} for the tax on beer.
## State Excise Tax Rates (January 1, 2004)

<table>
<thead>
<tr>
<th>State</th>
<th>Gasoline (cents per gallon)</th>
<th>Cigarettes (cents per pack)</th>
<th>Liquor (cents per gallon)</th>
<th>Wine (dollars per gallon)</th>
<th>Beer (dollars per gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>22.0</td>
<td>20</td>
<td>2.28</td>
<td>0.32</td>
<td>0.08</td>
</tr>
<tr>
<td>Georgia</td>
<td>7.5</td>
<td>37</td>
<td>3.79</td>
<td>1.51</td>
<td>0.48</td>
</tr>
<tr>
<td>Illinois</td>
<td>19.0</td>
<td>98</td>
<td>4.50</td>
<td>0.73</td>
<td>0.185</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>21.0</td>
<td>151</td>
<td>4.05</td>
<td>0.55</td>
<td>0.11</td>
</tr>
<tr>
<td>Missouri</td>
<td>17.0</td>
<td>17</td>
<td>2.00</td>
<td>0.36</td>
<td>0.06</td>
</tr>
<tr>
<td>North Carolina</td>
<td>24.3</td>
<td>5</td>
<td>See note 1</td>
<td>0.79</td>
<td>0.53</td>
</tr>
<tr>
<td>Tennessee</td>
<td>20.0</td>
<td>20</td>
<td>4.40</td>
<td>1.21</td>
<td>0.14</td>
</tr>
<tr>
<td>Virginia</td>
<td>17.5</td>
<td>2.5</td>
<td>See note 1</td>
<td>1.51</td>
<td>0.26</td>
</tr>
<tr>
<td>Washington</td>
<td>28.0</td>
<td>142.5</td>
<td>See note 1</td>
<td>0.87</td>
<td>0.261</td>
</tr>
</tbody>
</table>

1. Government directly controls the sales, there is no specific excise tax.

Source: Federation of Tax Administrators’ website.
E. Sales Tax Rate and the Importance of Income Tax

The following chart shows compares the importance of the income tax to a state to the sales tax rate.

- Not surprising, the less important is the income tax to a state, the higher is the state’s sales tax rate, reflecting a substitution between the taxes.
Sales Tax Rate and Importance of Income Tax

SOURCE: Government Finances; Federation of Tax Administrators.
IV. TAX BURDENS BY INCOME LEVEL

The following six charts concern the distribution across income levels of the tax burdens for the 9 comparison states.

A. Effective Tax Rates

The first chart shows the effective tax rate for state and local taxes for households in the lowest 20 percentile of income and in the highest 1 percent. (The effective tax rate is the ratio of taxes paid to income.)

- The effective tax rate in Georgia is the third highest for both the lowest and highest income class of the 9 comparison states.
State & Local Tax Burdens, 2002

B. Progressivity Index

The second chart shows the tax progressivity index, where the index equals the ratio of effective taxes for the highest and lowest income classes. The higher the value of the index the more progressive is the tax system, and a value of less than one suggests a regressive tax system, i.e., one in which low income households pay a higher effective tax rate than high income households.

- Georgia is in the middle of the comparisons states in terms of the progressivity of its tax system.
C. Income Tax Progressivity

The third chart illustrates the progressivity of the income taxes for the 8 comparison states with an income tax. The chart shows the income tax paid by each of five income levels.

- Since Tennessee has only a very limited income tax, the income taxes paid are very low.
- Income tax burdens in Georgia are about in the middle of the comparison states.
Income Taxes 2003

D. Progressivity of State and Local Taxes

The next three charts show the state and local tax burden by income class for three states: Missouri, Georgia, and Washington. Missouri has a tax system that is the least regressive of the 9 states, while Washington has the most regressive tax system of the 9 states. Georgia is in the middle.

- For all states:
  - Sales and excise taxes are highly regressive.
  - Income taxes are highly progressive.
  - The property tax is mildly regressive.

- The difference in the regressivity of the tax systems is due to the progressivity of the income tax in the state.
  - Washington has no income tax and hence its tax structure is very regressive.
  - Georgia’s income tax system is mildly progressive.
  - Missouri’s income tax system is very progressive.
State & Local Tax Burden - Missouri

State & Local Tax Burden - Georgia

State & Local Tax Burden - Washington

V. REVENUE TRENDS IN GEORGIA’S TAXES

This section presents a discussion of tax revenue trends for Georgia’s major taxes.

A. Trends in Total Revenue

The following chart shows the ratio of total Georgia State government revenue raised from own-sources, i.e., excluding federal government grant revenue, divided by total personal income.

- Since 1980, the percentage of income paid to the state in the form of taxes, fees, etc., generally ranged from 5.5 percent to 6 percent.
- The percentage exceeded 6 percent in 1990 when the sales tax rate was increased.
- Since 2003, the percentage has been below 5.5 percent.
State Own Source Revenue as a Percentage of Personal Income

SOURCE: Alan Essig, Georgia Budget and Policy Institute.
B. Personal Income Tax Revenue

The first graph shows how income tax revenues come into the Treasury on a month-by-month basis.

- The pattern over the months is not smooth, but there are some patterns to notice:
  - January is often a “big month” for income tax collections due to the impact of seasonal hiring and estimated tax payments.
  - April has not historically been a large month for receipts but an increased timeliness of payments and processing of final returns may boost April collections in the future.
  - FY04 receipts show a strong increase over FY03 receipts in the latter part of the fiscal year.
Monthly Individual Income Tax Collections

Revenue In Millions

- FY03
- FY04
- FY05

Month

FY03 FY04 FY05
The following chart shows the pattern of growth in individual income tax collections in nominal dollars—that is, these are the levels of collections as reported by the Department of Revenue for each fiscal year from 1996 to 2004.

- The graph demonstrates the strong and stable growth of the individual income tax, despite increased exemptions for some forms of income and increases in the level of exemptions for dependents over this time period.

- What is striking in the pattern of receipts is the downward notch in income tax receipts that hits in FY2002 and then again in FY2003. These trends are associated with the recession, which hit income tax receipts quite hard.

- FY2004 witnessed a decent recovery in individual income tax receipts, as shown on the graph. However, we do not expect to “catch up” with the pre-2002 trend line in income tax receipts for a number of years.
Total Individual Income Tax Receipts

In Millions


$4,000 $4,500 $5,000 $5,500 $6,000 $6,500 $7,000 $7,500
The following graph shows the percentage change in individual income tax receipts between fiscal years. It shows in more detail the pattern of ups and downs in receipts than the previous graph.

- The growth pattern shows that between FY1996 and FY2001 income tax receipts grew at a robust rate of between 7 and 13 percent per year. These figures do not take into account changes in exemptions and deductions that occurred in 1998 and 2000.

- Between FY2001 and FY2002, individual income tax receipts declined in nominal terms for the first time in recent history. This decrease in revenue continued in FY2003 but a rebound began in early FY2004.

- From FY2003 to FY2004, income tax receipts grew approximately 9 percent—still slightly below the average growth in the period from 1996-2001, but reflecting a response to the expanding economy post-recession.
Individual Income Tax Revenue Growth

-0.1
-0.05
0
0.05
0.1
0.15

Individual income tax receipts are very closely related to personal income. Since income tax revenues are derived by taxing components of personal income, we might expect to see a close relationship between income tax revenues and personal income.

■ As shown in the following graph, income tax revenues as a share of personal income grew significantly from 1996 to 2001. The ratio of income tax revenue to personal income was 2.56 in 1996, growing to 2.92 by 2001.

■ The growth in income tax revenues relative to personal income was in part due to the increase in capital income and the increase in high paying jobs. These types of income would be taxed at the higher marginal tax rate according to the tax schedule for the state of Georgia.

■ The relationship between income tax receipts and personal income fell dramatically from 2001. By 2002, the ratio was 2.77 and in 2003 it was 2.49.

■ The decline in the ratio is due to a loss of employment, a slight increase in transfer payments (which are largely non-taxable), and a reduction in capital income.

■ In 2004, this ratio increased to 2.58 due to expansion of employment. We believe that there are still numerous capital losses and that taxpayers will not report significant increases in net capital gains for another two to three years.

■ The ratio of tax receipts to personal income should continue to increase somewhat, but due to the slow recovery in higher paying jobs and the stock of capital losses in the tax system, it is unlikely that the ratio would reach 2.7 or higher for the next three to four years.
Individual Income Tax Revenue/Personal Income

Year

Percent of Personal Income

C. Sales and Use Tax

The next five charts focus on the sales tax.

1. Increase in Total Sales Tax Revenue

   ■ Until recently, sales tax revenue has increased nearly continuously.

   o Between 1977 and 2004, sales tax revenue increased from $686 million to $4,805 million, or 7.2 percent per year (first chart).

   o Adjusted for inflation, sales tax revenue increased 3.0 percent per year (second chart).

The vertical bar denotes the increase in the sales tax rate from 3 percent to 4 percent.
Annual Sales Tax Revenue

Source: Georgia Budget Report.
Annual Sales Tax Revenue
(Inflation Adjusted)

Revenue in Millions

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000

Year


2. Income Growth

Sales tax revenue is related to the level of income. The third chart shows how income increased by calendar quarter over the period 1990 to 2004. The chart is scaled by dividing income in each period by the income in the first period. Thus, the vertical axis illustrates the growth in income.

- Total income followed a rather uniform growth path until 2001, which is the date of the recent recession.

- Beginning in 2001 income growth slowed substantially and is now only beginning to grow at the previous rate.

- For the 1991 recession we do not observe the same kind of slow down of income growth.
Personal Income

Projection Based on Trend

Personal Income

Calendar Quarter

Income Relative to 1990.1

SOURCE: Bureau of Economic Analysis.
3. Sales Tax Revenue and Income

The next two charts show the trend in sales tax revenue per $1000 of income:

- The first chart uses actual revenues.
- The second chart adjusts post-1990 revenue for the increase in the sales tax rate to 4 percent.

- Sales tax revenue per $1000 of income has fallen nearly continuously for the past quarter of a century.
- There are many reasons for the decrease.
  - Consumption patterns have changed.
    - In 1983, commodities were 36.4 percent of personal expenditures, but 29.2 percent in 2003. If that change had not occurred, 2003 sales tax revenues would have been an estimated $678 million more.
    - E-commerce has increased by 2.5 times between 1999 and 2003. Since much of e-commerce is not taxed, this has reduced sales tax revenue.
Exemptions

- The 1996 exemption for food for home consumption reduced FY 04 revenue by an estimated $700 million.
- Other exemptions adopted since 1987 reduced sales tax revenues by another $100 to $110 million.

The recent slow down is due in part to the recession and to the post-9/11 decrease in travel and to a shift from eating out to eating at home.

If income had stayed on trend and if the sales tax to personal income ratio had remained at its 2000 level, sales tax revenue in FY04 would have been $1,100 million larger.
Sales Tax per $1000 of Personal Income
(Adjusted for Tax Rate Increase)

SOURCE: Georgia Budget Reports.
Sales Tax per $1000 of Personal Income

Year


Revenue/Income

$24 $23 $22 $21 $20 $19 $18 $17 $16

SOURCE: Georgia Budget Reports, Bureau of Economic Analysis.
D. Corporate Income Tax Revenue

1. Growth in Total Corporate Income Tax Revenue

   The following two charts show the growth in corporate income tax revenue for the period 1970 to 2004. The first chart shows the growth in actual revenue, while the second shows the growth in real (i.e., inflation adjusted) revenue.

   ■ Over the 34 year period, revenues, adjusted for inflation increased at 0.5 percent per year.

   ■ Corporate income tax revenues have declined substantial since 1999, by 44.2 percent.

   ■ The other thing to note is the wide swings in revenue, which are associated with recessions and expansions in the economy.
2. Relationship Between Corporate Tax Revenue and Total Personal Income

The following chart shows how the relationship between corporate income tax revenue and the size of the Georgia economy, as measured by personal income.

- Corporate income tax revenue per $1000 of personal income has been on a downward trend.

- Reasons for this trend:
  - There has been a shift from traditional corporations (called C-corps) to other forms of business (called S-corps and limited partnerships).
  - A shift to a double weighted sales apportionment formula reduced revenue.
  - An increase in tax credits for economic development purposes. In 1991, such credits amounted to $179,924. By 2000 they amounted to $85,573,335. It is reported that there are substantial credits that have been carried forward by firms that have been unable to use the credits.
  - Firms have been more active in tax planning. For example, by setting up what are known as Delaware holding companies firms can move profits to states with no corporate income tax.
  - Because the calculation of taxable income in Georgia is tied to the federal corporate income tax code, changes in the federal system translate into changes in Georgia. Several changes in the 1980s at the federal level, for example, accelerated depreciation, reduced taxable profit in Georgia.
Corporate Income Tax per $1000 of Personal Income

E. Fuel Tax Revenue

The next two charts focus on fuel tax revenue, including both the 7.5 cents per gallon tax and the 3 percent prepaid sales tax.

- Since 1980, Georgia’s fuel taxes increased 119.0 percent.
- Controlling for inflation, real fuel tax revenues decreased by 1.9 percent.
- On a per capita basis, fuel taxes increased 37.8 percent.
- On an inflation-adjusted basis, gas tax revenue per capita decreased 38.3 percent since 1980.

Year


In Millions

$0 $200 $400 $600 $800

Revenue

Revenue-Inflation Adjusted

In Millions

Year

Actual Revenue
Inflation Adjusted

10 20 30 40 50 60 70 80 90

57
F. Property Tax Revenue

The following five charts focus on the property tax.

- Property taxes in Georgia increased from about $1.1 billion in 1980 to nearly $6.6 billion in 2002, or by 8.5 percent per year (first chart).
- On a per capita basis property tax increased from $199 in 1980 to $776 in 2002, or by 6.4 percent per year (second chart).
- Property tax per $1000 of income increased from $23.53 to $26.91, or by 0.6 percent per year (third chart).
- Property taxes per capita were 66 percent of the US average in 1980, but 80 percent in 2002 (fourth chart).
- Property taxes per $1000 of income were 79 percent of the US average in 1980, but 85 percent in 2002 (fifth chart).
Property Taxes - Georgia

Source: U.S. Bureau of the Census.
Property Taxes Per Capita

Source: U.S. Bureau of the Census.
Property Taxes Per $1000 of Income

Source: U.S. Bureau of the Census.
Property Taxes Per Capita
Georgia as a % of US

Year


60.0% 65.0% 70.0% 75.0% 80.0% 85.0% 90.0%

Source: U.S. Bureau of the Census.
Property Taxes Per $1000 of Income
Georgia as a % of US

Source: U.S. Bureau of the Census.
E. Income Elasticity of Taxes

The income elasticity of a tax measures the responsiveness of tax revenue to changes in the size of the economy as measured by changes in income. The elasticity is measured as the ratio of the percentage change in tax revenue to the percentage change in income. Thus, an elasticity of 1.25 means that a 10 percent increase in total income within the state results in an increase in tax revenue of 12.5 percent.

The following charts show the annual elasticity for the period 1964 to 2002 for the state sales and income taxes.

- The elasticities have declined over time. (The trend line is shown only for the income tax.)
- The big spike in 1990 of the sales tax elasticity is due to the increase in sales tax rate.
- The elasticities have declined because:
  - More of the increase in income has come in the form of income that is not taxed.
  - Increases in income do not result in households paying higher tax rates.

(Because the top marginal income tax rate is reached at $10,000 and most household have incomes that exceed this amount, there is little increase in income tax revenue due to taxpayers moving into higher income tax brackets.)

- Consumption patterns are changing so that the share of income spent on taxable items is declining.
- The additions of sales tax exemptions have reduced revenue growth.
About the Authors

Peter Bluestone is a Research Associate with the Fiscal Research Center at the Andrew Young School of Policy Studies at Georgia State University. He is a Georgia State University Urban Fellows Recipient. His research interests include, urban economics, environmental economics and state and local fiscal policy.

David L. Sjöquist is Professor of Economics, holder of the Dan E. Sweat Distinguished Scholar Chair in Educational and Community Policy, and Director in the Fiscal Research Center of the Andrew Young School of Policy Studies at Georgia State University. He has published widely on topics related to state and local public finance and urban economics. He holds a Ph.D. from the University of Minnesota.

William J. (Joey) Smith is a Research Associate with the Fiscal Research Center at the Andrew Young School of Policy Studies at Georgia State University. His current research includes forecasting TANF and Medicaid eligibility for the State of Georgia and investigating the effects of employment access on TANF labor force participation. His research interests include economic geography, poverty and welfare, state and local public finance and urban economics. He holds a Ph.D. from Georgia State University.

Sally Wallace is Associate Professor of Economics and Associate Director of the Fiscal Research Program of the Andrew Young School of Policy Studies at Georgia State University. Dr. Wallace’s main interests are domestic and international taxation and intergovernmental fiscal relations. From 1997 to 1999 she served as the Chief of Party of the Andrew Young Research School of Policy Studies Russia Fiscal Reform Project in the Russian Federation.

About The Fiscal Research Center

The Fiscal Research Center provides nonpartisan research, technical assistance, and education in the evaluation and design of state and local fiscal and economic policy, including both tax and expenditure issues. The Center’s mission is to promote development of sound public policy and public understanding of issues of concern to state and local governments.

The Fiscal Research Center (FRC) was established in 1995 in order to provide a stronger research foundation for setting fiscal policy for state and local governments and for better-informed decision making. The FRC, one of several prominent policy research centers and academic departments housed in the School of Policy Studies, has a full-time staff and affiliated faculty from throughout Georgia State University and elsewhere who lead the research efforts in many organized projects.

The FRC maintains a position of neutrality on public policy issues in order to safeguard the academic freedom of authors. Thus, interpretations or conclusions in FRC publications should be understood to be solely those of the author.
FISCAL RESEARCH CENTER STAFF

David L. Sjoquist, Director and Professor of Economics
Peter Bluestone, Research Associate
Karlease Bradford, Business Manager
Margo Doers, Administrative Support
John W. Matthews, Research Associate
Lisa McCarthy, Administrative Support
Lakshmi Pandey, Senior Research Associate
William J. Smith, Senior Research Associate
Dorie Taylor, Associate to the Director
Jeanie J. Thomas, Senior Research Associate
Arthur D. Turner, Microcomputer Software Technical Specialist
Sally Wallace, Associate Director and Associate Professor of Economics

ASSOCIATED GSU FACULTY

James Alm, Chair and Professor of Economics
Roy W. Bahl, Dean and Professor of Economics
Carolyn Bourdeaux, Assistant Professor of Public Administration and Urban Studies
Robert Eger, Assistant Professor of Public Administration and Urban Studies
Martin F. Grace, Professor of Risk Management and Insurance
Shiferaw Gurmu, Associate Professor of Economics
Amy Helling, Associate Professor of Public Administration and Urban Studies
Julie Hotchkiss, Associate Professor of Economics
Gregory B. Lewis, Professor of Public Administration and Urban Studies
Jorge L. Martinez-Vazquez, Professor of Economics
Theodore H. Poister, Professor of Public Administration and Urban Studies
Michael J. Rushton, Associate Professor of Public Administration and Urban Studies
Benjamin P. Scafidi, Assistant Professor of Economics
Bruce A. Seaman, Associate Professor of Economics
Geoffrey K. Turnbull, Professor of Economics
Mary Beth Walker, Associate Professor of Economics
Katherine G. Willoughby, Professor of Public Administration and Urban Studies

PRINCIPAL ASSOCIATES

Gary Cornia, Brigham Young University
Kelly D. Edmiston, Federal Reserve Bank of Kansas City
Alan Essig, Georgia Budget and Policy Institute
Dagney G. Faulk, Indiana University Southeast
Catherine Freeman, U.S. Department of Education
Richard R. Hawkins, University of West Florida
Julia E. Melkers, University of Illinois-Chicago
Jack Morton, Morton Consulting Group
Ross H. Rubenstein, Syracuse University
Kathleen Thomas, University of Mississippi
Thomas L. Weyandt, Atlanta Regional Commission
Laura Wheeler, Independent Consultant

GRADUATE RESEARCH ASSISTANT

Kailou Wang
RECENT PUBLICATIONS
(All publications listed are available at http://frc.aysps.gsu.edu or call the Fiscal Research Center at 404/651-2782, or fax us at 404/651-2737.)

Financing Georgia’s Future (Peter Bluestone, David L. Sjoquist, William J. Smith and Sally Wallace)
This report explores how Georgia finances its expenditures through various revenue sources and compares Georgia’s taxes across states and over time on multiple dimensions. FRC Report 97 (December 2004)

The Advantage of Accessibility to Goods and People: Transportation and Georgia’s Economic Development (Amy Helling)
This report describes how transportation affects Georgia’s economic development at present and what is likely in the future, and makes a set of recommendations for the direction of state transportation policy. FRC Report/Brief 96 (November 2004)

Distribution of Per Capita Income in Georgia: 1969-2000 (Robert L. Collins and William J. Smith)
This paper examines major changes in the county-level distribution of per capita income between 1969 and 2000. The analysis focuses on income convergence and geographic shifts in per capita income over the 31-year period. FRC Report 95 (September 2004)

Alternative Formulas for Allocating LOST Revenue To Counties and Municipalities (David L. Sjoquist and Laura Wheeler)
This study explores the procedure for allocating LOST revenue and suggests alternatives. FRC Report 94 (April 2004)

Firm Location Decisions and Information Needs (Laura Czohara, Julia Melkers and Kouassi Dagawa)
This report explores the perceptions of professional consultants and state and local economic development practitioners of useful information in the economic development site location process. FRC Report 93 (March 2004)

Performance Measurement in State Economic Development Agencies: Lessons and Next Steps for GDITT (Laura Czohara and Julia Melkers)
This study provides the basis for a comprehensive performance monitoring system for GDITT. FRC Report 92 (February 2004)

Does Georgia Need A Unitary Tax? (Martin F. Grace)
This report explores the issues associated with using a unitary tax approach to the state’s corporate income tax. FRC Report/Brief 91 (February 2004).
Financing Georgia’s Future

International Trade and Economic Development Strategy: Can Foreign Direct Investment Be Predicted? (Bruce A. Seaman and Robert E. Moore)
This study identifies factors that might be used by the state to better target foreign industries and countries that are more likely to be seeking investment opportunities in the U.S. FRC Report/Brief 90 (December 2003).

The Economics of Cigarette Taxation: Lessons for Georgia (Bruce A. Seaman)
This report provides estimates of the fiscal effects of increasing taxes on cigarettes. FRC Report 89 (December 2003).

Single Factor Sales Apportionment Formula in Georgia. What Is the NET Revenue Effect? (Kelly D. Edmiston)
This report provides an update of the static revenue loss and provides estimates of the indirect revenue effects from switching to a single factor sales apportionment formula. FRC Report/Brief 88 (October 2003)

Financing Georgia’s Schools: A Primer (Ross Rubenstein and David L. Sjoquist)
This report provides an explanation of how K-12 education is financed in Georgia. FRC Report 87 (October 2003)

Getting Serious About Property Tax Reform in Georgia (David L. Sjoquist)
This report lists problems with the property tax in Georgia and outlines a set of policy options for reforming the property tax. FRC Report 86 (August 2003)

The Commercial Music Industry in Atlanta and the State of Georgia: An Economic Impact Study (Kelly D. Edmiston and Marcus X. Thomas)
This report measures the commercial music industry’s economic impact on Atlanta and the State of Georgia. FRC Report/Brief 85 (August 2003)

Twelve Years of Budget Growth: Where Has the Money Gone? (Alan Essig)
This report analyzes the growth in the state budget over the past 12 years and identifies specific policy decisions that caused and resulted in changes in the budget. FRC Report/Brief 84 (July 2003)

Local Government Competition for Economic Development (Kelly D. Edmiston and Geoffrey D. Turnbull)
This report examines the factors driving community tax incentives for industry recruitment. FRC Report 83 (July 2003)

(All publications listed are available at http://frc.aysps.gsu.edu or call the Fiscal Research Center at 404/651-2782, or fax us at 404/651-2737.)
Financing Georgia's Future

Publisher(s): Fiscal Research Center of the Andrew Young School of Policy Studies
Author(s): Peter Bluestone; David L. Sjoquist; William J. Smith; Sally Wallace
Date Published: 2004-12-01
Rights: Copyright 2004 Fiscal Research Center of the Andrew Young School of Policy Studies
Subject(s): General