

FISCAL RESEARCH CENTER

# GEORGIA'S TAXES

A Summary of Major  
State and Local  
Government Taxes

**21ST EDITION**

January 2015



ANDREW YOUNG SCHOOL  
OF POLICY STUDIES

## **ABOUT THE AUTHORS**

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## GEORGIA'S TAXES

This annual publication is designed to give a quick overview of state and local taxes in Georgia, and comparisons with other states.

When available, the brief summary for each tax includes the following information:

- Tax Base
- Tax Rate
- Major Exemptions (if any)
- Revenue Production
- Sections of the Georgia Annotated Code
- Administrative Responsibilities
- Who Remits Tax
- Payment Dates
- Special Provisions (if any)
- History of Major Changes
- Comparisons with Other States

The first edition of *Georgia's Taxes*, which was published in 1996, was originally written by Jack Morton and Richard Hawkins, with later contributions from David Sjoquist, the Director of the Center from 1996-2011, and others. The handbook was updated in recent years by Robert Buschman and Richard Hawkins. Laura Wheeler and Jinsub Choi assisted with this current edition. This edition reflects the cumulative work of all of these contributors. The Fiscal Research Center is very appreciative of their assistance and work over the years.

*Carolyn Bourdeaux, Associate Director  
Fiscal Research Center  
Andrew Young School of Policy Studies*

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KEY: PMAP = Public Management and Policy. FRC = Fiscal Research Center. ICPP = International Center for Public Policy. DPO = Domestic Programs. AYSPS = Andrew Young School of Policy Studies.

To receive additional copies of this publication, call the Fiscal Research Center (FRC) at 404-413-0249.

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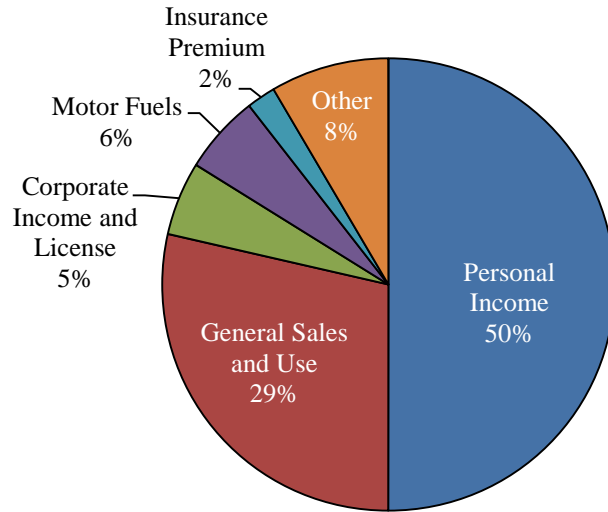
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<b>REVENUE SOURCES</b>
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**STATE GENERAL FUND TAX COLLECTIONS**  
Fiscal Year Ending June 30, 2014



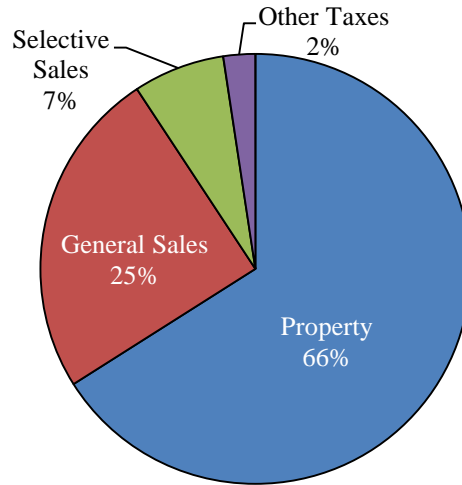
	FY 2014 Collections (in millions)	Share (in percent)
Personal Income	\$8,966	50.0%
General Sales and Use	\$5,126	28.6%
Corporate Income and License	\$944	5.3%
Motor Fuels	\$1,006	5.6%
Insurance Premium	\$372	2.1%
Motor Vehicle License	\$337	1.9%
Tobacco	\$217	1.2%
Alcoholic Beverage	\$182	1.0%
Property	\$39	0.2%
Title Ad Valorem	\$742	4.1%
<b>Grand Total</b>	<b>\$17,930</b>	<b>100.0%</b>

SOURCE: State Accounting Office. Selected Summary Financial Information, Fiscal Year ended June 30, 2014.

NOTE: Revenue data are rounded and may not add to the total.

<b>REVENUE SOURCES</b>
------------------------

**LOCAL TAX REVENUE COLLECTIONS**  
 Fiscal Year Ending June 30, 2012



<u>Revenue Source</u>	FY 2012 Collections (in millions)	Share (in percent)
Property	\$10,291	66.0%
General Sales	\$3,856	24.7%
<u>Selective Sales</u>		
Alcoholic Beverages	\$130	
Public Utilities	\$344	
Other Selective Sales	\$596	
Total	\$1,070	6.9%
Other Taxes	\$375	2.4%
<b>Grand Total</b>	<b>\$15,592</b>	<b>100.0%</b>

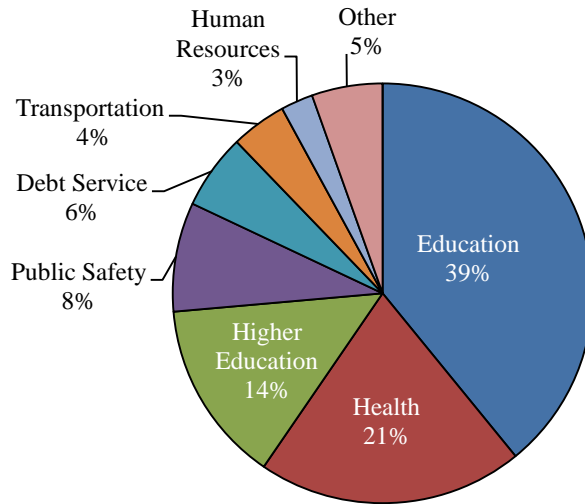
SOURCE: U.S. Bureau of the Census. *State and Local Government Finances*, data available by internet.

NOTE: Revenue data are rounded and may not add to the total.



**EXPENDITURES**

**STATE NET APPROPRIATIONS**  
Fiscal Year Ending June 30, 2014



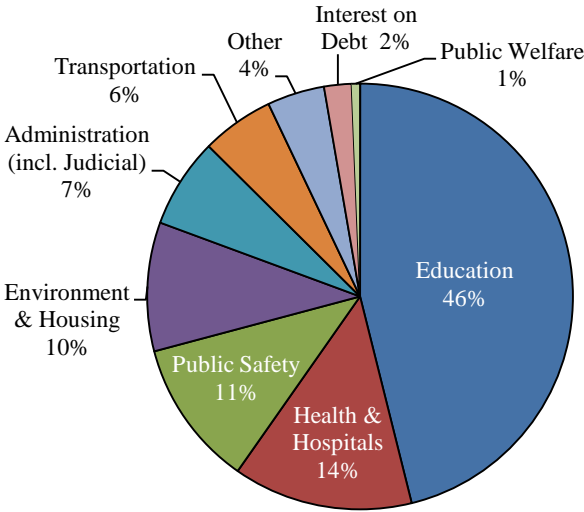
Departmental Type	FY 2014 Net Appropriations (in millions)	Share (in percent)
Education <sup>1</sup>	\$7,913	39.1%
Health <sup>2</sup>	\$4,140	20.5%
Higher Education <sup>3</sup>	\$2,840	14.0%
Public Safety <sup>4</sup>	\$1,701	8.4%
Debt Service	\$1,171	5.8%
Transportation	\$863	4.3%
Human Resources	\$503	2.5%
Other <sup>5</sup>	\$1,103	5.5%
<b>Grand Total</b>	<b>\$20,234</b>	<b>100.0%</b>

SOURCE: State Accounting Office. Selected Summary Financial Information, Fiscal Year ended June 30, 2014.

<sup>1</sup>Departments of Education and Early Care and Learning. <sup>2</sup>Departments of Community Health and Behavioral Health and Development Disabilities and Public Health. <sup>3</sup>University System, Technical College System of Georgia, Georgia Student Finance Commission. <sup>4</sup>Georgia Bureau of Investigations, Departments of Corrections, Juvenile Justice and Defense, State Board of Pardons and Paroles, and Department of Public Safety. <sup>5</sup>All other agencies, including administrative agencies, natural resources agencies, commercial services and regulation agencies, Labor, Economic Development, Worker's Compensation, and Veterans Services. NOTE: Data are rounded and may not add to the total.

**EXPENDITURES**

**LOCAL DIRECT GENERAL EXPENDITURES**  
 Fiscal Year Ending June 30, 2012



Function	FY 2012	
	Expenditures (in millions)	Share (in percent)
Education	\$17,117	46.1%
Health & Hospitals	\$5,061	13.6%
Public Safety	\$4,130	11.1%
Environment & Housing	\$3,633	9.8%
Administration (incl. Judicial)	\$2,528	6.8%
Transportation	\$2,044	5.5%
Other	\$1,615	4.3%
Interest on Debt	\$771	2.1%
Public Welfare	\$236	0.6%
<b>Grand Total</b>	<b>\$37,135</b>	<b>100.0%</b>

SOURCE: U.S. Bureau of the Census, *State and Local Government Finances*, data available by internet.  
 NOTE: Data are rounded and may not add to the total.

**ALCOHOLIC BEVERAGE TAXES**

**TAX BASE:**

Alcoholic beverages including malt beverages, wine, and distilled spirits.

**TAX RATE:**

Malt Beverages: \$10 per container up to 31 gallons and proportionate tax on fractional parts of 31 gallons for draft malt beverages. 4½ cents per 12 ounces for bottles and cans with proportionate rates on fractional parts of other sizes.

Wine: Excise tax of 11 cents per liter and an import tax of 29 cents per liter on table wines with proportional rates for fractional parts of a liter. An excise tax of 27 cents per liter and an import tax of 40 cents per liter for dessert wines with proportional rates for fractional parts of a liter.

Distilled Spirits: An excise tax of 50 cents per liter and an import tax of 70 cents per liter.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Malt Beverages	Wine	Dist. Spirits
2010	\$85,044	\$32,523	\$51,453
2011	\$77,693	\$32,665	\$51,444
2012	\$84,986	\$35,328	\$54,737
2013	\$85,626	\$35,852	\$59,307
2014	\$85,618	\$35,754	\$60,504

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Distributors of the alcoholic beverage.

**PAYMENT DATES:**

The tenth day of the calendar month following the month of distribution.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Chapters 4, 5, and 6 of Title 3.

<b>CIGAR AND CIGARETTE EXCISE TAX</b>
---------------------------------------

**TAX BASE:**

The tax is imposed upon the sale, receipt, purchase, possession, consumption, handling, distribution, or use of cigars and cigarettes in Georgia.

**TAX RATE:**

Cigarettes are taxed at a rate of 37 cents per pack of 20 cigarettes and a pro rata rate for other sized packages.

Little cigars, weighing not more than 3 pounds per thousand are taxed at a rate of 2.5 mills each (\$2.50 per 1000).

All other cigars are taxed at 23 percent of the wholesale cost price, exclusive of any trade, cash, of other discounts or any promotion, advertising, display or other similar allowances.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$227,180
2011	\$228,858
2012	\$227,146
2013	\$211,618
2014	\$216,640

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

The seller or distributor collects the tax from the purchaser or consumer and remits the tax to the Commissioner. Distributor purchases tax stamps from the Commissioner and affixes them to tobacco products distributed.

**PAYMENT DATES:**

Product stamps are pre-paid as needed.

CIGAR AND CIGARETTE EXCISE TAX
--------------------------------

CHRONOLOGY OF SIGNIFICANT CHANGES:

2003 Tax rates were increased and smokeless tobacco was added to the tax base.

SELECTED STATE CIGARETTE TAX RATES

January 1, 2014

State	Rate (cents per pack)
Alabama	42.5 <sup>1</sup>
Florida	133.9
Georgia	37.0
Kentucky	60.0 <sup>2</sup>
Mississippi	68.0
N. Carolina	45.0
S. Carolina	57.0
Tennessee	62.0 <sup>1,2</sup>
Virginia	30.0 <sup>1</sup>

SOURCE: Federation of Tax Administrators, data available by internet.

<sup>1</sup>Local taxes are not included.

<sup>2</sup>Does not include dealer fees.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:

Chapter 11 of Title 48.

**CORPORATE FRANCHISE (NET WORTH) TAX**

**TAX BASE:**

The tax is imposed on the net worth of the corporation. Net worth of foreign corporations subject to the Georgia tax is based upon the ratio of assets in Georgia and gross receipts in Georgia to total assets and gross receipts.

**TAX RATE:**

The tax is graduated based upon the taxable net worth of the corporation with a tax liability of \$10 for corporations having \$10,000 or less in taxable net worth to a tax of \$5,000 for corporations with taxable net worth of more than \$22 million.

**MAJOR EXEMPTIONS:**

Corporations not organized for pecuniary gain or profit.

Insurance companies, which are separately taxed.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$41,725
2011	\$31,003
2012	\$30,174
2013	\$46,304
2014	\$40,002

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

All corporations having taxable net worth in Georgia as defined by Georgia law.

**PAYMENT DATES:**

The return and payment of the tax are due on the 15th day of the third calendar month following the beginning of the corporation's taxable period. The return is filed as a part of the corporate income tax return.

## CORPORATE FRANCHISE (NET WORTH) TAX

### DISPOSITION OF REVENUE:

General fund.

### CHRONOLOGY OF SIGNIFICANT CHANGES:

- 1931 The tax was first levied.
- 1976 Return and payment procedures were changed to authorize the Commissioner to combine the corporate franchise tax return and payment with the state income tax return.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Chapter 13 of Title 48, especially Code Sections 48-13-70 through 48-13-79.

**CORPORATE INCOME TAX**

**TAX BASE:**

The corporation's taxable income from property owned or from business done in Georgia, which consists of taxable income as defined for federal income tax purposes with specific adjustments provided by Georgia law and as allocated and apportioned to Georgia as provided by Georgia law.

**FEDERAL TAXABLE INCOME**

<i>Add</i>	<i>Subtract</i>
Non-GA state & local bond interest	Interest on U.S. obligations
Non-GA state & local income or net profits tax	reduced by direct and indirect interest expense
Expense attributed to exempt income	Exception to intangible expenses and related interest cost
Net operating loss on federal return	Other
Federal deduction for income attributable to domestic production activities (IRC Sec. 199)	
Deductions involving bonus depreciation	
Intangible expenses and related costs	
Other	

**= NET BUSINESS INCOME**

*Subtract*  
Income Allocated Everywhere

**= BUSINESS INCOME SUBJECT TO APPORTIONMENT**

*Times* Georgia Ratio (Formula Based)

**= NET BUSINESS INCOME APPORTIONED TO GEORGIA**

<i>Add</i>	<i>Subtract</i>
Net Income allocated to Georgia	NOL apportioned to Georgia

**= GEORGIA TAXABLE INCOME**

*Times* TAX RATE (6%) *minus* CREDITS

**= GEORGIA TAX LIABILITY**



## CORPORATE INCOME TAX

### APPORTIONMENT RATIO:

- 1) The standard apportionment ratio had been a three factor formula (on property, payroll and gross receipts). This formula has been phased out, in favor of gross receipts apportionment, for most multi-state corporations.

Effective for tax year 2008 and beyond, apportionment is based solely on the gross receipts ratio (receipts in Georgia versus total receipts everywhere) factor.

- 2) For corporations whose net income is derived principally from transporting passengers or cargo in flight, the apportionment is based on different factors (specifically share of air miles, tons handled and originating miles in Georgia).

### MAJOR CREDITS:

Some of the more significant tax credits include:

- 1) Job Tax Credit: Credit is based on the Georgia county in which the jobs are created and are aimed at specific industries. Georgia's counties are divided into 4 tiers of progressively less developed areas. The credit is per job and per year, up to five years, but the employer must create more jobs in more developed areas in order to be eligible for the credit. For example, 2 or more jobs in the least developed areas (Tier 1) generate a credit of \$3,500 while an employer must create 25 or more jobs in the most developed counties in order to receive a credit of \$750. The average wage of the new job created must exceed the average wage of the county in the state with the lowest average wage.

A separate credit is available for firms creating at least 50 quality jobs with specific definitions of quality.

- 2) Investment Tax Credit: A credit for qualified investment property purchased or acquired for use in construction or expansion of manufacturing or telecommunication facilities. Subject to specific conditions and limitations, the allowable credit ranges from 1 percent to 5 percent of the cost of such qualified property with higher credit amounts and lower threshold investment requirements in Georgia's less developed areas. A related credit applies to qualifying recycling and pollution control property investments.

<b>CORPORATE INCOME TAX</b>
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An optional investment tax credit is available with a higher credit (in terms of percentage of investment), but is subject to a larger minimum investment. In addition, a new facilities jobs credit is available but the qualifying investment is considerably larger (i.e., \$450 million versus \$10 million).

3) Credits have also been established for providing or sponsoring education and for approved retraining, as well as for qualified contributions to student scholarship organizations.

4) Separate credits have been enacted for purchasing child care property and for providing or sponsoring child care.

5) Other corporate income tax credits include ones for: qualified transportation programs, low income housing, select vehicles (including reduced emissions), select research activities and establishing a qualified headquarters (again varying across tiers of counties), two separate port activity provisions, select film activities, qualified seed-capital funds, land conservation, and clean energy property and use of wood residuals in a qualified biomass facility.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2009	\$646,882
2010	\$628,420
2011	\$619,504
2012	\$541,857
2013	\$732,324
2014	\$884,832

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Every domestic corporation and every foreign corporation with taxable income in Georgia.

## CORPORATE INCOME TAX

### PAYMENT DATES:

Annual tax returns are due on or before the 15th day of March for calendar year corporations and on or before the 15th day of the third month following the close of the fiscal year for fiscal year corporations.

Estimated payments are required for those corporations where the net income allocated and apportioned to Georgia is expected to exceed \$25,000 for the tax year. Estimate payments are due on the 15th of the fourth, sixth, ninth, and twelfth months of the taxable year of the corporation.

### DISPOSITION OF REVENUE:

General Fund.

### CHRONOLOGY OF SIGNIFICANT CHANGES:

- 1929 The corporate income tax was first levied in Georgia.
- 1931 The tax rate was set at 4 percent (originally the tax was levied at one-third of the federal tax rate).
- 1937 Rate was increased to 5½ percent.
- 1949 Rate was temporarily increased to 7½ percent.
- 1951 Rate was decreased to 5½ percent.
- 1964 Rate was changed to 5 percent.
- 1969 Present rate of 6 percent adopted.
- 1995 Double weighting of gross receipts apportionment adopted.
- 2005 Legislation enacted phasing out the traditional 3-factor income apportionment formula and transitioning toward gross-receipt apportionment.
- 2008 Single factor (gross-receipt) apportionment became effective.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Chapter 7 of Title 48.

<b>CORPORATE INCOME TAX</b>
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**SELECTED STATE CORPORATE INCOME TAX COMPARISON  
TAX BRACKETS, July 1, 2014**

State	Lowest Bracket	Number of Brackets	Rate (in percent)
Alabama	\$0	1	6.5%
Florida	\$50,000	1	5.5% <sup>1</sup>
Georgia	\$0	1	6%
Kentucky	\$50,000	3	4% to 6% <sup>1</sup>
Mississippi	\$5,000	3	3% to 5%
N. Carolina	\$0	1	6% <sup>2</sup>
S. Carolina	\$0	1	5%
Tennessee	\$0	1	6.5%
Virginia	\$0	1	6%

SOURCE: Tax Foundation, unpublished data available by internet.

<sup>1</sup>Alternative Minimum Tax may apply instead.

<sup>2</sup>Rate falls to 5% effective January 1, 2015.

**SELECTED STATE CORPORATE INCOME TAX  
APPORTIONMENT FORMULAS, January 1, 2014**

State	Apportionment Formula
Alabama <sup>1</sup>	Double Weighted Sales
Florida	Double Weighted Sales
Georgia	Sales
Kentucky <sup>1</sup>	Double Weighted Sales
Mississippi <sup>2</sup>	Sales/Other
N. Carolina <sup>1</sup>	Double Weighted Sales
S. Carolina	Sales
Tennessee	Double Weighted Sales
Virginia <sup>3</sup>	Double/Quadruple Weighted Sales

SOURCE: Federation of Tax Administrators, unpublished data available by internet.

<sup>1</sup>State has adopted substantial portions of the Uniform Division of Income for Tax Purposes Act.

<sup>2</sup>Different apportionment formulas apply to specific types of businesses, otherwise sales only.

<sup>3</sup>Virginia is phasing in a single sales factor apportionment election available for qualified manufacturers for tax years beginning July 1, 2014 or later. For retail companies, phasing in required single sales factor apportionment for tax years beginning July 1, 2015 or later.

NOTE: Many states use three factors to apportion corporate income to the state: sales, property, and payroll. "Double Weighted Sales" means the location of property and payroll is less important.

CORPORATE INCOME TAX
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COMPARISON OF CORPORATE INCOME TAX RELIANCE,  
FOR SELECTED STATE GOVERNMENTS<sup>1</sup>, 2012

State	Per Capita Revenue	Percent of Total State Tax Revenue
Alabama	\$86	2.9%
Florida	\$104	3.1%
Georgia	\$60	1.8%
Kentucky	\$131	4.6%
Mississippi	\$132	4.1%
N. Carolina	\$125	3.5%
S. Carolina	\$54	1.8%
Tennessee	\$190	6.1%
Virginia	\$102	2.5%
United States	\$156	3.5%

SOURCE: U.S. Bureau of the Census. *State Government Tax Collections*, data available by internet.

<sup>1</sup>Data for local government are not available. State data includes net income taxes on special kinds of corporations, if any (e.g., financial institutions).

ESTATE TAX
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*NOTE: PERMANENTLY REPEALED EFFECTIVE JULY 1, 2014*

**TAX BASE:**

The value of the estate of residents of the State as required to be reported for federal tax purposes.

**TAX RATE:**

The Georgia estate tax, prior to repeal, was equal to the amount allowable as a credit for state death taxes under the federal Internal Revenue Code. Beginning in 2002, the federal credit was phased out. Reported revenues are related to settlements of estates of pre-2005 decedents.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$0
2011	\$0
2012	\$28
2013	(\$15,352)
2014	\$0

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1926 Georgia restructured its estate tax to “piggy-back” the federal return and levied the tax as an amount equal to the state death tax credit allowed for federal tax purposes.

2005 Legislation enacted providing that the Georgia tax shall not apply to any estate with a date of death occurring in a year the U.S. Internal Revenue Code does not allow a state tax credit.

2014 Estate tax permanently repealed.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Chapter 12 of Title 48.

<b>FINANCIAL INSTITUTIONS BUSINESS OCCUPATION TAX</b>
---

**TAX BASE:**

Adjusted gross receipts of the institution.

**TAX RATE:**

State tax is levied at a rate of 0.25 percent.

Counties and municipalities may also levy a rate not to exceed 0.25 percent of gross receipts. A minimum tax of \$1,000 is authorized for local governments.

**MAJOR EXCLUSIONS:**

Amount equal to interest paid on liabilities.

Amount equal to income arising from banking business outside United States.

Amount equal to gross income taxed by another state.

Amount equal to income derived from domestic international banking facility.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$14,556
2011	\$19,903
2012	\$18,645
2013	\$18,627
2014	\$18,972

Source of these numbers is Jason Bartholomew, DOR. See email chain b/w Jason and, first, Peter Bluestone, then Bob Buschman (last 12/11/13).

**RESPONSIBLE FOR ADMINISTRATION:**

The State Revenue Commissioner collects the state occupation tax. County tax commissioners and municipal collectors collect the local business license taxes.

**WHO REMITS TAX:**

Depository financial institutions.

<p style="text-align: center;"><b>FINANCIAL INSTITUTIONS BUSINESS OCCUPATION TAX</b></p>
--

**PAYMENT DATES:**

Returns with remittance are due on or before March 1 reporting gross receipts for the preceding calendar years.

**DISPOSITION OF REVENUE:**

The general funds of state and local governments.

**SPECIAL PROVISIONS:**

Local business license taxes and the state occupation tax are credited dollar for dollar against the corporate income tax liability of the institution.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1983 Authorization for local governments to levy the tax was enacted and the state occupation tax was levied.

(Note: These taxes were authorized and levied as replacement for the bank share method of taxation previously in place).

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**

Sections 90 through 98 of Chapter 6 of Title 48.



## INSURANCE PREMIUM TAX (STATE AND LOCAL)

### TAX BASE:

Premiums on persons, property or risks in Georgia written by insurance companies conducting business in Georgia.

### TAX RATE:

State tax is levied at 2¼ percent of gross direct premiums. This rate is reduced to 1¼ percent for companies having at least 25 percent of total assets, as defined, located in Georgia. The rate is reduced to ½ of 1 percent for companies with at least 75 percent of their assets in Georgia.

A county tax on life insurance companies a rate of 1 percent of gross direct premiums is imposed by State law; municipalities are authorized to impose rates up to 1 percent. Counties and municipalities are authorized to levy rates up to 2½ percent on other than life insurance companies.

### MAJOR EXEMPTIONS:

Premiums for high deductible health plans are exempt from the state tax and, until January 1, 2015, the local tax at which time the local exemption expires.

### REVENUE PRODUCTION (in thousands):

Fiscal Year	Local	State
2010	\$422,912	\$274,367
2011	\$411,244	\$360,669
2012	\$425,075	\$309,192
2013	\$452,990	\$325,601
2014	\$470,056	\$372,122

### RESPONSIBLE FOR ADMINISTRATION:

Office of the Commissioner of Insurance.

### WHO REMITS TAX:

Foreign and domestic insurance companies doing business in Georgia.

### PAYMENT DATES:

Return is due on or before March 1 reflecting previous calendar year liability. Taxes are paid quarterly on or before March 20, June 20, September 20 and December 20.

## INSURANCE PREMIUM TAX (STATE AND LOCAL)

### DISPOSITION OF REVENUE:

State tax is remitted to the general fund. Local taxes are collected by the Commissioner of Insurance and remitted to local governments.

County governments are required to segregate insurance premium tax revenues received from other county funds, to be utilized solely for certain specified services to unincorporated areas of the county or, to the extent not used for such purposes, to reduce the property tax levy in unincorporated areas of the county.

### SPECIAL PROVISIONS:

Insurance companies are exempt from Georgia's corporate income tax with the premium tax being its substitute.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Chapter 8 of Title 33.

<b>MOTOR FUEL TAX</b>
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**TAX BASE:**

The tax is imposed on any source of energy that can be used for propulsion of motor vehicle on the public highways, including, but not limited to: gasoline, fuel oils, compressed petroleum gas and special fuels.

**TAX RATE:**

The tax is levied at a rate of 7½ cents per gallon of motor fuel. In addition, the revenue generated by the first 3 percentage points of the 4 percent regular state sales tax that is levied on the sale of motor fuel is designated as the “second motor fuel tax.” The other 1 percent of the regular state sales tax levied on the sale of motor fuel is general fund revenue.

**MAJOR EXEMPTIONS:**

Bulk sales to a duly licensed distributor.

Sales of motor fuel for export from Georgia.

Sales to U.S. government.

Sales to consumers who have no highway use of the fuel and do not resell the fuel.

Sales directly to ultimate consumers to be used for heating purposes only.

Through June 30, 2015, an exemption is granted for sales of motor fuels for public mass transit vehicles and public campus transportation systems.

Through June 30, 2015, an exemption is granted for sales to public school systems for use in operating school buses.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	7½ Cent Excise and Motor Carrier Mileage Tax	3% Prepaid State Sales Tax
2010	\$469,118	\$385,242
2011	\$452,197	\$480,506
2012	\$446,656	\$572,645
2013	\$453,439	\$547,187
2014	\$437,638	\$568,856

## MOTOR FUEL TAX

### RESPONSIBLE FOR ADMINISTRATION:

State Revenue Commissioner.

### WHO REMITS TAX:

Dealers who distribute motor fuels in Georgia remit the motor fuel tax.

### PAYMENT DATES:

Distributors remit the motor fuel tax by the 20th day of the month following the month of activity. The Commissioner is authorized to provide by regulation for distributors with minimal activity to report and remit on a quarterly or annual basis. Retail vendors remit according to general sales tax payment schedules.

### DISPOSITION OF REVENUE:

An amount equal to the amount of revenue generated by the motor fuel tax, including the "second motor fuel" tax is allocated by Constitution to the Department of Transportation for highway purposes.

### CHRONOLOGY OF SIGNIFICANT CHANGES:

- 1921 The motor fuel tax was levied for the first time in Georgia.
- 1937 The tax was earmarked for highway purposes.
- 1945 The 1945 Constitution ended the earmarking provision previously enacted.
- 1952 The Constitution was again amended to reinstate the earmarking of the motor fuel tax for highway purposes and required the General Assembly to make the aggregate of the fixed appropriations for highway purposes an amount not less than the total motor fuel taxes received for the immediately preceding year.
- 1971 The tax rate was increased to its present 7½ cent rate.
- 1989 The 3 percentage point portion of the state sales tax levied on the sale of motor fuels was converted to the "second motor fuel tax" and is earmarked for highway purposes.
- 2003 Statute changed to provide that the second motor fuel tax is also remitted by the distributor. The Commissioner determines the per gallon tax based on the average statewide price for motor fuel.

<b>MOTOR FUEL TAX</b>
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SELECTED GASOLINE TAX RATES<sup>1</sup>  
 October 1, 2014

State	Rate (cents per gallon)
Alabama	20.87
Florida	36.02
Georgia	27.49
Kentucky <sup>2</sup>	31.90
Mississippi	18.78
N. Carolina	36.75
S. Carolina	16.75
Tennessee	21.40
Virginia	17.28

SOURCE: American Petroleum Institute, data available by internet at [www.api.org/tax](http://www.api.org/tax).

<sup>1</sup>Includes local taxes, if applicable.

<sup>2</sup>A surcharge is also applied to motor carriers.

COMPARISON OF MOTOR FUEL TAX RELIANCE  
 STATE AND LOCAL GOVERNMENTS, 2012

State	Per Capita Revenue	Percent of Total Tax Revenue
Alabama	\$130	4.4%
Florida	\$162	4.8%
Georgia	\$103	3.2%
Kentucky	\$180	5.3%
Mississippi	\$142	4.4%
N. Carolina	\$191	5.4%
S. Carolina	\$113	3.7%
Tennessee	\$130	4.2%
Virginia	\$107	2.6%
United States	\$132	3.0%

SOURCE: U.S. Bureau of the Census. *State and Local Government Finances*, data available by internet.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
 Chapter 9 of Title 48.

<b>MOTOR VEHICLE TITLE AD VALOREM TAX (TAVT)</b>
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**TAX BASE:**

The fair market value, at the time of titling, of new and used motor vehicles registered and titled in the state, including casual sales, dealer sales, leased vehicles, rental and salvage vehicles, and vehicles being brought into the state by people relocating to GA. For dealer sales, the tax base is reduced by the value of the purchaser's trade-in vehicle, if any. For dealer sales of new vehicles, the tax base is also reduced by the amounts of dealer rebates and cash discounts, if any.

**TAX RATE:**

Combined state and local tax rates of 6.5 percent for 2013, 6.75 percent for 2014, and 7 percent for 2015. After 2015, the rate is variable and can go as high as 9 percent, but only if addition revenue is required to meet local government revenue targets as defined by the law.

**MAJOR EXEPTIONS:**

Exemptions include vehicle titles issued to disabled veterans, to correct or replace an existing title, to record liens, to a dealer for resale or when the vehicle is used for a limited time as a loaner vehicle. Reduced TAVT rates are available for transfers between related family members, rental vehicles, vehicles manufacture between 1963 and 1985, salvage vehicles, and donated vehicles.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Local	State	Total
2013	\$160,908	\$206,511	\$367,419
2014	\$611,234	\$758,219	\$1,369,453

SOURCE: Georgia Department of Revenue.

Note: No revenue prior to FY 2013.

**RESPONSIBLE FOR ADMINISTRATION:**

Collected by the county tax offices and then remitted to the state, less than 1 percent administration fee.

**WHO REMITS TAX:**

Owners or dealers of motor vehicles.

<b>MOTOR VEHICLE TITLE AD VALOREM TAX (TAVT)</b>
--

**PAYMENT DATES:**

Payment of the TAVT is to be made at the time of, and along with, the application for title. Vehicles registered by individuals relocating to Georgia are allowed to pay the TAVT over a 12 month period in two equal installments.

**DISPOSITION OF REVENUE:**

Taxes collected, net of the 1 percent administration fee, are split between the state government and the local government where the vehicle is registered according to the following percentages:

Tax Year	Local	State
2013	43%	57%
2014	45%	55%
2015	45%	55%
2016	46.5%	53.5%
2017	56%	44%
2018	60%	40%
2019	64%	36%
2020	66%	34%
2021	70%	30%
After 2021	72%	28%

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

- 2012 Passed into law, effective March 1, 2013, to replace the state and local sales taxes then applicable to dealer sales as well as the annual ad valorem property tax on motor vehicles. Vehicles purchased between 12/1/2012 and 2/28/2013 are able, for a limited time, to opt-in to the TAVT system.
  
- 2013 Opt-in period for existing vehicle owners extended to February 28, 2014. Fair market value of new vehicles clarified. Use tax on leased vehicles eliminated. Definition of qualified rental vehicle clarified and TAVT rate on such vehicles reduced to 1.25 percent, split evenly between state and local. Seller financed transactions for “Buy Here, Pay Here” dealers are eligible for a reduced tax rate of 2.5 percentage points less than the ordinary TAVT rate.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Section 1 of Chapter 5C of Title 48.

**PERSONAL INCOME TAX**

**TAX BASE:**

The amount reported as Federal Adjusted Gross Income to the U.S. Internal Revenue Service plus or minus specific adjustments as provided by Georgia law.

**FEDERAL AGI**

- |   |  |
|---|--|
| <p><i>Add</i></p> <ul style="list-style-type: none"> <li>● interest on non-GA municipal &amp; state bonds</li> <li>● lump sum distributions</li> <li>● other</li> </ul> | <p><i>Subtract</i></p> <ul style="list-style-type: none"> <li>● retirement income (up to cap)</li> <li>● social security benefits (taxable part)</li> <li>● railroad retirement (taxable part)</li> <li>● interest on U.S. obligations</li> <li>● other</li> </ul> |
|---|--|

**= AGI AS DEFINED BY GEORGIA**

*Subtract*  
 Georgia standard deduction OR Georgia itemized deductions  
 Georgia personal and dependent exemptions

**= GEORGIA TAXABLE INCOME**

Apply tax rates as follows:

----- Single -----	Marriage Filing Joint --- and Head of HH ---	Marriage Filing ----- Separate -----
Rate      Taxable	Rate      Taxable	Rate      Taxable
1%      <\$750	1%      <\$1,000	1%      <\$500
2%      \$750-2,250	2%      \$1,000-3,000	2%      \$500-1,500
3%      \$2,250-3,750	3%      \$3,000-5,000	3%      \$1,500-2,500
4%      \$3,750-5,250	4%      \$5,000-7,000	4%      \$2,500-3,500
5%      \$5,250-7,000	5%      \$7,000-10,000	5%      \$3,500-5,000
6%      >\$7,000	6%      >\$10,000	6%      >\$5,000

**= TAX BEFORE CREDITS**

*Subtract credits*

**= GEORGIA TAX LIABILITY**



**PERSONAL INCOME TAX**

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$7,016,412
2011	\$7,658,782
2012	\$8,142,371
2013	\$8,772,227
2014	\$8,965,572

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**DISPOSITION OF REVENUE:** General Fund.

**TAXPAYER:**

Every individual who is a legal resident of Georgia or who resides in Georgia on a regular basis and every non-resident individual who regularly engages within Georgia in activities for financial gain (see statute for specific criteria).

**PAYMENT DATES:**

For individuals, the annual return is due between January 1 and April 15. The return reconciles tax liability with amounts previously remitted by employers through withholding and quarterly estimated payments from the taxpayer.

Taxpayers who are required to file estimated returns pay estimated tax on or before April 15, June 15, September 15 of the current year and on or before January 15 of the following year.

Employers are required to withhold tax and remit withholding periodically. Employers whose total tax withheld or required to be withheld is \$200 or less per month shall remit payment on or before the last day of the month following the end of the calendar quarter. If the amount withheld or required to be withheld exceeds \$200 per month, the return and remittance is due on or before the 15th day of the following month.

## PERSONAL INCOME TAX

### MAJOR EXEMPTIONS, DEDUCTIONS AND EXCLUSIONS:

Personal exemptions in the amounts of \$7,400 for married filing joint taxpayers, \$3,700 for married filing separate, \$2,700 for other filers, and \$3,000 for each dependent.

The sum of all itemized deductions allowed on the federal tax return, or if the standard deduction was utilized for the federal tax return, a standard deduction amount of \$2,300 for single taxpayers and heads of household, \$1,500 for married taxpayers filing separate returns, or \$3,000 for married taxpayers filing joint returns. An additional deduction of \$1,300 is allowed for taxpayers 65 and older (\$2,600 if the spouse is also at least 65 and a joint return is filed), and a further deduction in the amount of \$1,300 if the taxpayer is blind (\$2,600 if the spouse is also blind and a joint return is filed).

Exclusion of up to \$35,000 of retirement income (including up to \$4,000 of earned income) of taxpayers age 62-64, and for tax years 2012 and thereafter, up to \$65,000 per taxpayer over age 65.

Exclusion of Social Security and Railroad Retirement benefits, and effective from tax year 2013 the qualifying disability income of disabled veterans, that are taxable for federal purposes.

A deduction for up to \$2,000 per beneficiary for contributions to the Georgia Higher Education Savings Plan. Qualified withdrawals from the savings trust accounts are not subject to income tax.

Exclusion of military pay received by a member of the National Guard or Reserve while stationed in a combat zone is not subject to Georgia income tax.

A deduction for health insurance premiums paid on high deductible health plans.

A deduction for up to \$10,000 of unreimbursed travel expenses and lost wages resulting from a taxpayer's donation of certain organs or tissues for transplant during the year.

## PERSONAL INCOME TAX

### MAJOR TAX CREDITS:

A non-refundable low income tax credit is available to taxpayers with federal adjusted gross income of less than \$20,000. The credit amount is graduated based on adjusted gross income amounts up to the maximum \$20,000 with a maximum credit of \$26 per dependent, including the taxpayer and, if a joint return, the spouse. No person who receives a food stamp allotment for all or any part of a tax year is eligible for the credit for that tax year.

A resident individual who earns income in another state that imposes an income tax on such income, may apportion his total income to Georgia and credit against his Georgia liability the tax paid to the other state. In no case shall this credit exceed the amount which would be payable to Georgia upon a like amount of income.

A tax credit not exceeding \$500 for the purchase of a new, single family home with handicapped accessibility features or a credit not to exceed \$125 where an existing home is retrofitted for handicapped accessibility.

A tax credit for child and dependent care expenses in the amount of 30 percent of the like federal credit.

A credit for “qualified life insurance coverage” premiums paid by residents who are members of the National Guard or Air National Guard, and who are on active military duty for at least 90 consecutive days.

Additional credits are allowed for the purchase of low or zero emission vehicles, certain driver education expenses, the adoption of a foster child, purchase or retrofit of a handicap accessible single family home, qualified education expenses, disaster assistance, and for other purposes.

Note that non-corporate businesses are eligible for the income tax credits listed under the Corporate Income Tax section.

### CHRONOLOGY OF SIGNIFICANT CHANGES:

- 1929 Tax first levied at one third of the federal rate of income taxation.
- 1931 Separate rate structure for Georgia established. Rates for individual taxation ranged from 1 percent to 5 percent with the maximum rate beginning at \$20,000 income.
- 1937 Bracket structure established which remains, with minor modifications, in place today.
- 1971 Established current practice of conforming Georgia structure to federal structure at point of Federal Adjusted Gross Income.

PERSONAL INCOME TAX
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- 1981 Retirement income exclusion of \$2,000 was established and standard deduction increased.
- 1989 Retirement income exclusion increased to \$8,000 for 1989 and \$10,000 for 1990.
- 1994 Retirement income exclusion increased to \$11,000 for 1994 and \$12,000 for 1995.
- 1994 Dependent exemption increased to \$2,000 for 1994 and \$2,500 for 1995.
- 1998 Retirement income exclusion increased to \$13,000.
- 1998 Personal exemption amounts increased to \$5,400 for joint returns, \$2,700 for others, and dependent exemption increased to \$2,700.
- 2000 Retirement income exclusion amount increased to \$13,500 for tax year 2000 and to \$14,000 for years beginning on or after January 1, 2001.
- 2001 The Georgia Higher Education Savings Plan was authorized to provide for saving trust accounts for education purposes. Contributions to the account for qualified taxpayers are deductible and the withdrawal from savings trust accounts for qualified education purposes are not subject to taxation.
- 2002 Retirement income exclusion increased to \$14,500 for tax year 2002 and to \$15,000 beginning with tax year 2003.
- 2003 Retirement income exclusion continued at \$15,000 for tax year 2003.
- 2003 Dependent exemption increased to \$3,000.
- 2004 Retirement income exclusion increased to \$25,000 for tax year 2006, \$30,000 for tax year 2007, and \$35,000 for tax year 2008.
- 2010 Retirement income exclusion increased for filers age 65 or older to \$65,000 for tax year 2012, \$100,000 for tax year 2013, \$150,000 for tax year 2014, \$200,000 for tax year 2015, and unlimited for tax year 2016 and beyond.
- 2012 Personal exemption amounts for married filing joint returns increase to \$7,400 from \$5,400 and for married filing separate returns to \$3,700 from \$2,700.

PERSONAL INCOME TAX
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- 2012 Retirement income exclusion limit for taxpayers age 65 or over frozen at \$65,000 for tax year 2012 and thereafter.
- 2014 State constitutional amendment passed by referendum capping the top marginal tax rate at the 6 percent rate in effect on January 1, 2015.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Chapter 7 of Title 48.

<b>PERSONAL INCOME TAX</b>
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**SELECTED STATE INCOME TAXES, COMPARISON OF LOWEST AND HIGHEST TAX BRACKET FOR SINGLE TAXPAYERS, January 1, 2014**

State	-----Taxable Income <sup>1</sup> -----		Rate (in percent)
	Lowest Bracket Cap	Highest Bracket Threshold	
Alabama	\$500	\$3,001	2%-5%
Florida	No Income Tax		
Georgia	\$750	\$7,001	1%-6%
Kentucky	\$3,000	\$75,001	2%-6%
Mississippi	\$5,000	\$10,001	3%-5%
N. Carolina <sup>2</sup>	NA	NA	5.80%
S. Carolina	\$2,880	\$14,400	0%-7%
Tennessee <sup>3</sup>	Limited Income Tax		
Virginia	\$3,000	\$17,001	2%-5.75%

SOURCE: Tax Foundation, unpublished data available by internet.

<sup>1</sup>After applicable deductions and exemptions.

<sup>2</sup>NC adopted a flat tax effective 2014; effective 2015, tax rate falls to 5.75 percent.

<sup>3</sup>TN income tax applies at a 6 percent rate, but only to interest and dividend income.

**PERSONAL INCOME TAX RELIANCE, STATE AND LOCAL GOVERNMENTS, 2012**

State	Per Capita Revenue	Percent of Total Tax Revenue
Alabama	\$647	21.9%
Florida	\$0	0.0%
Georgia	\$821	25.2%
Kentucky	\$1,059	30.9%
Mississippi	\$503	15.5%
N. Carolina	\$1,065	30.1%
S. Carolina	\$656	21.7%
Tennessee	\$28	0.9%
Virginia	\$1,248	30.8%
United States	\$979	22.1%

SOURCE: U.S. Bureau of the Census, *State and Local Government Finances*, data available by internet.

<b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b>
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**TAX BASE:**

Taxable value (assessed value) of tangible property is 40 percent of fair market value as defined by Georgia law, except for certain agricultural and conservation use property.

**TAX RATE:**

Tax rates vary by taxing jurisdiction with taxes being levied by the county governing authority (countywide for general government purposes and in some counties within special tax districts within the county for specific purposes), by the local school district, by municipalities, and by the state. The state rate of taxation is uniform at 1/4 of one mill (0.00025), but will be phased out by 2016.

Local county school systems are limited to a property tax rate not to exceed 20 mills for maintenance and operating purposes unless, by local referendum, the maximum rate has been increased.

**ALL PROPERTY TAX REVENUE, GEORGIA STATE AND LOCAL GOVERNMENTS (in thousands):**

Fiscal Year	Local	State	Total
2008	\$10,137,750	\$81,928	\$10,219,678
2009	\$10,356,190	\$82,764	\$10,438,954
2010	\$10,508,478	\$86,228	\$10,594,706
2011	\$10,272,434	\$76,704	\$10,349,138
2012	\$10,291,396	\$68,951	\$10,360,347

SOURCE: U.S. Bureau of the Census. *State and Local Government Finances (various years)*, data available by internet.

**MAJOR EXEMPTIONS:**

Public property except for certain property owned by a political subdivision which is located outside the territorial limits of the subdivision.

Place of worship and religious burial.

Institutions of purely public charity. Income can be derived from the property so long as the income is used exclusively for the charity's operation.

<p style="text-align: center;"><b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b></p>
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Property of non-profit hospitals used in connection with their operation when the hospital has no stockholders, no income or profit distributed to benefit of any private person.

Buildings used as a college, incorporated academy, or other seminary of learning.

Farm products, for a period of one year after production, when the products remain in the hands of the producer.

Property which has been installed or constructed with the primary purpose of reducing or eliminating air or water pollution when the property is certified by the Department of Natural Resources.

The homestead of each person is exempt in an amount not to exceed \$2,000 in assessed value where the person owns and occupies such homestead as principal place of residence. This exemption applies to the levy for maintenance and operation of the county government, the school system, and for the state levy. Certain elderly taxpayers are entitled to increased exemptions. For example, persons 65 and older with net incomes which do not exceed \$10,000 annually, excluding income received from Social Security or from any other public or private retirement systems up to the maximum amount of Social Security benefits authorized for an individual and spouse, are entitled to an exemption of \$4,000 from all state and county ad valorem taxes. A similar exemption for school tax purposes is available to persons 62 and older in an amount up to \$10,000. The same net income qualification requirements exist for this exemption. Additional exemptions are provided for disabled homeowners, and for non-remarried spouses of peace officers or firefighters killed in the line of duty, and surviving spouse of a disabled veteran. In addition, a "floating" homestead exemption is available for persons 62 and older with household income not exceeding \$30,000. This exemption covers state and county ad valorem taxes (excluding school taxes) and it applies to the assessed value which exceeds the assessed value on the homestead for the year immediately preceding the year that the taxpayer first qualifies for this exemption (thus the exemption amount increases at the same rate that the assessed value of the homestead increases in future years). It should be noted that several local governments have provided for homestead exemption amounts which exceed the general exemptions outlined here.



<p style="text-align: center;"><b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b></p>
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Tangible personal property used within the home, if not held for sale or other commercial use, is exempt. Tools and implements of trade and other personal property is exempt up to \$7,500 in fair market value.

Farm tractors, combines and other farm equipment (excepting motor vehicles) which are owned by or held under a lease purchase agreement and directly used in the production of agricultural products by family-owned qualified farms are exempt.

Motor vehicles purchased after February 28, 2013, will no longer be subject to state or local property taxes.

**RESPONSIBLE FOR ADMINISTRATION:**

County boards of tax assessors are responsible for valuation and assessment; county tax commissioners and municipal authorities are responsible for collection of the tax; county and municipal governing authorities and local school systems levy the applicable millage rates; the State Revenue Commissioner has general oversight responsibility in equalization of assessments throughout the State.

**RETURN AND PAYMENT DATES:**

The taxpayer is required to file a return covering any property not previously reported. Once the initial return is filed, the taxpayer is deemed to have returned the same property at the same value as was finally determined for the preceding year if the taxpayer does not file a new return. The law now provides that the completion of the real estate transfer tax form can serve as the initial return of the taxpayer for the next succeeding tax year. General law provides that returns must be filed on or before April 1 for the tax year which began the preceding January 1. Applications for homestead exemption are also due on or before April 1. Some counties have provided by law for earlier return deadlines.

Taxes are due on or before December 20 unless the county has provided for earlier payment deadlines; however, the taxpayer must be given 60 days in which to pay the tax once the bill has been sent.

**DISPOSITION OF REVENUE:**

The tax is collected locally and revenue is utilized by the local government which made the particular levy. The State tax is remitted to the State Revenue Commissioner and becomes part of the State general fund.

<p style="text-align: center;"><b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b></p>
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**CHRONOLOGY OF SIGNIFICANT CHANGES:**

- 1913 Tax equalization statute enacted which provided for uniform assessments in all counties.
- 1937 Intangible property separated as separate class of property for tax purposes.
- 1937 Homestead exemption of \$2,000 instituted.
- 1962 State revolving loan fund created to assist counties in programs of tax mapping and property revaluation.
- 1965 State Revenue Commissioner required by court decision to exercise his authority and responsibility to insure that assessments for all counties were equalized.
- 1968 Current assessment level of 40 percent of fair market value established by statute.
- 1972 Counties required to employ minimum number of staff appraisers depending upon the number of parcels of real property in the county. A state salary grant fund was created to assist counties with the employment of minimum staff.
- 1972 Initial and continuous training for local assessor and appraisers was funded and required.
- 1972 County boards of equalization were created to hear and adjudicate property tax assessment appeals. Minimum training requirements were established.
- 1972 A State board of equalization was created to hear and adjudicate property tax appeals of railroad and utility companies who return property to the State Revenue Commissioner.
- 1983 Preferential assessment at 30 percent of fair market value rather than 40 percent was authorized for certain agricultural properties under a 10 year covenant to maintain the property in its qualified use.
- 1988 State Revenue Commissioner's authority and responsibility to examine local tax digests for equalization purposes was broadened to include responsibility for measuring quality of assessments within the county property class.

<p style="text-align: center;"><b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b></p>
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- 1991 Certain qualified agricultural use property, environmentally sensitive property, and transitional residential property, under a 10 year covenant to maintain the property in its qualified state, is valued to tax purposes according to its current use rather than its fair market value.
- 1992 The statute relating to the State Revenue Commissioner's authority to equalize county digests was changed to provide for a systematic review of each county's digest only once every three years.
- 1999 Homeowners Tax Relief Grant (HTRG) legislation passed to provide property tax relief in the form of a homestead exemption for state, county, and school district property taxes. Counties and school districts are reimbursed by the state for the reduction in assessed value through the annual appropriations bill.
- 2000 Comprehensive Taxpayer Bill of Rights legislation enacted which provides for increased notice through advertisement and public hearings when local governments levy ad valorem tax rates which result in significantly increased revenue from the preceding year.
- 2000 The 'fair market value' standard of valuation for property tax purposes is changed as it relates to the valuation of motor vehicles. Beginning January 1, 2002, the valuation of motor vehicles for property tax purposes shall be based on wholesale value.
- 2002 HTRG is extended to city property taxes.
- 2005 Property tax executions are to be issued against owners of record on the date that the taxes became delinquent.
- 2008 A new class of property, forest land conservation value property, was created. This property is taxed at its current use value if the owner signs a 15-year covenant to maintain property in its current use. The state is required by the Constitution to reimburse local government of a portion of the lost tax revenue due to this provision, where the portion depends upon the magnitude of the lost revenue.
- 2009 Assessed values for all classes of property were frozen for 2009 and 2010.

<b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b>
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- 2009 Tax assessors are required to consider foreclosures and sales of bank-owned properties acquired through foreclosures in determining fair market value.
- 2009 FY2010 appropriations bill ended the state reimbursement to local governments for the HTRG.
- 2010 Five-year phase out of the state quarter mill will start in 2012.
- 2010 Comprehensive changes to property tax code, including property value notification requirements, new appeals process, and changes to valuation procedures.
- 2012 State and local property taxes on motor vehicles purchased after February 28, 2013 are eliminated and replaced with a new title fee.

**COMPARISON OF PROPERTY TAX RELIANCE,  
STATE AND LOCAL GOVERNMENTS, 2012**

State	Per Capita Revenue	Percent of Total Tax Revenue
Alabama	\$530	18.0%
Florida	\$1,273	38.1%
Georgia	\$1,044	32.1%
Kentucky	\$715	20.8%
Mississippi	\$869	26.7%
N. Carolina	\$912	25.8%
S. Carolina	\$1,034	34.2%
Tennessee	\$795	25.7%
Virginia	\$1,385	34.2%
United States	\$1,421	32.1%

SOURCE: U.S. Bureau of the Census. *State and Local Government Finances*, data available by internet.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Chapter 5 of Title 48.

<b>PROPERTY TAX – TANGIBLE REAL AND PERSONAL PROPERTY (STATE AND LOCAL)</b>
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**DISTRIBUTION OF GEORGIA COUNTY MILLAGE RATES**  
(Selected years)

Rate	-----Number of Counties-----				
	1994	2003	2012 <sup>1</sup>	2013	2014
<15 Mills	4	2	1	1	1
15.0-17.5	10	1	3	3	2
17.5-20.0	13	13	4	2	2
20.0-22.5	27	24	14	9	9
22.5-25.0	32	29	20	19	17
25.0-27.5	32	22	33	32	35
27.5-30.0	15	28	31	38	35
30.0-32.5	8	22	24	23	23
32.5-35.0	7	6	11	18	18
35.0-37.5	4	7	5	7	6
37.5-40.0	4	3	6	4	6
>40 Mills	3	2	5	3	5

SOURCE: Georgia Department of Revenue.

<sup>1</sup>Excludes Burke and Wilkes Counties.

NOTE: These rates include state 1/4 mill; county school maintenance and operation, and bond millages; and county unincorporated area maintenance and operation millage, bond, and special district millages.

## SALES AND USE TAX

### TAX BASE:

Retail sales, rentals, leases, use or consumption of tangible personal property. Selected services are taxable.

### TAX RATE:

State rate of 4 percent (also see Local Option Sales Taxes for information regarding additional rates of sales taxation).

### MAJOR EXEMPTIONS:

Agricultural machinery (certain specified machinery) for use by farmer in production process.

Air and water pollution control machinery.

Industrial materials which become component part of finished product in manufacturing process.

Machinery for new and expanded industry.

Prescription drugs, eyeglasses, and prosthetic equipment.

Replacement machinery purchased for manufacturing plant located in the State.

Sales to governments.

Beginning March 1, 2013, all motor vehicle sales and leases, excluding rentals for 31 days or less.

Electricity used directly in the manufacturing process if the direct costs of such electricity exceeds 50 percent of the cost of all materials, including electricity, used directly in the product. Beginning January 1, 2013, state and local sales taxes (other than for education) on energy used in agriculture are eliminated, and those on energy used in manufacturing are phased out over four years.

Certain primary material handling equipment used in handling and moving tangible personal property in a warehouse or distribution facility located in Georgia if such material handling equipment is a part of an expansion of an existing facility or the construction of a new facility worth \$5 million or more.

Machinery, engines, and parts used in the remanufacture of aircraft engines or engine parts in a remanufacturing facility located in Georgia.

SALES AND USE TAX
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The sale for off-premises human consumption or use of foods and beverages. Certain local options sales taxes continue to be levied on eligible food that is otherwise exempt.

The sale or use of repair or replacement parts, machinery clothing molds, dies and tooling for equipment used in the manufacture of tangible personal property in a manufacturing plant presently existing in Georgia. The exemption is limited to that portion of the sales price of each such part, item mode, die or tool which does not exceed \$150,000.

The sale or lease of computer equipment at certain high technology facilities located in Georgia where the sale or lease fair market value exceeds \$15 million for any calendar year.

The sale of machinery, equipment and materials used in the construction or operation of a clean room of class 100 or less.

The sale or use of materials used in construction or expansion of a qualified tourist attraction facility or in construction of a "Project of Regional Significance," as determined by the Department of Economic Development.

Purchases made by the George L. Smith II World Congress Center, the Jekyll Island State Park Authority, and the Georgia Ports Authority.

The sale or use of materials used in construction of a civil rights museum. (This provision sunsets on July 30, 2015.)

Jet fuel for commercial use is exempt from 1 percent out of the 4 percent state sales tax.

The sale or use of materials used in the construction of competitive projects of regional significance.

REVENUE PRODUCTION (in thousands):

Fiscal Year	Revenue
2010	\$4,864,691
2011	\$5,080,777
2012	\$5,303,524
2013	\$5,277,211
2014	\$5,125,502

## SALES AND USE TAX

### RESPONSIBLE FOR ADMINISTRATION:

State Revenue Commissioner.

### WHO REMITS TAX:

Retail vendors.

### PAYMENT DATES:

Monthly returns (most retailers) with remittance are due by the 20th day of each month covering activity for the preceding calendar month.

Businesses with less than \$200 per month tax liability for six consecutive months entitle dealer to file quarterly returns rather than monthly returns. Quarterly returns are due by the 20th day of the month following the end of each calendar quarter.

### DISPOSITION OF REVENUE:

The dealer collecting the tax at retail retains a vendor's commission of 3 percent of the first \$3,000 of the total amount of sales and use tax reported, and a commission of one-half of 1 percent of that portion exceeding \$3,000. The net revenues from the tax, after vendor compensation, are general fund revenues.

### CHRONOLOGY OF SIGNIFICANT CHANGES:

- 1951 Sales tax first enacted at rate of 3 percent. Major exemptions included in the original Act included industrial materials which become a part of the finished product being manufactured; fertilizer; and the sale of water through mains by municipalities.
- 1963 Exemptions for manufacturing machinery for new and expanding industry were added along with exemption for agricultural machinery used to till the soil.
- 1975 The current authorization for a local option sales tax by counties at a rate of 1 percent was enacted.
- 1985 The authority for county governments to levy a 1 percent local option sales tax for roads, bridges, and certain specified capital improvements was added.
- 1989 The State rate was increased to 4 percent.
- 1996 The authority for local school systems to levy a 1 percent local option sales tax under certain circumstances and for certain capital improvement purposes was approved.



## SALES AND USE TAX

- 1996 An exemption for food for off-premises human consumption was approved. The exemption was phased in and fully implemented October 1, 1998.
- 2002 Sales tax holidays authorized; holiday subsequently reauthorized each year until 2011.
- 2004 Legislation authorizing the Commissioner to adopt the Interstate Streamlined Sales and Use Tax Agreement was enacted.
- 2004 Legislation enacted providing for a 2 percent cap on local sales taxes with exceptions for certain education levies, levies for MARTA, and levies for water or sewer capital outlay projects are adopted.
- 2005 Persons applying for motor vehicle title certificates on vehicles purchased out of state must show proof of state and local sales tax payment before the title is issued.
- 2005 State agencies are prohibited from entering into contracts for goods or services exceeding \$100,000 with a non-governmental vendor who fails or refuses to collect Georgia sales tax on sales delivered into Georgia.
- 2010 Sales tax holidays not authorized for 2011.
- 2010 Legislation to improve conformity with the Interstate Streamlined Sales and Use Tax Agreement, including removing the sales tax exemption for food from local sales taxes adopted after 1996.
- 2010 Legislation enacted to allow a regional special tax district to levy a 1 percent local option sales tax for transportation infrastructure subject to voter approval through regional referenda.
- 2012 Sales tax holidays reauthorized for 2012 and 2013. Subsequently reauthorized for 2014 and 2015.
- 2012 Sales tax on motor vehicles eliminated effective March 1, 2012, and replaced with new title fee.
- 2012 Exemptions for energy used in manufacturing and agriculture adopted.

<b>SALES AND USE TAX</b>
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**SELECTED STATE SALES TAX RATES,<sup>1</sup>**  
**January 1, 2014**

State	Rate (in percent)	-----Exemptions-----	
		Food	Prescription Drugs
Alabama	4%	N	Y
Florida	6%	Y	Y
Georgia	4%	Y	Y
Kentucky	6%	Y	Y
Mississippi	7%	N	Y
N. Carolina	4.75%	Y	Y
S. Carolina	6%	Y	Y
Tennessee	7%	Y <sup>2</sup>	Y
Virginia <sup>3</sup>	4.3%	Y <sup>2</sup>	Y

SOURCE: Federation of Tax Administrators, unpublished data available by internet.

<sup>1</sup>Local sales taxes are not included.

<sup>2</sup>Partial state exemption.

<sup>3</sup>Excludes mandatory statewide 1 percent tax levied by local governments.

**COMPARISON OF GENERAL SALES TAX RELIANCE,  
STATE AND LOCAL GOVERNMENTS, 2012**

State	Per Capita Revenue	Percent of Total Tax Revenue
Alabama	\$861	29.2%
Florida	\$1,099	32.9%
Georgia	\$923	28.4%
Kentucky	\$697	20.3%
Mississippi	\$1,029	31.6%
N. Carolina	\$802	22.7%
S. Carolina	\$699	23.1%
Tennessee	\$1,319	42.6%
Virginia	\$557	13.7%
United States	\$1,003	22.7%

SOURCE: U.S. Bureau of the Census. *State and Local Government Finances, 2010*, data available by internet.

**SECTIONS OF THE OFFICAL CODE OF GEORGIA ANNOTATED:**  
**Chapter 8 of Title 48.**

<b>ALCOHOLIC BEVERAGE TAX (LOCAL GOVERNMENT)</b>
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**TAX BASE:**

First sale, use of final delivery of alcoholic beverages, including malt beverages, wine, and distilled spirits in Georgia.

**TAX RATE:**

**Distilled Spirits:** Counties and municipalities may levy excise taxes on distilled spirits at rates not to exceed 22 cents per liter or proportional rates for other size containers on distilled spirits sold by the package. Counties and municipalities may also levy excise taxes at rates up to 3 percent of the price charged for mixed drinks.

**Malt Beverages:** A uniform local government beer tax is levied at 5 cents per 12 ounces for bottled and canned malt beverages with proportional rates for sizes other than 12 ounces. The rate for bulk (tap or draft) malt beverages is \$6 per container for containers up to 15½ gallons with proportionate rates for other sized containers.

**Wine:** Counties and municipalities may levy excise tax at rates not to exceed 22 cents per liter.

**MAJOR EXEMPTIONS:**

Beverages with less than ½ of 1 percent alcohol content by volume.

**REVENUE PRODUCTION:** Not available.

**RESPONSIBLE FOR ADMINISTRATION:**

County and municipal governing authority.

**WHO REMITS TAX:**

Distributors of the beverage remit to local governments levying the tax.

**PAYMENT DATES:**

Reporting and payment provisions are established by local government levying the tax.

**DISPOSITION OF REVENUE:**

Local government general fund.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Chapters 4, 5, and 6 of Title 3.

<b>HOTEL-MOTEL TAX (LOCAL OPTION)</b>
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**TAX BASE:**

Excise tax on the furnishing for value of rooms, lodgings and accommodations by legal entities required to be licensed by local governments.

**TAX RATE:**

The general rate authorized is up to 3 percent; however, counties and municipalities may exceed this rate in varying amounts when the rate above 3 percent is used for certain, specified purposes generally related to tourism and trade show purposes. As of August 1, 2014, 262 local jurisdictions levied a hotel-motel tax, with rates ranging from 3 percent to 8 percent.

**REVENUE PRODUCTION:** Reported tax collections in fiscal year 2012, the latest year available, totaled approximately \$249.9 million.

**MAJOR EXEMPTIONS AND EXCLUSIONS:**

Lodging furnished for use by Georgia state or local government officials or employees when traveling on official business.

Lodging for a period of more than 30 consecutive days.

Lodging furnished as meeting rooms.

**RESPONSIBLE FOR ADMINISTRATION:**

Governing authority of counties and municipalities.

**WHO REMITS TAX:**

Entity providing the lodging.

**PAYMENT DATES:**

Reporting and payment provisions are established by local government levying the tax.

**DISPOSITION OF REVENUE:**

Stated intent of statute authorizing the levy of the tax is that funds be made available for the purpose of promoting and developing conventions and tourism as well as for the provision of general local government services.

Local governments levying rates higher than the initial 3 percent maximum rate are subject to specific, additional restrictions concerning the expenditure of at least a part of the proceeds of the tax.

## HOTEL-MOTEL TAX (LOCAL OPTION)

Local governments imposing the tax are required to file a Hotel/Motel Tax Report annually with the Georgia Department of Community Affairs detailing the amount of revenue collected and the amounts expended for various purposes.

### CHRONOLOGY OF SIGNIFICANT CHANGES:

1975 Authorization for levying the tax enacted. Changes since the original authorization have generally dealt with authorization to increase the maximum rate for specific counties and municipalities, principally for the purpose of constructing and operating specific trade and convention facilities.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Sections 50 through 56 of Chapter 13 of Title 48.

<b>INTANGIBLE TAX – REAL ESTATE TRANSFER TAX</b>
--

**TAX BASE:**

The tax is levied on the value of the consideration or the fair market value of real estate when it is transferred.

**TAX RATE:**

\$1 for the first \$1,000 or fractional part and 10 cents for each \$100 or fractional part of the consideration or fair market value of the real estate.

**MAJOR EXEMPTIONS:**

Deeds or instruments given to secure a debt.

Deeds of gift.

Deeds where governmental entities or public authorities or nonprofit public corporations are a party to the transaction.

Leases.

Deeds issued in lieu of foreclosure if certain conditions are met.

Deeds issued in conjunction with a division of property among joint tenants if the only consideration is the division of the property.

**REVENUE PRODUCTION:**

Not available.

**RESPONSIBLE FOR ADMINISTRATION:**

Clerks of Superior Court collect the tax as a prerequisite to the filing of the warranty deed transferring the property. Now, the tax is retained by the Clerks and remitted to the local government entities within the county according to the millage rates levied by each such local government entity.

**WHO REMITS TAX:**

The person who executes the deed or the person for whose use or benefit the deed is executed.

**PAYMENT DATES:**

Payment of the tax is made in conjunction with the filing of the deed and it is a prerequisite to the filing of the instrument.

<b>INTANGIBLE TAX – REAL ESTATE TRANSFER TAX</b>
--

**DISPOSITION OF REVENUE:**

Local government general fund.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1967 Georgia's real estate transfer tax was enacted to coincide with the repeal of the similar federal tax.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**

Sections 1 through 10 of Chapter 6 of Title 48.

<b>INTANGIBLE TAX – RECORDING, DOCUMENTARY</b>
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**TAX BASE:**

Real estate security deeds securing long term notes (more than 3 years).

**TAX RATE:**

\$1.50 for each \$500 or fraction of the face amount of the note secured by the real estate. The maximum amount of tax due and payable with respect to any single instrument is \$25,000.

**MAJOR EXEMPTIONS:**

Notes held by governmental entities.

Notes representing extensions, modifications, transfers or renewals for original indebtedness where the tax was paid on the original indebtedness.

Instruments which represent a refinancing by the original lender where the tax was paid on the original instrument (additional amount advanced as a part of the refinancing is taxable).

**RESPONSIBLE FOR ADMINISTRATION:**

County tax commissioners collect the tax as a prerequisite to the filing of the security deed (in counties with 50,000 or more population, the clerk of superior court collects the tax). The State Revenue Commissioner has responsibility for making determinations as to the taxability of instruments.

**WHO REMITS TAX:**

The person holding the real estate note and executing the security deed.

**PAYMENT DATES:**

Tax is paid at the time the deed to secure debt is presented for recording.

**DISPOSITION OF REVENUE:**

General fund of counties, school systems, and municipalities.



<b>INTANGIBLE TAX – RECORDING, DOCUMENTARY</b>
--

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

- 1953 Long-term notes were separated from regular intangible property taxation and taxed at the time of recording the security deed.
- 1977 Maximum amount of tax increased from \$10,000 to \$25,000.
- 1990 Incidence of tax changed from the long term note evidenced by the security deed to a tax on the security instrument.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Sections 60 through 77 of Chapter 6 of Title 48.

<b>SALES AND USE TAX (LOCAL GOVERNMENT)</b>
---

**LOCAL SALES AND USE TAXES ADOPTED BY TYPE AND  
DISTRIBUTION OF TOTAL RATES BY COUNTY**

Type	Number of Counties	
	10/30/1995	10/1/2014
Local Option	150	155
Special Purpose Option	123	151
Educational	0	155
Transportation	0	46
MARTA	2	2
Homestead	0	2
Other Local Option	1	3*
Total Tax Rate (incl. State 4%)		
8%	0	45
7%	0	105
6%	120	8
5%	37	1
4%	2	0

SOURCE: Georgia Department of Revenue, data available by Internet.

\*Includes City of Atlanta 1 percent Municipal Sales Tax (MOST) enacted in 2005.

<p style="text-align: center;"><b>SALES AND USE TAX (LOCAL OPTION)</b></p>
--

**TAX BASE:**

Retail sales, rentals, leases, uses or consumption of tangible personal property. Selected services are taxable.

**TAX RATE:**

1 percent rate. The tax is levied by county governing authorities.

**MAJOR EXEMPTIONS:**

Generally the same exemptions and exclusions apply to the local option sales tax that apply to the State tax. One exception to that rule relates to the exemption for food purchased for off-premises, human consumption. This exemption is not provided with respect to local option sales taxes. Motor vehicle sales are exempt from the City of Atlanta's MOST.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$1,149,997
2011	\$1,303,198
2012	\$1,365,411
2013	\$1,347,874
2014	\$1,317,665

SOURCE: Georgia Office of the State Treasurer.

NOTE: Amounts reflect disbursements to local governments during the state fiscal year.

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Retail vendors or consumers.

**PAYMENT DATES:**

Tax is reported and remitted according to the same schedule as is required for the State sales tax.

<b>SALES AND USE TAX (LOCAL OPTION)</b>
---

**DISPOSITION OF REVENUE:**

1 percent of collections by the State Revenue Commissioner are retained for administrative costs incurred and becomes part of the general fund.

The balance of collections within a county are distributed to the county and municipalities according to agreed upon distribution formulae.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1975 Tax authorized for counties and municipalities.

1979 Tax was reconstituted in this present form after original statute declared invalid.

1996 Local sales taxes adopted after October 1, 1996 included an exemption for food purchased for off-premises human consumption.

2011 The exemption for food for local option sales taxes adopted after October 1, 1996 was removed effective January 1, 2011 as part of legislation to bring the state into compliance with the Interstate Streamlined Sales and Use Tax Agreement.

**SPECIAL PROVISIONS:**

The tax may only be imposed or discontinued by county governments after referendum approval.

The tax may be levied only if the county governing authority and qualified municipalities within the county have agreed upon a formula for distributing the proceeds of the tax.

The tax was authorized as replacement revenue for the property tax and the property tax bill must reflect the amount of millage rate reduction equal to the net proceeds of the sales tax received by the political subdivision during the previous year.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**

Sections 80 through 95 of Chapter 8 of Title 48.

<b>SALES AND USE TAX (SPECIAL PURPOSE LOCAL OPTION)</b>
---

**TAX BASE:**

Retail sales, rentals, leases, uses or consumption of tangible personal property. Selected services are taxable.

**TAX RATE:**

1 percent rate. The tax is levied by county governing authorities after referendum approval but only for specified periods of time and only for specified purposes.

**MAJOR EXEMPTIONS:**

Generally the same exemptions and exclusions apply to the special purpose local option sales tax that apply to the State tax. One exception to that rule relates to the exemption for food purchased for off-premises, human consumption. This exemption is not provided with respect to the special purpose local option sales taxes.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$1,138,174
2011	\$1,132,153
2012	\$1,176,605
2013	\$1,179,046
2014	\$1,126,532

SOURCE: Georgia Office of the State Treasurer.

NOTE: Amounts reflect disbursements to local governments during the state fiscal year.

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Retail vendors or consumers.

**PAYMENT DATES:**

Tax is reported and remitted according to the same schedule as is required for the State sales tax.

<p><b>SALES AND USE TAX</b> <b>(SPECIAL PURPOSE LOCAL OPTION)</b></p>
---

**DISPOSITION OF REVENUE:**

1 percent of collections by the State Revenue Commissioner is retained for administrative costs incurred and become a part of the general fund.

The balance of the collections by the State Revenue Commissioner is distributed to the county governing authority levying the tax.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1985 Authorization for the tax enacted. Subsequent amendments have expanded the types of capital outlay projects that qualify the county to levy the tax.

2004 Provision is made for the revenue to be used by municipalities.

**SPECIAL PROVISIONS:**

The tax may be levied only after referendum approval.

The tax may be levied for a period of time, normally not to exceed 5 years. Under certain conditions the maximum period can be longer.

The revenue can be used for transportation, certain other capital projects, and retirement of general obligation debt.

The county government can enter into an intergovernmental agreement with municipalities regarding the use of the revenue. If the county does not have such an agreement, then special provisions apply for the allocation of the revenue to the county and municipalities. These provisions provide that the county gets an initial allocation of the expected revenue. This allocation is to fund all specified county-wide capital projects falling under a list of project types specified in the law. If no such projects are proposed, then an allocation of up to 20 percent of the expected revenue can be reserved for other county-wide capital projects. The remainder of the revenue is then allocated between the county and the municipalities based on their share of the county population.

The ballot question for referendum approval must contain the purpose of the proposed levy, the maximum time that the tax will be levied, the maximum cost of the project being funded, and other information relating to any debt to be created as a part of the capital outlay project.

<p style="text-align: center;"><b>SALES AND USE TAX (SPECIAL PURPOSE LOCAL OPTION)</b></p>
--

The levy of the tax ceases when the amount of proceeds from the tax equals the amount stated as the cost of the project in the referendum ballot or the stated period of time for levy of the tax expires, whichever comes first.

At any time only one 1 percent special purpose local option sales tax levy may be in existence in any county.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:  
Sections 110 through 121 of Chapter 8 of Title 48.

<p><b>SALES AND USE TAX (LOCAL OPTION SALES TAX – EDUCATIONAL PURPOSES)</b></p>
---

**TAX BASE:**

Retail sales, rental, leases, uses or consumption of tangible personal property. Selected services are taxable.

**TAX RATE:**

1 percent rate. The tax is levied by local boards of education only for specified periods of time not to exceed five (5) years and only for specified capital outlay purposes.

**MAJOR EXEMPTIONS:**

The same exemptions and exclusions apply to the special purpose local option sales tax for educational purposes that apply to the State tax. One exception relates to the exemption for food purchased for off-premises, human consumption. This exemption is not provided with respect to local option sales taxes for educational purposes.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$1,518,114
2011	\$1,548,219
2012	\$1,616,352
2013	\$1,591,144
2014	\$1,559,540

SOURCE: Georgia Office of the State Treasurer.

NOTE: Amounts reflect disbursements to local governments during the state fiscal year.

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Retail vendors or consumers.

**PAYMENT DATES:**

Tax is reported and remitted according to the same schedule as is required for the State sales tax.



**SALES AND USE TAX  
(LOCAL OPTION SALES TAX –  
EDUCATIONAL PURPOSES)**

**DISPOSITION OF REVENUE:**

1 percent of collections remitted to State Revenue Commissioner is retained for administration costs incurred by the Department and these costs become a part of the general fund. The balance of the collections are distributed to the local boards of education levying the tax.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1996 Authorization for the tax enacted.

**SPECIAL PROVISIONS:**

The tax may be levied only after referendum approval.

The tax may be levied for a period of time not to exceed 5 years.

The ballot question for referendum approval must contain the purpose of the proposed levy, the maximum time that the tax will be levied, etc.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Article VIII, Section VI, Paragraph IV, Georgia Constitution; Sections 140 through 142 of Chapter 8 of Title 48.

<p style="text-align: center;"><b>SALES AND USE TAX (METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY)</b></p>
--

**TAX BASE:**

Retail sales, rentals, leases, uses of consumption of tangible personal property. Selected services are taxable.

**TAX RATE:**

1 percent rate. The tax is levied only in the area comprising the Metropolitan Atlanta Rapid Transit Authority (MARTA).

**MAJOR EXEMPTIONS:**

The same exemptions and exclusions apply to the special purpose local options sales tax that apply to the State tax. One exception relates to the exemption for food purchased for off-premises, human consumption. This exemption is not provided with respect to the local option sales tax for MARTA.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$315,856
2011	\$319,322
2012	\$338,817
2013	\$340,626
2014	\$345,746

SOURCE: Georgia Office of the State Treasurer.

NOTE: Amounts reflect disbursements to local governments during the state fiscal year.

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Retail vendors file returns and remit tax as a part of the State sales tax return.

**PAYMENT DATES:**

Tax is reported and remitted according to the same schedule as is required for the State sales tax.

**SALES AND USE TAX  
(METROPOLITAN ATLANTA  
RAPID TRANSIT AUTHORITY)**

**DISPOSITION OF REVENUE:**

Proceeds used by Metropolitan Atlanta Rapid Transit Authority for construction and operation. 1 percent of collections by the State Revenue Commissioner are retained for administrative costs incurred and become a part of the general fund.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1965 Metropolitan Atlanta Rapid Transit Authority was created.

1971 1 percent sales tax authorized.

1990 1 percent sales tax extended to 2032; the rate is reduced to ½ percent in 2032.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Georgia laws 1965, P. 2243, as amended.

<b>SALES AND USE TAX (LOCAL HOMESTEAD OPTION SALES TAX)</b>
---

**TAX BASE:**

Retail sales, rentals, uses or consumption of tangible personal property. Selected services are taxable.

**TAX RATE:**

1 percent rate. The tax is authorized for levy by county governing authorities only in those counties not levying the Local Option Sales Tax.

**MAJOR EXEMPTIONS:**

The same exemptions and exclusions apply to the homestead option sales tax that apply to the State tax. One exception to that rule relates to the exemption for food purchased for off-premises, human consumption. This exemption is not provided with respect to the homestead option sales tax.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2010	\$103,009
2011	\$108,072
2012	\$121,885
2013	\$120,337
2014	\$119,131

SOURCE: Georgia Office of the State Treasurer.

NOTE: Amounts reflect disbursements to local governments during the state fiscal year.

**WHO REMITS TAX:**

Retail vendors or consumers.

**PAYMENT DATES:**

Tax is reported and remitted according to the same schedule as is required for the State sales tax.

<p style="text-align: center;"><b>SALES AND USE TAX</b> <b>(LOCAL HOMESTEAD OPTION SALES TAX)</b></p>
---

**DISPOSITION OF REVENUE:**

The balance of the collections by the State Revenue Commissioner is distributed to the county governing authority levying the tax. The county must utilize at least 80 percent of the proceeds to provide for a homestead exemption from ad valorem tax levied for county purposes. The balance may be used for capital outlay projects.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

1995 Authorization for the tax enacted.

2011 Law changed to apply tax to food purchased for off-premises, human consumption to bring the state into compliance with the Interstate Streamlined Sales and Use Tax Agreement.

**SPECIAL PROVISIONS:**

The tax may be imposed or discontinued only after referendum approval.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**

Sections 100 through 109 of Chapter 8 of Title 48.

<p><b>SALES AND USE TAX</b>  <b>(TRANSPORTATION SPECIAL PURPOSE LOCAL</b>  <b>OPTION SALES TAX [TSPLOST])</b></p>
---

**TAX BASE:**

Retail sales, rentals, leases, uses, or consumption of tangible personal property. Selected services are taxable.

**TAX RATE:**

1 percent. The tax is levied by three of 12 special transportation districts representing regions of the state corresponding to the 12 regional commissions provided for in Code Section 50-8-4.

**MAJOR EXEMPTIONS:**

The tax would correspond to the state sales and use tax except the new tax would not apply to the sale or use of fuel used for off-road heavy-duty, farm, or agricultural equipment, or locomotives; qualifying sale or use of jet fuel; the sale or use of motor fuel for use in motor vehicles on the public highways or for public mass transit; and the sale or use of energy used in the manufacturing. The state exemption for food purchased for off-premises, human consumption does not apply.

**REVENUE PRODUCTION (in thousands):**

Fiscal Year	Revenue
2013	\$53,983
2014	\$134,318

SOURCE: Georgia Office of the State Treasurer.

NOTE: Amounts reflect disbursements to local governments during the state fiscal year.

**RESPONSIBLE FOR ADMINISTRATION:**

State Revenue Commissioner.

**WHO REMITS TAX:**

Retail vendors or consumers.

**PAYMENTS DATES:**

Tax is reported and remitted according to the same schedule as is required for the state sales tax.

**SALES AND USE TAX  
(TRANSPORTATION SPECIAL PURPOSE LOCAL  
OPTION SALES TAX [TSPLOST])**

**DISPOSITION OF REVENUE:**

Proceeds of the tax would be distributed into a trust fund maintained by the State Financing and Investment Commission on behalf of the special district imposing the tax.

**CHRONOLOGY OF SIGNIFICANT CHANGES:**

2010 Enabling legislation passed into law. TSPLOST to be effective January 1, 2013, subject to passage in each special district of an authorizing referendum.

2012 Referenda held in each of the 12 special districts in July 2012 and passed in three of the 12 districts.

**SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:**  
Sections 240 through 256 of Chapter 8 of Title 48.

## STANDING TIMBER (AD VALOREM TAX)

### TAX BASE:

The value of standing timber at time of sale or harvest.

### TAX RATE:

The timber is subject to a one time only ad valorem tax based upon the full fair market value of the timber at the normal ad valorem tax rate in effect at the time of the sale or harvest.

### REVENUE PRODUCTION (in millions):

Not available; included as part of property tax revenue.

### RESPONSIBLE FOR ADMINISTRATION:

County boards of tax assessors establish the value and county tax commissioners collect the tax due. The State Revenue Commissioner establishes unit values for use by local assessors in valuing timber harvested other than under bona fide purchases.

### WHO REMITS TAX:

Lump Sum Sales: Tax is payable by the seller at the time of sale. Seller remits tax to purchaser who reports the value of the sale and pays the tax to the tax commissioner. Payment of the tax is a prerequisite to filing for record the instrument conveying the standing timber.

Unit Price Sales: Tax is payable by the seller to the tax commissioner.

Owner Harvest: Tax is payable by the landowner.

### PAYMENT DATES:

Lump Sum Sales: Tax is payable at the time of sale as a prerequisite to filing the instrument conveying the timber (purchaser must remit the tax not later than 5 days after receipt from the seller).

Unit Price Sales: Reports are filed within 45 days after the end of the calendar quarter during which the timber is harvested. Quarterly tax bills are issued by the tax commissioner and tax is payable within 30 days of receipt of the bill.

Owner Harvests: Reports are filed within 45 days after the end of the calendar quarter during which the timber is harvested. Quarterly tax bills are issued by the tax commissioner and tax is payable within 30 days of receipt of the bill.



STANDING TIMBER (AD VALOREM TAX)
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DISPOSITION OF REVENUE:

General fund of the county, county school system, and any affected municipality.

CHRONOLOGY OF SIGNIFICANT CHANGES:

1991 After a change in the Constitution authorizing this method of taxation, the one time only ad valorem tax was enacted.

SECTIONS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED:

Section 7.5 of Chapter 5 of Title 48.

## ABOUT THE FISCAL RESEARCH CENTER

The Fiscal Research Center (FRC) is one of several prominent policy research centers and academic departments housed in the Andrew Young School of Policy Studies. The FRC, directed by Dr. Sally Wallace, provides research and technical assistance in the evaluation and design of state and local fiscal policy, including both tax and expenditure issues. For more information on the Fiscal Research Center, call 404-413-0249.

## ADDITIONAL SOURCES

<u>Statistical Report</u>	Georgia Department of Revenue, Annual
<u>Budget Report</u>	Georgia Office of Planning and Budget, Annual
<u>Revenue and Reserves Report</u>	Georgia State Accounting Office, Annual
<u>State &amp; Local Government Finances</u>	U.S. Bureau of the Census, Annual
<u>Facts and Figures on Governmental Finances</u>	Tax Foundation
<u>State Comparisons</u>	Federation of Tax Administrators
<u>Web Pages</u>	Tax Policy Center



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