Georgia Tax Expenditure Report for FY 2018

Prepared by the Fiscal Research Center of the Andrew Young School of Policy Studies at Georgia State University

December 2016

Funding for this project was provided by the Georgia Department of Audits and Accounts. We would like to thank the Georgia Department of Revenue and the Georgia Office of Insurance and Safety Fire Commissioner for their contributions to the preparation of this report. Lastly, we would like to thank the Georgia Department of Audits and Accounts for their comments and recommendations. All estimates presented in this report are the work of the Fiscal Research Center. We are solely responsible for its contents.

Summary of State Tax Expenditures	10
1. Personal Income Tax	51
1.1 Federal Exclusions	53
1.2 Federal Deductions	61
1.3 Special Federal Conformity Provisions	66
1.4 Georgia Exemptions	
1.5 Georgia Deductions	
1.6 Georgia Credits	
2. Corporate Income Tax	91
2.1 Federal Corporate Exclusions	92
2.2 Federal Corporate Deductions	94
2.3 Special Federal Corporate Conformity Provisions	
2.4 Corporate Apportionment	
2.5 Georgia Deductions	
2.6 Georgia Credits	
3. Corporate Net Worth Tax	
4. Sales and Use Tax	118
4.5 Sales and Use Tax for Services	
4.7 Vendor Compensation	
4.9 Casual Sales	
5. Insurance Premium Tax	153
6. Motor Fuel Tax	157
7. Alcoholic Beverage Tax	158
8. Tobacco Products Excise Tax	161
9. Financial Institutions Special State Occupation Tax	
10. Special Assessment of Forest Land Conservation Use Property	
11. Alternative Ad Valorem Tax on Motor Vehicles	
12. Special Excise Tax on Consumer Fireworks	
13. State Hotel-Motel Tax	
Appendix of Tables	
Table 1: Summary of expired provisions	
Table 1: Summary of expired provisions Table 2: Sales and use tax expenditures by type	
Tables 3-8: Distributional tables of selected provisions	

Table of Contents

Introduction

Tax expenditures are provisions in the tax code that allow for special treatment of a source of income or a certain type of expense. Such treatment usually results in a reduction in tax liability for the taxpayer. In principle, these tax benefits could be provided by direct appropriation, thus these provisions are referred to as "expenditures". They represent tax revenues that would have been otherwise generated if not for this preferential treatment in the tax code.

Like direct government expenditures, tax expenditures are an allocation of government revenue that are intended to achieve a particular policy outcome or encourage some activity. The value of a tax expenditure can be thought of as representing the amount of money that would be necessary to provide the same level of financial support in the form of a government grant instead of through the tax code. Tax expenditures are received by businesses and individual taxpayers and are present in all of Georgia's major taxes, including the individual income tax, corporate income tax, and sales tax.

Tax expenditures, also referred to as tax preference items, can take several forms. Many are structured as tax credits and deductions, such as the corporate credit for hiring a new worker or the individual deduction for the mortgage interest paid on a primary residence. Other expenditures are in the form of exclusions of income. For example, at the state level, individuals in Georgia are allowed to exclude the value of Social Security benefits from the calculation of Georgia taxable income. Lastly, some tax expenditures may be provided in the form of reduced rates for selected items in the tax base, such as the partial sales tax exemption for jet fuel.

Tax Expenditure Report

Preparation of a tax expenditure report is required by Title 45, Chapter 12, Article 4 of the Official Code of Georgia. The purpose of the report is to list all tax expenditures and their value. In this way, these items can be tracked over time in a fashion analogous to a budget of direct governmental expenditures.

While direct expenditures for such items as education or transportation are reviewed annually with every budget, it is usually the case that tax expenditures are not subject to such periodic review. It is important to monitor the value associated with these provisions as they are a reduction in tax revenue and their presence results in special treatment for some taxpayers relative to others. For example, the state government supports education through direct expenditure programs and through HOPE scholarships but also allows a tax deduction for certain educational expenses borne by the taxpayer or paid by an employer. Both the direct expenditure and the tax expenditure represent an allocation of government resources toward education, but only the direct expenditures are listed in an annual budget.

Leaving tax expenditures out of the annual budgetary review process creates two types of distortions. First, it under-represents the amount of government resources allocated for a given purpose. Second, it incorrectly represents the distribution of the benefits of government expenditures. The benefits of tax expenditure provisions are usually targeted to higher income taxpayers compared to direct expenditure programs, so that the absence of tax expenditures in the overall analysis may lead to the conclusion that government resources are targeted toward less affluent taxpayers. In addition, not all tax expenditure programs have a direct budgetary counterpart, thus without a tax expenditure report, these provisions and their distributional effects escape notice.

The presence of tax expenditures are not necessarily bad tax policy. However, not recognizing or monitoring the resources allocated through the tax system is not good fiscal policy. Through this report, we hope to provide a consolidated listing of government resources provided through this means. This report does not, however, provide any information on how effective the provision may be in terms of fulfilling its purpose. For instance, while the value of the Research and Development (R&D) credit may be reported annually in the tax expenditure report, there is no accompanying analysis to determine the extent to which more research activities have been undertaken due to the presence of the special provision.

Identifying Tax Expenditures

In most cases, identifying a tax expenditure is straightforward. Tax expenditures are deviations or special exceptions from the generally defined tax base, sometimes referred to as the normal tax base or the reference tax base. However, there may be disagreement as to what constitutes the normal or reference tax base. Even at the federal level, the list of tax expenditure items included by the Administration differs from the list estimated by Congress because each works from a different definition of the standard tax base. The appropriate norm against which tax expenditures are defined is somewhat subjective and may, in some cases, be driven by the intent of the policy underlying the legislation. For example, one would not consider the difference between the current top income tax rate of 6 percent and the tax rate of 1 percent a tax expenditure.

Tax credits and deductions for certain types of activities, such as the jobs tax credit or the lowincome housing credit, are always classified as tax expenditures. This is also the case for items that are taxed at a reduced rate. In addition, specific exclusions from the tax base are, in most cases, considered tax expenditures. Because the Georgia individual and corporate tax systems are both tied to the federal individual and corporate bases, exclusions or deductions at the federal level apply to the state tax base as well. In some cases, Georgia chooses not to conform to federal provisions, such as the Section 199 deduction for domestic production activities. In these cases, we do not include the provision as a tax expenditure. It is also important to note that tax expenditures are not computed for revenue that is due but not collected.

There are instances when it is unclear whether a given tax provision should be listed as a tax expenditure. This is because it is unclear what constitutes the general rule, and therefore, it is sometimes difficult to determine which provisions are exceptions to that rule. Consider the personal income tax exemption. Individuals are allowed to exclude an amount of income for each taxpayer included on the return but this exemption of income is not considered a tax expenditure by all states. Another example is the provision allowing for the use of a singlefactor apportionment formula in allocating income earned by corporations operating in more than one state. Because the general rule of the single-factor apportionment formula has been established at the state level, only deviations from that rule would be listed as a tax expenditure. Alternatively, if one considers the status-quo method of apportionment to be the equally weighted three-factor apportionment formula, any deviation from that rule, such as the doubleweighted three-factor or single-factor apportionment formula, would be reported as a tax expenditure. This sort of problematic classification of tax expenditures also applies to the taxation of services under the state sales tax. Because state legislation refers to the purchase of tangible goods, the exclusion of services from the base may not be seen as a deviation from the general rule. On the other hand, if it is really the intent of the general rule to tax all consumption, then the exclusions provided to the consumption of services should be listed as a tax expenditure. In this report we attempt to incorporate as comprehensive a definition as possible.

Defining a tax expenditure in the case of the sales tax requires particular discussion. Because there is no federal sales tax, there is no list of federal sales tax expenditures to use as a starting point. For this report, we use the state tax statute as the basis for identifying sales tax expenditures. Therefore, if an exemption specifically exists in the state statute, it is listed as a sales tax expenditure. This has the advantage of being a very straightforward and non-subjective rule to apply. As a second advantage, this method provides a comprehensive list of all statutory exemptions allowing for comparison between provisions affecting taxpayers and industries.

This rule has the disadvantage of identifying many sales tax provisions as tax expenditures that would not be identified as tax expenditures under the rule of good tax policy. This is particularly true in the case of business inputs. There are several business inputs, such as the exemption for energy used in manufacturing, that are listed in this report as tax expenditures but are not activities that should be included in the tax base, if the base were defined using the best economic principles. When business inputs are included in the sales tax base, those inputs are taxed and the tax is included in the price when the input is sold to the next stage of production. The more these inputs are taxed at the intermediate stages of production, the more the tax is imbedded in the price of the item. This embedded tax distorts prices and influences economic decisions. Therefore, it is important to understand that while some business exemptions are listed as tax expenditures in this report, policymakers may find it helpful to distinguish the

business inputs from tax expenditures that are provided for more societal reasons, such as the tax exemption for public school lunches or for the sale of food for off-premises consumption. To aid policy makers, this report identifies sales tax expenditure provisions that are considered business inputs.

Tax Expenditures vs. Revenue Estimates

The estimate associated with a tax expenditure provision does not necessarily represent the revenue that would be gained from the repeal of the enabling legislation. Instead, the cost of the tax expenditure represents the value of the deduction or credit taken via the provision. Although the presence of one provision may interact with the use of another provision, tax expenditures are estimated as independent provisions. For instance, if the federal research and development tax credit were repealed, federal revenues would not increase by the amount of the federal tax expenditure estimate but by a smaller amount. This is because some of the research expenditures claimed through the federal tax credit would be shifted over to another tax deduction or credit so that the savings to the government would be less than the value of the tax expenditure estimate. In addition, tax expenditure estimates do not incorporate behavioral effects that may occur due to the elimination of a provision. For instance, the tax expenditure estimate associated with the deduction for charitable giving is based on a current level of charitable contributions. If the deduction for charitable contributions were eliminated, the revenue effect presented in the fiscal note would incorporate both the initial value of charitable contributions from the tax expenditure estimate and a timing effect that would result from people speeding up their level of contributions in response to the future loss of the deduction. Thus, tax expenditure estimates can only act as an indication of the revenue effect that would occur if the provision were eliminated or modified.

Data Sources and Reliability of Estimates

To the extent possible, data from the Georgia Department of Revenue (DOR) is used to estimate the expenditures included in this report. Unfortunately, the required information is not always collected or available. When it is not, other data sources, such as information from the U.S. Census Bureau, the U.S. Bureau of Economic Analysis, or the U.S. Bureau of Labor Statistics, are used. Every effort is made to provide reliable, well supported estimates of the provisions. Because of the time lag in processing income tax returns, the most recent data available from the Georgia DOR was calendar year (CY) 2014. Therefore, even in cases in which the Georgia DOR data is used as the primary data source, the tax expenditures presented in this report are estimates.

Two subjective measures of reliability are provided in this report: the estimate reliability and the data reliability. The reliability of both the estimate and data are categorized into three classes: A, B, and C. Class A estimates and data sources are considered the most reliable. Data sources with

a Class A status consist of data from the federal statistical agencies or from the Georgia DOR. Estimates with a Class A status are typically those estimates that are based on Class A data that is particularly applicable to the expenditure provision. For instance, most of the state business tax credit expenditures are listed as Class A estimates. They are based on tax credit data provided by the Georgia DOR that specifically addresses or measures the tax expenditure provision. On the other hand, most sales tax estimates are given a Class B status. While these provisions may be based on Class A data sources, such as the Economic Census or the Consumer Expenditure Survey from the Bureau of Labor Statistics, the data may only be available at a national level, or the data may refer to more activities than is covered by the tax expenditure provision. In these cases, the data must be adjusted to represent the specific activity associated with the expenditure provision and scaled down to represent the value of the activity within Georgia. Class C estimates are believed to provide reasonable estimates and are based on the best data available. For some items, no reliable information is available. In these cases, no estimate for the expenditure is provided.

Class of Estimate/Class of	Description of Estimate	Examples of Data Sources
Data	Reliability	by Reliability Status
		Data from Department of
	Based on data specifically	Revenue, Bureau of Labor
Class A	related to the tax expenditure	Statistics Consumer
Class A	provision and to Georgia	Expenditure Survey, Bureau
	taxpayers	of Economic Analysis, U.S.
		Census Bureau datasets
	Based on national data which	
	has been modified to	Industry surveys and trade
Class B	represent Georgia and the	magazines, most proprietary
	specific tax activity covered	information
	by the expenditure	
Class C	Represents best available	Newspaper articles,
Class C	estimate at this time	secondary sources

Local Government Effects

In addition to the state estimates, this report attempts, where possible, to estimate the effects on local government revenues. There are many state exemptions that have local ramifications, such as numerous exemptions from the sales tax base. The local estimates that are provided represent the aggregate value of the exemptions that would accrue to the counties, municipalities, school districts, and special service districts, including tax allocation and community improvement districts.

Consistency with prior estimates

The current report, FY 2018, presents estimates for FY 2016-FY 2018. The report for FY 2017 provided estimates for FY 2015-FY 2017. In most cases the estimates between the current and past reports are consistent, with the latest report continuing the same trend in the value of the estimates that was established in earlier reports. On the other hand, there are some cases in which the estimate presented in the FY 2018 report differs significantly from that presented in the past reports. This usually occurs because new information has become available or because a new forecast of economic activity is relied upon to predict future values. The updated estimates are included in the current report and any major inconsistency with prior reports is noted in the discussion relating to the expenditure.

Outline of the Report

The report continues with a summary table containing a title of each tax expenditure provision, the tax base it is associated with, the type of expenditure and the estimated value for FY 2016, FY 2017, and FY 2018 for all tax expenditures identified in the report. Provisions that are assigned a positive value denote an expenditure that is estimated to reduce state or local revenues. Provisions assigned a value of "(m)" denote a tax expenditure that is estimated to reduce that is estimated to reduce state revenues by less than \$1 million. Provisions assigned a negative value denote a positive tax expenditure that is estimated to increase state revenues. Provisions assigned a value of "(-m)" denote a tax expenditure that is estimated to increase state revenues by less than \$1 million.

In addition to an identifying title, each expenditure provision is assigned an expenditure number, the first digit of which corresponds to the different sections of this report, such as 1 for the individual income tax and 5 for the insurance premium tax. The remaining portion of the numeric identifier is used to divide the expenditures into different subcategories such as federal and state expenditures, and deductions and credits. Only in the case of the sales tax exemptions does the expenditure number have any relationship to the state tax code section to which the expenditure item is associated. The numeric identifiers for each provision are consistent across tax expenditure reports and can be used to compare expenditure estimates from one report to the next.

Following the summary tables are detailed sections for each of the specific taxes covered in this report. These detailed sections begin with a brief description of the tax, latest figures on revenue collection and any information on recent modifications to the base. These detailed sections also include additional information for each of the expenditure items such as the statute number, the year in which the expenditure provision was enacted and the year in which it became effective, information on the data and estimate reliability and data source, a more detailed description of the tax expenditure provision, and the value of the expenditure provision. The report concludes

with an appendix that includes tables listing recently expired provisions, sales and use tax expenditures by type, and distributional analysis for a selected number of income tax provisions.

Expenditure	Summary	Tax	Tax Expendi Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
Federal Incon	ne Tax Provisions ¹		•			
1.1.001	Exclusion of employee meals and lodging	Federal Individual Income Tax	Exclusion	15	15	16
1.1.002	Exclusion of housing allowances for ministers	Federal Individual Income Tax	Exclusion	6	6	6
1.1.003	Exclusion of employer-provided child care	Federal Individual Income Tax	Exclusion	16	17	17
1.1.004	Exclusion of employee awards	Federal Individual Income Tax	Exclusion	2	2	2
1.1.005	Net Exclusion of pension contributions and earnings for employees and self-employed individuals (Keoghs)	Federal Individual Income Tax	Exclusion	943	1,148	1,317
1.1.006	Exclusion of employer contributions for health care, health insurance premiums and long-term care insurance premiums	Federal Individual Income Tax	Exclusion	1,087	1,135	1,185
1.1.007	Exclusion of employer-paid accident and disability premiums	Federal Individual Income Tax	Exclusion	29	31	32

Summary of State Tax Expenditures

¹ These are Internal Revenue Code provisions (IRC) that has been adopted by Georgia as part of its personal and corporate income tax.

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
L			Expenditure	FY 2016	FY 2017	FY 2018
1.1.008	Exclusion of employer contributions for premiums on group	Federal Individual Income Tax	Exclusion	23	24	26
1.1.010	long-term life insurance Exclusion of	Federal	Exclusion	230	242	254
	benefits provided through cafeteria plans	Individual Income Tax				
1.1.011	Exclusion of employer-provided adoption assistance	Federal Individual Income Tax	Exclusion	1	1	1
1.1.012	Exclusion of employer-provided education benefits (including education assistance and tuition reduction benefits)	Federal Individual Income Tax	Exclusion	9	9	9
1.1.013	Exclusion of miscellaneous fringe benefits	Federal Individual Income Tax	Exclusion	46	47	48
1.1.014	Exclusion of foreign earned income (including housing and salary)	Federal Individual Income Tax	Exclusion	51	54	57
1.1.015	Exclusion of certain allowances for federal employees abroad	Federal Individual Income Tax	Exclusion	12	12	13
1.1.016	Exclusion of benefits and allowances to armed forces personnel (includes expenditure for military disability benefits)	Federal Individual Income Tax	Exclusion	65	69	72

Expenditure	Summary	Tax	Type of	State	State	State
1	J		Expenditure	FY 2016	FY 2017	FY 201
1.1.017	Exclusion of	Federal	Exclusion	24	24	24
	medical care and	Individual				
	Tricare medical	Income				
	Insurance for	Tax				
	military					
	dependents,					
	retirees, and retiree					
	dependents					
1.1.018	Exclusion of	Federal	Exclusion	63	65	63
	veterans' benefits	Individual	2.1.010.01011	00		00
	(includes veterans	Income				
	disability	Tax				
	compensation,	1 uA				
	pensions, and					
	readjustment					
	benefits)					
1.1.019	Exclusion of	Federal	Exclusion	1	1	1
1.1.017	income attributable	Individual	Exclusion	1	1	1
	to the discharge of	Income				
	certain student loan	Tax				
	debt and National	1 uA				
	Health Service					
	Corp and certain					
	state educational					
	loan repayments					
1.1.020	Exclusion of	Federal	Exclusion	56	57	58
1.1.020	workers'	Individual	LACIUSION	20	57	50
	compensation	Income				
	benefits (includes	Tax				
	disability and	1 uA				
	survivor benefits					
	and medical					
	benefits, and					
	exclusion of					
	damages on					
	account of personal					
	physical injuries or					
	physical sickness)					
1.1.021	Exclusion of	Federal	Exclusion	(m)	(m)	(m)
1.1.041	special benefits for	Individual	LACIUSION	(111)	(111)	(III)
	disabled coal	Income				
	miners	Tax				
1 1 022	Exclusion of	Federal	Exclusion	259	275	290
1.1.022	untaxed Social	Individual	EACIUSIOII	237	215	290
	Security and	Income				
	Security and railroad retirement	Income Tax				
	Security and railroad retirement benefits	Tax				

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	
p	<i>S</i> 4		Expenditure	FY 2016	State FY 2017	FY 2018
1.1.024	Exclusion of	Federal	Exclusion	1	1	1
	certain foster care	Individual				
	payments	Income				
	1 2	Tax				
1.1.026	Exclusion of	Federal	Exclusion	15	16	17
	scholarship and	Individual				
	fellowship income	Income				
	1	Tax				
1.1.027	Exclusion of	Federal	Exclusion	1	1	1
	earnings of	Individual				
	Coverdell	Income				
	education savings	Tax				
	accounts and					
	interest on					
	educational					
	savings bonds					
1.1.028	Exclusion of	Federal	Exclusion	7	8	9
	earnings of	Individual				
	qualified tuition	Income				
	programs	Tax				
	(including prepaid					
	tuition programs					
	and savings					
	account programs)					
1.1.029	Exclusion for	Federal	Exclusion	(m)	(m)	(m)
	certain agricultural	Individual				
	cost-sharing	Income				
	payments	Tax				
1.1.030	Exclusion of	Federal	Exclusion	1	1	1
	cancellation of	Individual				
	indebtedness	Income				
	income for farmers	Tax				
1.1.031	Exclusion of	Federal	Exclusion	(m)	(m)	(m)
	interest on state	Individual				
	and local	Income				
	government private	Tax				
	activity bonds					
1.1.032	Exclusion of	Federal	Exclusion	230	248	261
	capital gains on	Individual				
	sales of principal	Income				
	residences	Tax				
1.1.033	Exclusion of	Federal	Exclusion	152	159	166
	capital gains at	Individual				
	death	Income				
		Tax				

Expenditure	Summary	Tax	Type of	State	State	State
1	·		Expenditure	FY 2016	FY 2017	FY 2018
1.1.034	Carryover basis of	Federal	Exclusion	23	47	42
	capital gains on	Individual				
	gifts	Income				
		Tax				
1.1.035	Permanent	Federal	Exclusion	3	3	3
	exemption from	Individual				
	imputed interest	Income				
	rules	Tax				
1.1.036	Exclusion of	Federal	Exclusion	22	23	23
	combat pay	Individual				
		Income				
	T 1 1 2	Tax	- 1 1			
1.1.037	Exclusion of	Federal	Exclusion	(m)	(m)	(m)
	energy	Individual				
	conservation	Income				
	subsidies provided	Tax				
1 1 0 4 0	by public utilities	D = 1 = m = 1	F	1	1	1
1.1.040	Exclusion of	Federal Individual	Exclusion	1	1	1
	interest on public					
	purpose state and	Income				
	local government bonds	Tax				
1.1.041	Exclusion of	Federal	Exclusion	23	23	23
1.1.041	income earned by	Individual	Exclusion	23	23	23
	voluntary	Income				
	employees'	Tax				
	beneficiary	Tux				
	associations					
1.1.042	Exclusion of	Federal	Exclusion	(m)	(m)	(m)
	survivor annuities	Individual		()	()	()
	paid to families of	Income				
	public safety	Tax				
	officers killed in					
	the line of duty					
1.1.043	Exclusion of	Federal	Exclusion	(m)	(m)	(m)
	disaster mitigation	Individual				
	payments	Income				
		Tax				
1.2.001	Accelerated	Federal	Deduction	27	26	26
	depreciation	Individual				
	(MACRS)	Income				
		Tax				
1.2.003	Expensing of	Federal	Deduction	(m)	(m)	(m)
	exploration and	Individual				
	development costs: nonfuel minerals	Income Tax				

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
Experiature	Summary	Тах	Expenditure	FY 2016	FY 2017	FY 2018
1.2.004	Amortization of	Federal	Deduction	1	1	1
	business startup	Individual				
	costs	Income				
		Tax				
1.2.005	Expensing of	Federal	Deduction	(m)	(m)	(m)
	research and	Individual				
	experimental	Income				
	expenses	Tax				
1.2.006	Expensing of	Federal	Deduction	(m)	(m)	(m)
	magazine	Individual				
	circulation	Income				
	expenditures	Tax				
1.2.007	Deductions of oil	Federal	Deduction	0	0	0
	and gas exploration	Individual				
	and development	Income				
	costs	Tax				
1.2.008	Special treatment	Federal	Deduction	2	2	2
	for expenses	Individual				
	related to timber	Income				
	production	Tax				
1.2.009	Expensing under	Federal	Deduction	12	12	10
	IRC section 179 of	Individual				
	depreciable	Income				
	business property	Tax				
1.2.010	Exceptions for	Federal	Deduction	7	8	8
	publicly traded	Individual				
	partnerships with	Income				
	qualified income	Tax				
	derived from					
	certain energy-					
1 0 0 1 1	related activities		D 1 2			1
1.2.011	Treatment of	Federal	Deduction	1	1	1
	income from	Individual				
	exploration and	Income				
	mining of natural	Tax				
	resources as					
	qualifying income					
	under the publicly					
	traded partnerships					
1 2 0 1 2	rules	Dodaw-1	Deduction	2	2	2
1.2.012	Various	Federal Individual	Deduction	2	2	2
	agricultural					
	expensing	Income				
	provisions	Tax				

Expenditure	Summary	Tax	Type of	State	State	State
			Expenditure	FY 2016	FY 2017	FY 2018
1.2.013	Community and	Federal	Deduction	1	1	1
	regional	Individual				
	development	Income				
	incentives	Tax				
1.2.014	Expensing to	Federal	Deduction	(m)	(m)	(m)
	remove	Individual				
	architectural and	Income				
	transportation	Tax				
	barriers to the					
	handicapped and					
	elderly					
1.2.015	Inventory methods	Federal	Deduction	2	2	2
	and valuation,	Individual				
	(including last-in	Income				
	first-out, lower of	Tax				
	cost or market,					
	specific					
	identification for					
	homogenous					
1.2.017	products)	Federal	Deduction	11	13	15
1.2.017	Health Savings Accounts	Individual	Deduction	11	15	15
	Accounts					
		Income Tax				
1.2.018	Deduction of	Federal	Deduction	161	172	181
1.2.010	property taxes on	Individual	Deddetion	101	172	101
	real property	Income				
	rour property	Tax				
1.2.019	Deduction of	Federal	Deduction	373	396	416
	nonbusiness state	Individual				
	and local	Income				
	government	Tax				
	income taxes and					
	personal property					
	taxes					
1 2 020	Deduction of	Federal	Deduction	552	595	630
1.2.020						
1.2.020		Individual				
1.2.020	mortgage interest on owner-occupied	Individual Income				

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
-	·		Expenditure	FY 2016	FY 2017	FY 2018
1.2.021	Deduction of charitable contributions (includes	Federal Individual Income Tax	Deduction	432	446	400
	deductions for health, education, and for purposes other than health and education)	Tax				
1.2.022	Deduction of casualty and theft losses	Federal Individual Income Tax	Deduction	3	3	3
1.2.023	Deduction of overnight expenses for National Guard and Reserve members	Federal Individual Income Tax	Deduction	1	1	1
1.2.025	Deduction of interest on student loans	Federal Individual Income Tax	Deduction	10	11	11
1.2.028	Deduction of health insurance premiums and long-term care insurance premiums by the self-employed	Federal Individual Income Tax	Deduction	31	33	32
1.2.029	Deduction of medical and dental expenses and long- term care expenses	Federal Individual Income Tax	Deduction	72	77	81
1.2.030	Net exclusion of pension contributions and earnings: traditional and Roth IRAs	Federal Individual Income Tax	Deduction	111	120	128
1.3.001	Deferral of gain on like-kind exchanges	Federal Individual Income Tax	Deferral	27	28	29
1.3.002	Special rules for magazine, paperback book, and record returns	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)

Expenditure	Summa: Summary	Tax	Type of	State	State	State
Lapenditure	Sammar y	тал	Expenditure	FY 2016	FY 2017	FY 2018
1.3.003	Five-year	Federal	Special Rule	1	1	1
1.51005	carryback for net	Individual	Special Itale	1	-	1
	operating losses	Income				
	attributable to	Tax				
	farming					
1.3.004	Special rules for	Federal	Special Rule	(m)	(m)	(m)
	mining reclamation	Individual				
	reserves	Income				
		Tax				
1.3.005	Cash accounting,	Federal	Special Rule	12	13	13
	other than	Individual				
	agriculture	Income				
1 2 006		Tax	G . 1 D 1	0	7	6
1.3.006	Deferral of gain on	Federal	Special Rule	8	7	6
	non-dealer	Individual				
	installment sales	Income Tax				
1.3.007	Completed	Federal	Special Rule	1	1	1
1.3.007	Completed contract rules	Individual	Special Rule	1	1	1
	contract rules	Income				
		Tax				
1.3.008	Special treatment	Federal	Deferral	2	2	1
	of employee stock	Individual				
	ownership plans	Income				
	(ESOPs) (includes	Tax				
	deferral of tax on					
	certain employee					
	stock plans)					
1.3.009	Income averaging	Federal	Special Rule	(m)	(m)	(m)
	for farmers and	Individual				
	fishermen	Income				
		Tax				
	idual Income Tax Pro					
1.4.001	Personal	State	Exemption	1,022	1,035	1,048
	Exemption	Individual				
		Income				
1 4 002	Retirement Income	Tax	Examplian	1.050	1,101	1 1 5 5
1.4.002	Retirement income	State Individual	Exemption	1,050	1,101	1,155
		Income				
		Tax				
1.4.003	Exclusion of	State	Exemption	174	181	189
1.11000	federally taxable	Individual	Litemption	1/1	101	107
	Social Security	Income				
	benefits	Tax				

Evenondia		-	Tax Expendi		State	State
Expenditure	Summary	Tax	Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
1.4.004	Georgia Higher Education Savings Plan Contributions	State Individual Income Tax	Exemption	7	7	9
1.4.005	Interest on U.S. obligations	State Individual Income Tax	Exemption	6	6	7
1.4.006	Certain military income	State Individual Income Tax	Exemption	Estimate	e not availat time	ble at this
1.4.007	Organ donation expenses	State Individual Income Tax	Exemption	(m)	(m)	(m)
1.4.008	Aged 65/Blind deduction	State Individual Income Tax	Exemption	6	7	7
1.4.009	Certain dependent's unearned income	State Individual Income Tax	Exemption	Estimate	e not availat time	ble at this
1.4.010	Premiums for high- deductible health plans	State Individual Income Tax	Exemption	8	10	12
1.4.011	Salaries and wages reduced from Federal taxable income because of the Federal Jobs Tax Credit	State Individual Income Tax	Exemption		not availat time	
1.4.012	Individual retirement account, Keogh, SEP and Sub-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.	State Individual Income Tax	Exemption	Estimate	e not availab time	ble at this

Expenditure	Summary	Tax	Type of	State State State
_	-		Expenditure	FY 2016 FY 2017 FY 2018
1.4.013	Depreciation	State	Exemption	Estimate not available at this
	because of	Individual		time
	differences in	Income		
	Georgia and	Tax		
	Federal law during			
	tax years 1981			
	through 1986.			
1.4.014	Income from any	State	Exemption	Estimate not available at this
	fund, program or	Individual		time
	system which is	Income		
	exempted by	Tax		
	federal law or			
	treaty.			
1.4.015	Certain income in	State	Exemption	Estimate not available at this
	which the Sub-S	Individual		time
	election is not	Income		
	recognized by	Tax		
	Georgia or another			
	state in order to			
	avoid double			
	taxation.			
1.4.016	Adjustment for	State	Exemption	Estimate not available at this
	certain teachers	Individual		time
	retired from the	Income		
	Teachers	Tax		
	Retirement System			
	of Georgia	~		
1.4.017	Amount claimed	State	Exemption	Estimate not available at this
	by certain	Individual		time
	employers in food	Income		
	and beverage	Tax		
1 4 0 1 0	establishments	<u> </u>		
1.4.018	Adjustment of	State	Exemption	Estimate not available at this
	certain payments to	Individual		time
	minority	Income		
1 4 0 1 0	subcontractors	Tax		Estimate not available at this
1.4.019	Adjustments to	State	Exemption	
	federal AGI for	Individual		time
	certain Georgia	Income		
1 4 0 2 0	resident partners	Tax	E	Definition of the set
1.4.020	Exemption for	State	Exemption	Estimate not available at this
	certain disaster	Individual		time
	relief firms	Income		
		Tax		

Expenditure	Summa: Summary	Tax	Type of	State	State	State
ponuntui c	~	- 44/3	Expenditure	FY 2016	FY 2017	FY 2018
1.5.001	Standard	State	Deduction	217	231	242
	Deduction	Individual				
		Income				
		Tax				
1.6.001	Rural Physician	State	Credit	1	2	2
	Credit	Individual				
		Income				
		Tax	~			
1.6.002	Disabled person's	State	Credit	(m)	(m)	(m)
	home purchase or	Individual				
	retrofit credit	Income				
1 < 0.02		Tax	C 11/		()	
1.6.003	Driver Education	State	Credit	(m)	(m)	(m)
	Credit	Individual				
		Income				
1.6.004	Disaster Assistance	Tax State	Credit	(m)	(m)	(m)
1.0.004	Credit	Individual	Credit	(m)	(m)	(m)
	Cleun	Income				
		Tax				
1.6.005	Qualified	State	Credit	(m)	(m)	(m)
1.0.005	Caregiving	Individual	Clean	(111)	(111)	(111)
	Expense Credit	Income				
	Expense creat	Tax				
1.6.006	Tax credit for life	State	Credit	1	1	1
1.0.000	insurance for	Individual	citati	1	1	1
	Georgia National	Income				
	Guard and Air	Tax				
	National Guard					
1.6.007	Child and	State	Credit	37	37	38
	Dependent Care	Individual				
	Credit	Income				
		Tax				
1.6.008	Adoption of Foster	State	Credit	3	3	4
	Child Credit	Individual				
		Income				
		Tax				
1.6.009	Low-Income	State	Credit	8	9	9
	Credit	Individual				
		Income				
		Tax				
1.6.010	Credit for taxes	State	Credit	271	286	300
	paid to another	Individual				
	state	Income				
		Tax				
1.6.012	Constant Information	Total State	Credit	87	88	90
1.6.012	Georgia Job Tax Credit	Credit	cicuit	07	00	70

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
F	~~j		Expenditure	FY 2016	FY 2017	FY 2018
1.6.013	Quality Jobs Tax Credit	Total State Credit	Credit	49	56	58
1.6.014	New Facilities Jobs Credit	Total State Credit	Credit	Estima	ate combine 1.6.012	ed with
1.6.015	New Manufacturing Facilities Property Credit	Total State Credit	Credit	Estimate	not availat time	ble at this
1.6.016	Manufacturer's Investment Tax Credit	Total State Credit	Credit	19	19	20
1.6.017	Optional Investment Tax Credit	Total State Credit	Credit	1	1	1
1.6.018	Port Activity Tax Credit	Total State Credit	Credit	6	7	7
1.6.019	Alternate Port Activity Tax Credit	Total State Credit	Credit	Estima	ate combine 1.6.018	ed with
1.6.020	Film Tax Credit	Total State Credit	Credit	338	376	414
1.6.021	Research Tax Credit	Total State Credit	Credit	28	29	31
1.6.022	Seed-Capital Fund Credit	Total State Credit	Credit	(m)	(m)	(m)
1.6.023	Qualified Health Insurance Expense Credit	Total State Credit	Credit	(m)	(m)	(m)
1.6.025	Qualified Transportation Credit	Total State Credit	Credit	(m)	(m)	(m)
1.6.026	Business Enterprise Vehicle Credit	Total State Credit	Credit	(m)	(m)	(m)
1.6.027	Employer's credit for providing or sponsoring child care for employees and employer's credit for purchasing child care property	Total State Credit	Credit	11	11	12
1.6.028	Low-Income Housing Credit	Total State Credit	Credit	192	206	217
1.6.029	Historic Rehabilitation Credit	Total State Credit	Credit	5	31	28

Summary	of State	Tax Ex	penditures
Summary	or plate		penantai es

Expenditure	Summary	Tax	Type of	State	State	State
L	J	-	Expenditure	FY 2016	FY 2017	FY 2018
1.6.030	Diesel Particulate Emission Reduction Technology Equipment Credit	Total State Credit	Credit	0	0	0
1.6.031	Low- and Zero- Emission Vehicle Credit & Electric Vehicle Charger Credit	Total State Credit	Credit	30	5	(m)
1.6.032	Land Conservation Credit	Total State Credit	Credit	29	14	0
1.6.033	Clean Energy Property and Wood Residuals Credit	Total State Credit	Credit	1	1	1
1.6.034	Georgia Employer GED Tax Credit (previously known as the Employer's Credit for Basic Skills Education)	Total State Credit	Credit	1	1	1
1.6.035	Employer's Credit for Approved Employee Retraining	Total State Credit	Credit	35	36	37
1.6.036	Qualified Education Expense Credit	Total State Credit	Credit	47	47	47
1.6.037	Qualified Investor Tax Credit	Total State Credit	Credit	1	2	2
1.6.038	Energy-efficient or water-efficient equipment credit	Total State Credit	Credit	0	0	0
1.6.039	Tax credit for water conservation facilities and qualified water conservation investment property	Total State Credit	Credit	Estimate	not availat time	ole at this
1.6.040	Tax credit for shift from groundwater usage	Total State Credit	Credit	Estimate	not availat time	ole at this

Expenditure	Summary	Tax	Type of	State	State	State
			Expenditure	FY 2016	FY 2017	FY 2018
1.6.041	Tax credit for existing business enterprises undergoing	Total State Credit	Credit	Estima	ate combine 1.6.013	d with
	qualified business expansion					
1.6.042	Tax credit for purchase of alternative fuel heavy-duty or medium-duty vehicle	Total State Credit	Credit	3	3	0
1.6.043	Bank Tax Credit	Total State Credit	Credit	15	16	16
1.6.044	Employer tax credit for hiring qualified parolees	Total State Credit	Credit	0	0	1
1.6.045	Income Tax Credit for Contributions to Rural Health Care Organizations	Total State Credit	Credit	0	0	2
	orate Income Tax Pro					
2.1.001	Permanent exemption from imputed interest rules	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.002	Exclusion of interest on state and local government private activity bonds	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.003	Exclusion of contributions in aid of construction for water and sewer utilities	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.004	Exclusion of earnings of certain environmental settlement funds	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.005	Exclusion of certain agricultural cost-sharing payments	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)

Expenditure	Summary	Tax	Type of	State	State	State
	·		Expenditure	FY 2016	FY 2017	FY 2018
2.1.006	Exclusion of gain or loss on sale or exchange for brownfield	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
	property					
2.1.008	Exclusion of disaster mitigation payments	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.009	Exclusion of interest on public purpose state and local government bonds	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.010	Various foreign provisions including inventory property sales source rule exception, interest expense allocation, deferral of active income of controlled foreign corporations, deferral of active financing income	Federal Corporate Income Tax	Exclusion	249	253	256
2.2.001	Accelerated depreciation (MACRS)	Federal Corporate Income Tax	Deduction	5	4	4
2.2.003	Expensing of exploration and development costs: nonfuel minerals	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.004	Amortization of business start-up costs	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.005	Expensing of research and experimental expenses	Federal Corporate Income Tax	Deduction	8	9	10
2.2.006	Expensing of magazine circulation expenditures	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)

Expenditure	Summary	Tax	Type of	State	State	State
F			Expenditure	FY 2016	FY 2017	FY 2018
2.2.007	Deductions of oil	Federal	Deduction	0	0	0
	and gas exploration	Corporate				
	and development	Income				
	costs	Tax				
2.2.008	Special treatment	Federal	Deduction	3	3	3
	of expenses related	Corporate				
	to timber	Income				
	production	Tax				
2.2.009	Deduction of	Federal	Deduction	15	16	16
	charitable	Corporate				
	contributions	Income				
	(includes	Tax				
	deductions for					
	health, education,					
	and for purposes					
	other than health					
	and education)					
2.2.011	Expensing under	Federal	Deduction	3	3	3
	IRC section 179 of	Corporate				
	depreciable	Income				
	business property	Tax				
2.2.012	Amortization of air	Federal	Deduction	1	1	1
	pollution control	Corporate				
	facilities	Income				
		Tax				
2.2.014	Various	Federal	Deduction	(m)	(m)	(m)
	agricultural	Corporate				
	expensing	Income				
	provisions	Tax				
2.2.015	Community and	Federal	Deduction	(m)	(m)	(m)
	regional	Corporate				
	development	Income				
	incentives	Tax				
2.2.016	Expensing to	Federal	Deduction	(m)	(m)	(m)
	remove	Corporate				
	architectural and	Income				
	transportation	Tax				
	barriers to the					
	handicapped and					
	elderly					
2.2.017	Inventory methods	Federal	Deduction	5	5	5
	and valuation	Corporate				
		Income				
		Tax				

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
F	~~····		Expenditure	FY 2016	FY 2017	FY 2018
2.2.018	Limits on	Federal	Exemption	-3	-4	-4
	deductible	Corporate	•			
	compensation and	Income				
	disallowance of	Tax				
	deduction for					
	excess parachute					
	payments ²					
2.3.001	Deferral of gain on	Federal	Deferral	30	30	31
	like-kind	Corporate				
	exchanges	Income				
		Tax				
2.3.002	Special rules for	Federal	Special Rule	(m)	(m)	(m)
	magazine,	Corporate				
	paperback book,	Income				
	and record returns	Tax				
2.3.003	Five-year	Federal	Special Rule	(m)	(m)	(m)
	carryback for net	Corporate				
	operating losses	Income				
	attributable to	Tax				
	farming					
2.3.004	Special rules for	Federal	Special Rule	(m)	(m)	(m)
	mining reclamation	Corporate				
	reserves	Income				
		Tax				
2.3.005	Cash accounting,	Federal	Special Rule	1	1	1
	other than	Corporate				
	agriculture	Income				
		Tax				
2.3.006	Deferral of gain on	Federal	Special Rule	15	14	14
	non-dealer	Corporate				
	installment sales	Income				
		Tax				
2.3.007	Completed	Federal	Special Rule	3	3	3
	contract rules	Corporate				
		Income				
	~	Tax				
2.3.008	Special treatment	Federal	Deferral	-1	-1	-1
	of employee stock	Corporate				
	ownership plans	Income				
	(ESOPs) (includes	Tax				
	deferral of tax on					
	certain employee					
	stock plans)					

² Negative values denote a tax expenditure that is estimated to increase state revenues.

Even on diterror			Tax Expendit		Stat-	64-4-
Expenditure	Summary	Tax	Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
2.3.009	Deferral of capital	Federal	Deferral	(m)	(m)	(m)
2.5.007	construction costs	Corporate	Detettal	(111)	(III)	(111)
	of shipping	Income				
	companies	Tax				
2.4.001	Single-Factor	Corporate	Apportionment	Estimate	not availat	le at this
2.4.001	Apportionment	Income	reportionment	Lotinut	time	ne at tins
	ripportionment	Tax			time	
2.4.002	Throwback Rule	Corporate	Apportionment	Estimate	not availat	le at this
2.1.002		Income	ripportionnient	Listiniate	time	ie at this
		Tax			time	
2.4.003	Corporate Receipts	Corporate	Apportionment	Estimate	not availat	le at this
2.1.005	Sourcing	Income	ripportionnient	Lotiniate	time	ie at this
	boureing	Tax			time	
2.5.001	Interest on	Corporate	Deduction	Estimate	not availat	le at this
2.3.001	obligations of	Income	Deddetion	Lotiniate	time	ie at this
	United States	Tax			time	
2.5.002	Exception to	Corporate	Deduction	Estimate	not availat	le at this
2.3.002	intangible	Income	Deduction	Lound	time	ie ut tins
	expenses and	Tax			time	
	related interest cost					
2.5.003	Exemption for	Corporate	Exemption	Estimate	not availat	le at this
2.3.005	certain disaster	Income	Exemption	Lotiniate	time	ie ut tills
	relief firms	Tax			time	
Georgia Corn	orate Income Tax Pro					
2.6.001	Georgia Job Tax	Total State	Credit	87	88	90
	Credit	Credit	create	07	00	
2.6.002	Quality Jobs Tax	Total State	Credit	49	56	58
2.0.002	Credit	Credit	citati	.,	20	20
2.6.003	New Facilities Jobs	Total State	Credit	Estim	ate combine	d with
2.0.005	Credit	Credit	citati	Listin	2.6.001	
2.6.004	New	Total State	Credit	Estimate	not availat	le at this
2.0.001	Manufacturing	Credit	citati	Lotiniate	time	ie at this
	U					
	Facilities Property					
2 6 005	Facilities Property Credit	Total State	Credit	19	19	20
2.6.005	Facilities Property Credit Manufacturer's	Total State Credit	Credit	19	19	20
2.6.005	Facilities Property Credit Manufacturer's Investment Tax	Total State Credit	Credit	19	19	20
	Facilities Property Credit Manufacturer's Investment Tax Credit	Credit		19	19	20
	Facilities Property Credit Manufacturer's Investment Tax Credit Optional	Credit Total State	Credit			
	Facilities Property Credit Manufacturer's Investment Tax Credit Optional Investment Tax	Credit				
2.6.006	Facilities Property Credit Manufacturer's Investment Tax Credit Optional Investment Tax Credit	Credit Total State Credit	Credit	1	1	1
2.6.006	Facilities Property Credit Manufacturer's Investment Tax Credit Optional Investment Tax Credit Port Activity Tax	Credit Total State Credit Total State				
2.6.006 2.6.007	Facilities Property Credit Manufacturer's Investment Tax Credit Optional Investment Tax Credit Port Activity Tax Credit	Credit Total State Credit Total State Credit	Credit Credit	1	1	1 7
2.6.006 2.6.007	Facilities Property Credit Manufacturer's Investment Tax Credit Optional Investment Tax Credit Port Activity Tax Credit Alternative Port	Credit Total State Credit Total State Credit Total State	Credit	1	1 7 ate combine	1 7
	Facilities Property Credit Manufacturer's Investment Tax Credit Optional Investment Tax Credit Port Activity Tax Credit	Credit Total State Credit Total State Credit	Credit Credit	1	1	1 7

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
Expenditure	Summal y	1 ал	Expenditure	5tate FY 2016	State FY 2017	FY 2018
2.6.010	Research Tax Credit	Total State Credit	Credit	28	29	31
2.6.011	Seed-Capital Fund Credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.012	Qualified Health Insurance Expense Credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.014	Qualified Transportation Credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.015	Business Enterprise Vehicle Credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.016	Employer's Credit for providing or sponsoring child care for employees and employer's credit for purchasing child care property	Total State Credit	Credit	11	11	12
2.6.017	Low-Income Housing Credit	Total State Credit	Credit	192	206	217
2.6.018	Historic Rehabilitation Credit	Total State Credit	Credit	5	31	28
2.6.019	Diesel Particulate Emission Reduction Technology Equipment Credit	Total State Credit	Credit	0	0	0
2.6.020	Low- and Zero- emission Vehicle Credit & Electric Vehicle Charger Credit	Total State Credit	Credit	30	5	(m)
2.6.021	Land Conservation Credit	Total State Credit	Credit	29	14	0
2.6.022	Clean Energy Property & Wood Residuals Credit	Total State Credit	Credit	1	1	(m)
2.6.023	Georgia Employer GED Tax Credit (previously known as the Employer's Credit for Basic Skills Education)	Total State Credit	Credit	1	1	1

Summary	of State	Tay	Expenditures
Summary	UI State	1 ал	Expenditures

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
r	<i></i> J		Expenditure	FY 2016	FY 2017	FY 2018
2.6.024	Employer's Credit for Approved Employee	Total State Credit	Credit	35	36	37
	Retraining					
2.6.025	Qualified Education Expense Credit	Total State Credit	Credit	47	47	47
2.6.026	Qualified Investor Tax Credit	Total State Credit	Credit	1	2	2
2.6.027	Energy-Efficient or Water-Efficient Equipment Credit	Total State Credit	Credit	0	0	0
2.6.028	Tax credit for water-conservation facilities and qualified water- conservation investment property	Total State Credit	Credit	Estimate	e not availab time	ble at this
2.6.029	Tax credit for shift from groundwater usage	Total State Credit	Credit	Estimate not available at this time		
2.6.030	Tax credit for existing business enterprises undergoing qualified business expansion	Total State Credit	Credit	Estima	ate combine 2.6.002	ed with
2.6.031	Tax credit for purchases of alternative fuel heavy-duty or medium-duty vehicle	Total State Credit	Credit	3	3	0
2.6.032	Bank Tax Credit	Total State Credit	Credit	15	16	16
2.6.033	Employer tax credit for hiring qualified parolees	Total State Credit	Credit	0	0	1
2.6.034	Income Tax Credit for Contributions to Rural Health Care Organizations	Total State Credit	Credit	0	0	2
Corporate Ne	t Worth Tax					
3.001	Exemption for nonprofit corporations	Net Worth Tax	Exemption	Estimate	e not availat time	ble at this

Summary	of State	Tax Ex	penditures
Summary	UI State	I AA L'A	penununes

Expenditure	Summary	Tax	Type of	State FY 2016	State FY 2017	State
3.002	Exemptions from	Net Worth	Expenditure Exemption		not availal	FY 2018
5.002	the Net Worth Tax	Tax	Exemption	LStimate	time	sie at tills
Sales and Use	Tax					
4.00100	Sales to Federal	Sales and	Exemption	Estimate	e not availal	ole at this
	Government, State	Use Tax			time	
	of Georgia or a					
	county or					
	municipality in					
	Georgia or any					
	agency of such					
4.00000	governments	0.1 1				1 (1)
4.00200	Tangible personal	Sales and	Exemption	Estimate	not availal	ble at this
	property furnished	Use Tax			time	
	by the Federal Government or any					
	county or					
	municipality used					
	by a contractor in					
	the installation,					
	repair, or extension					
	of any public					
	water, gas, or					
	sewer system.					
4.00300	Federal retailer's	Sales and	Exemption	Estimate	e not availal	ole at this
	excise tax if	Use Tax			time	
	separately itemized					
	to the consumer					
	and Georgia motor					
	fuel tax imposed					
	on the sale of motor fuel					
4.00400	Sales of	Sales and	Exemption	9	10	10
4.00400	transportation	Use Tax	Exemption	,	10	10
	furnished by a					
	county or					
	municipal public					
	transit system or					
	public transit					
	authorities					
4.00500	Sales of	Sales and	Exemption	Estim	ate combine	ed with
	transportation	Use Tax			4.00400	
	furnished by an					
	approved and					
	authorized urban					
	transit system					

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
	Summur y	I uA	Expenditure	FY 2016	FY 2017	FY 2018
1.00600	Sales to any Hospital Authority created by Georgia law	Sales and Use Tax	Exemption		ate combine 4.00700	
4.00610	Sales to any Housing Authority created by Georgia law	Sales and Use Tax	Exemption	2	2	2
4.00620	Sales to local government authorities created on or after January 1, 1980 for the principal purpose of constructing, owning, or operating a coliseum and related facilities	Sales and Use Tax	Exemption	2	2	1
4.00630	Sales to any agricultural commission created by the Department of Agriculture	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.00700	Sales of tangible personal property and services to an approved nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function.	Sales and Use Tax	Exemption	98	103	108
4.00705	Sales of tangible personal property to a non-profit health center established and receiving funds pursuant to the U.S. Public Health Service Act	Sales and Use Tax	Exemption	1	1	1

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
Lapenuiture	Summury	I uA	Expenditure	FY 2016	FY 2017	FY 2018
4.00710	Sales of tangible personal property	Sales and Use Tax	Exemption	2	2	2
	and services to a nonprofit					
	organization whose					
	primary function is					
	to provide services					
	to persons with intellectual					
	disabilities					
4.00720	Sales to Georgia	Sales and	Exemption	(m)	(m)	(m)
	Society of the	Use Tax				
	Daughters of the American					
	Revolution					
4.00730	Sales of tangible	Sales and	Exemption	1	1	1
	property and	Use Tax				
	services to a					
	nonprofit volunteer health clinic					
	primarily treating					
	patients with					
	incomes below 200					
	percent of the poverty level					
4.00800	Sales of tangible	Sales and	Exemption	39	41	43
	personal property	Use Tax	-			
	and services to the					
	University System of Georgia and its					
	educational units					
4.00900	Sale of tangible	Sales and	Exemption	Estima	ate combine	ed with
	personal property	Use Tax			4.00800	
	and services used exclusively in the					
	educational					
	function of an					
	approved private					
	college or					
	university located in Georgia in					
	which the credits					
	are accepted by the					
	University System					
	of Georgia					

Expenditure	Summary	Tax	Tax Expendi Type of	State	State	State
F			Expenditure	FY 2016	FY 2017	FY 2018
4.01000	Sales of tangible	Sales and	Exemption	3	3	3
	personal property	Use Tax	•			
	and services used					
	exclusively in the					
	educational					
	function of an					
	approved private					
	elementary or					
	secondary school					
4.01100	Sale of tangible	Sales and	Exemption	(m)	(m)	(m)
	personal property	Use Tax				
	or services to, and					
	the purchase of					
	tangible personal					
	property or					
	services by, any					
	educational or					
	cultural institute					
4.01200	School lunches	Sales and	Exemption	7	7	7
	sold and served to	Use Tax				
	pupils and					
	employees of					
4.01300	public schools School lunches	Sales and	Examption	1	(m)	(m)
4.01300	sold and served to	Use Tax	Exemption	1	(m)	(m)
	pupils and	Use Tax				
	employees of					
	approved private					
	schools					
4.01400	Sales of art and	Sales and	Exemption	(m)	(m)	(m)
	other artifacts for	Use Tax	F	()	()	()
	display or					
	exhibition to					
	museums					
4.01500	Specific	Sales and	Exemption	(m)	(m)	(m)
	fundraising sales	Use Tax				
	by any religious					
	institution lasting					
	no more than 30					
	days in a calendar					
	year and sales of					
	religious paper					
	when the paper is					
	owned and					
	operated by the					
	religious institution					

Expenditure	Summary	Tax	Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
4.01510	Sales of pipe organs or steeple bells to any church qualifying as a nonprofit	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.01700	Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce	Sales and Use Tax	Exemption	17	18	19
4.01800	Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation	Sales and Use Tax	Exemption	Estimate	e not availat time	ble at this
4.01900	All tangible personal property purchased outside this state by a nonresident when the property is brought into Georgia upon the nonresident becoming a resident	Sales and Use Tax	Exemption	Estimate	e not availat time	ble at this
4.02000	Water delivered through water mains, lines, or pipes	Sales and Use Tax	Exemption	63	65	68
Expenditure	Summary	Tax	Type of	State	State	State
-------------	---	----------------------	-------------	----------	------------------------------	-------------
-	·		Expenditure	FY 2016	FY 2017	FY 2018
4.02100	Sales, transfers or exchanges of tangible personal property resulting from business reorganization when the owners, partners, or stockholders maintain the same proportionate interest or share in the newly formed business	Sales and Use Tax	Exemption	Estimate	e not availat time	ole at this
4.02200	Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made	Sales and Use Tax	Exemption		nditure esti 3, 4.50010,	
4.02300	Repair services when a separate charge is made to the customer	Sales and Use Tax	Exemption		enditure esti 3, 4.50010,	
4.02400	Rental of videotape or film to persons charging admission to view the tape or film	Sales and Use Tax	Exemption	7	7	7
4.02500	Fares of for-hire vehicles	Sales and Use Tax	Exemption	Estimate	e not availat time	ole at this
4.03000	Vehicles purchased by service- connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase and specially adapted the vehicle	Sales and Use Tax	Exemption	(m)	(m)	(m)

Expenditure	Summary	Tax	Type of	State	State	State
			Expenditure	FY 2016	FY 2017	FY 2018
4.03100	Sale of tangible personal property manufactured or assembled in Georgia for export when delivery is taken outside of Georgia	Sales and Use Tax	Exemption	Estimate	e not availat time	ole at this
4.03200	Aircraft, watercraft, motor vehicles, and other transportation equipment manufactured or assembled in this State for exclusive use outside Georgia	Sales and Use Tax	Exemption	Estimate	e not availat time	ole at this
4.03300	Common or common and contract carriers	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03410	Machinery and equipment used to handle, move, or store tangible personal property in certain distribution facilities	Sales and Use Tax	Exemption	Estimate	e not availab time	ole at this
4.03420	Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.03600	Machinery and equipment used in a facility for the primary purpose of reducing or eliminating air and water pollution	Sales and Use Tax	Exemption	(m)	(m)	(m)

Expenditure	Summary	Tax	Type of	State	State	State
	e e		Expenditure	FY 2016	FY 2017	FY 2018
4.03610	Machinery and equipment used for water conservation and incorporated into a qualified water conservation	Sales and Use Tax	Exemption	Estimate	e not availab time	ble at this
4.03800	facility. Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H center	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.03900	Certain sales by a public or private school of tangible personal property, concessions, and tickets for admission to school functions	Sales and Use Tax	Exemption	2	2	2
4.03910	Cargo containers and related chassis used for storage or shipping by persons engaged in international shipment of tangible personal property	Sales and Use Tax	Exemption	Estimate	e not availab time	ble at this
4.04000	Sale of major components or repair parts installed in military aircraft, vehicles, or missiles	Sales and Use Tax	Exemption	46	48	59
4.04100	Sale of tangible personal property and services to a nonprofit child- caring institution, child-placing agency, or maternity home	Sales and Use Tax	Exemption	1	1	1

Expenditure	Summary	Tax	Type of	State	State	State
-	•		Expenditure	FY 2016	FY 2017	FY 2018
4.04200	Use or lease of	Sales and	Exemption	Estimate	e not availal	ole at this
	tangible personal	Use Tax			time	
	property when the					
	lessor and lessee					
	are under 100					
	percent common					
	ownership and					
	where the person					
	who furnishes,					
	leases, or rents the					
	property has paid					
	sales or use tax on					
	the property					
4.04300	Revenues from	Sales and	Exemption	Estimate	e not availal	ole at this
	coin-operated	Use Tax			time	
	amusement					
	machines for					
	which individual					
	permits are					
	required					
4.04400	Sale of motor	Sales and	Exemption	Estimate	e not availal	ole at this
	vehicles to	Use Tax			time	
	nonresident					
	purchasers when					
	vehicles are					
	immediately					
	removed from					
	Georgia and titled					
4.0.4.500	in another state.					1 1 .
4.04500	The sale or use of	Sales and	Exemption	Estimate	e not availal	ole at this
	paper stock when	Use Tax			time	
	used to print					
	catalogs for					
	distribution outside					
1.0.1.000	Georgia.	<u> </u>	D			
4.04600	Sale of tangible	Sales and	Exemption	1	1	1
	personal property	Use Tax				
	or taxable services					
	to nonprofit blood					
	banks					

Expenditure	Summary	Tax	Type of	State	State	State
I			Expenditure	FY 2016	FY 2017	FY 2018
4.04700	Sale of drugs	Sales and	Exemption	397	422	453
	dispensed by	Use Tax	1 I			
	prescription,					
	prescription					
	glasses, contact					
	lenses, contact lens					
	samples and sales					
	or use of certain					
	controlled					
	substances or					
	dangerous drugs					
4.04800	Sale of crab bait to	Sales and	Exemption	(m)	(m)	(m)
	licensed	Use Tax				
	commercial					
	fishermen					
4.05000	Sales of insulin	Sales and	Exemption	25	27	28
	syringes and blood	Use Tax				
	glucose level					
	measuring strips					
	dispensed without					
	a prescription					
4.05100	Sale of oxygen	Sales and	Exemption	1	1	1
	when prescribed by	Use Tax				
	a licensed					
	physician					
4.05200	Sale or use of	Sales and	Exemption	5	6	6
	hearing aids	Use Tax				
4.05300	Transactions where	Sales and	Exemption	116	115	115
	food stamps or	Use Tax				
	WIC coupons are					
	used as the method					
	of payment of					
	payment					
4.05400	Sale or use of any	Sales and	Exemption	34	35	36
	durable medical	Use Tax				
	equipment or					
	prosthetic device					
	prescribed by a					
	physician			4	4 - 4	4 - 2
4.05500	Sale of Georgia	Sales and	Exemption	159	164	168
105000	lottery tickets	Use Tax				
4.05600	Sale by any	Sales and	Exemption	(m)	(m)	(m)
	qualified nonprofit	Use Tax				
	parent-teacher					
	organization					

Expenditure	Summary	Tax	Type of	State	State	State
	-		Expenditure	FY 2016	FY 2017	FY 201
4.05700	Food purchased for off-premises consumption	Sales and Use Tax	Exemption	489	502	513
4.05710	Sales of food and beverages to a qualified food bank (expires June 30, 2021)	Sales and Use Tax	Exemption	1	1	1
4.05720	Exemption for prepared food and food ingredients that are donated to a qualified nonprofit agency and used for hunger relief purposes	Sales and Use Tax	Exemption	3	3	3
4.05730	Exemption for food and food ingredients that are donated following a natural disaster and used for disaster relief	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.05900	Sale of eligible food and beverages by any Girl or Boy Scout council	Sales and Use Tax	Exemption	1	1	1
4.06000	Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.06100	Advertising inserts that are used in newspapers for resale	Sales and Use Tax	Exemption	Estimate	not availat time	ble at this
4.06200	Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer	Sales and Use Tax	Exemption	3	3	3

Expenditure	Summary	Tax	Type of	State	State	State
_	-		Expenditure	FY 2016	FY 2017	FY 2018
4.06300	Funeral merchandise when paid with funds from the Georgia Crime Victims'	Sales and Use Tax	Exemption	(m)	(m)	(m)
	Emergency Fund					
4.06500	Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.06600	Sale of gold, silver, or platinum bullion	Sales and Use Tax	Exemption	3	3	3
4.06700	Sale of coins or currency	Sales and Use Tax	Exemption	1	1	1
4.06800	Sale of certain computer equipment when the total qualifying purchases by a high technology company exceed \$15 million	Sales and Use Tax	Exemption	Estimate	e not availab time	ole at this
4.06900	Sales of machinery and equipment and material incorporated and used in a clean room of Class 100 or less	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.07000	Sale of natural gas used directly in the manufacture of electricity	Sales and Use Tax	Exemption	45	49	56
4.07100	Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.07200	Sale of prescribed mobility enhancing equipment	Sales and Use Tax	Exemption	2	3	3

Expenditure	Summary	Tax	Type of	State	State	State
			Expenditure	FY 2016	FY 2017	FY 2018
4.07500	Sales tax holiday for back to school items (expired July 31, 2016)	Sales and Use Tax	Exemption	42	0	0
4.07600	Exemption for personal property used in the renovation or expansion of an aquarium	Sales and Use Tax	Exemption	(m)	(m)	0
4.08100	The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline	Sales and Use Tax	Exemption	4	5	5
4.08200	Sales tax holiday for water-efficient and energy- efficient purchases (expired October 2, 2016)	Sales and Use Tax	Exemption	1	0	0
4.08300	Sale of biomass materials used to produce electricity or steam intended for sale	Sales and Use Tax	Exemption	1	2	2
4.08600	Sales of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft	Sales and Use Tax	Exemption	17	17	17
4.08700	Sales of tangible personal property used to renovate or expand a zoological institution (expires June 30, 2018)	Sales and Use Tax	Exemption	0	(m)	(m)

Expenditure	Summary	Tax	Type of	State	State	State
-	~		Expenditure	FY 2016	FY 2017	FY 2018
4.09100	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and	Sales and Use Tax	Exemption	Estimate	not availab time	ole at this
4.09300	leave. Sale of tangible personal property used for and in the construction of a competitive project of regional significance, for the period commencing January 1, 2012, until June 30, 2019	Sales and Use Tax	Exemption	9	9	9
4.09400	The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale	Sales and Use Tax	Exemption	Estimate	not availab time	ole at this
4.09600	Exemption for sales or use of construction materials used for or in the construction of buildings at a private college (expired July 1, 2016)	Sales and Use Tax	Exemption	(m)	0	0
4.09700	Sales of admission to a nonrecurring major sporting event	Sales and Use Tax	Exemption	0	1	3

Expenditure	Summary	Tax	Tax Expendic	State	State	State
Expenditure	Sammar y	LUA	Expenditure	FY 2016	FY 2017	FY 2018
4.09800	Sales of tangible personal property and services to a qualified job training organization	Sales and Use Tax	Exemption	1	1	1
4.3.2	Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing	Sales and Use Tax	Exemption	3,005	3,145	3,294
4.3.3	Sale and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment	Sales and Use Tax	Exemption	183	192	201
4.50000	Admissions and Amusements	Sales and Use Tax for Services	Exemption	153	158	164
4.50001	Agricultural Services	Sales and Use Tax for Services	Exemption	147	152	158
4.50002	Automotive Services	Sales and Use Tax for Services	Exemption	134	138	143
4.50003	Business Services	Sales and Use Tax for Services	Exemption	673	697	722
4.50004	Computer and Online Services	Sales and Use Tax for Services	Exemption	362	375	389

		ry of State	Tax Expendi			
Expenditure	Summary	Tax	Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
4.50005	Construction Labor	Sales and Use Tax for Services	Exemption	1,504	1,557	1,614
4.50006	Fabrication, Installation, and Repair Services	Sales and Use Tax for Services	Exemption	224	230	239
4.50007	Finance, Insurance, and Real Estate	Sales and Use Tax for Services	Exemption	1,034	1,070	1,109
4.50008	Industrial and Mining Services	Sales and Use Tax for Services	Exemption	11	11	11
4.50009	Residential Utility Service	Sales and Use Tax for Services	Exemption	19	20	20
4.50010	Personal Services	Sales and Use Tax for Services	Exemption	281	291	302
4.50011	Professional Services	Sales and Use Tax for Services	Exemption	1,974	2,043	2,118
4.50012	Storage	Sales and Use Tax for Services	Exemption	70	72	75
4.50013	Transportation Services	Sales and Use Tax for Services	Exemption	(m)	(m)	(m)
4.70000	Compensation of dealers for reporting and paying tax	Sales and Use Tax	Exemption	65	68	70
4.90000	Sales tax exemption for casual sales	Sales and Use Tax	Exemption	2	2	2
Insurance Pre						
5.00100	Deduction of retaliatory taxes paid to other states	Insurance Premium Tax	Deduction	(m)	(m)	(m)

Expenditure	Summary	Tax	Type of	State	State	State
			Expenditure	FY 2016	FY 2017	FY 201
5.00200	Insurance premium tax credits - Georgia Job Tax Credit	Total State Credit	Credit	87	88	90
5.00300	Exemption for premiums of high- deductible health plans	Insurance Premium Tax	Exemption	9	10	11
5.00400	Exemption for insurance companies that only insure places of worship	Insurance Premium Tax	Exemption	(m)	(m)	(m)
5.00500	Insurance abatements	Insurance Premium Tax	Rate Reduction	145	148	151
5.00600	Special deductions for life insurance companies	Insurance Premium Tax	Deduction	152	155	158
5.00700	Insurance premium tax credit - Low - Income Housing Credit	Total State Credit	Credit	192	206	217
5.00800	Insurance Premium Tax Exemption for multiple employer self-insured health plans	Insurance Premium Tax	Exemption	(m)	(m)	(m)
Motor Fuel Ta	ax					
6.00100	Motor fuel tax refunds for agricultural purposes	Motor Fuel Tax	Exemption	Estimate	e not availat time	ble at this
6.00400	Motor fuel tax exemption for aviation fuel	Motor Fuel Tax	Exemption	2	2	2
6.00500	Motor fuel tax vendor compensation	Motor Fuel Tax	Exemption	16	17	17
Alcoholic Bev	erage Tax					
7.00100	Sales to persons outside the state for resale or consumption outside the state	Alcoholic Beverage Tax	Exemption	Estimate	e not availat time	ole at this

Expenditure	Summary	Tax	Type of	State	State	State
			Expenditure	FY 2016	FY 2017	FY 2018
7.00200	Sales to stores or	Alcoholic	Exemption	Estimate	e not availab	ole at this
	canteens in U.S.	Beverage			time	
	military	Tax				
7.00200	reservations	A 1 1 1'		1	1	1
7.00300	200 gallons	Alcoholic	Exemption	1	1	1
	annually of	Beverage				
	homebrew per	Tax				
7.00400	household	A 1 1 - 1 - 1		(((
7.00400	Sales to and use by	Alcoholic	Exemption	(m)	(m)	(m)
	religious	Beverage				
	organizations for	Tax				
	sacramental					
7.00500	purposes	Alashalia	Enomation	()	()	(
7.00500	Exemption for	Alcoholic	Exemption	(m)	(m)	(m)
	ethyl alcohol used	Beverage				
	for certain	Tax				
7.00/00	purposes	A 1 1 1'				
7.00600	Malt beverages	Alcoholic	Exemption	(m)	(m)	(m)
	containing less	Beverage				
	than one-half of	Tax				
	0.5 percent alcohol					
Tobacco Prod	by volume					
8.00100	Exemption for	Tobacco	Exemption	(m)	(m)	(m)
8.00100	purchases for use	Products	Exemption	(m)	(m)	(m)
	exclusively by	Excise Tax				
	patients at the	Excise Tax				
	Georgia War					
	Veterans Home					
	and the Georgia					
	War Veterans					
	Nursing Home					
8.00200	De minimis	Tobacco	Exemption	Fetimate	e not availab	le at this
0.00200	amount brought	Products	Exemption	Lounda	time	ie ut tills
	into the state by	Excise Tax			time	
	one person	Lacibe Tux				
8.00300	Cigars and	Tobacco	Exemption	Estimate	e not availab	le at this
0.00000	cigarettes stored in	Products	Exemption	Lounda	time	ut till5
	a public warehouse	Excise Tax			unite	
8.00400	Certain cigars and	Tobacco	Exemption	Fetimate	e not availab	le at this
0.00-00	cigarettes held by	Products	Exemption	Louman	time	ie ut tills
	licensed dealers	Excise Tax			unite	
	neenseu ucalers					

Expenditure	Summary	Tax	Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
Financial Inst	itutions Special State	Occupation T	ax			
9.00100	Deduction for interest paid	Financial Institutions Business License Tax	Deduction	2	2	2
9.00200	Deductions for income from authorized activities of a domestic international banking facility	Financial Institutions Business License Tax	Deduction	Estimate	e not availab time	le at this
9.00300	Deduction for income from banking business with persons or entities outside the U.S.	Financial Institutions Business License Tax	Deduction	Estimate	e not availat time	ble at this
Special Assess	ment of Forest Land	Conservation	Use Property			
10.00000	Special assessment of forest land conservation use property	State Grant	Credit	29	33	33
	d Valorem Tax on Mo					
11.001	Reduced rate for related family transfers	Title Fee	Rate Reduction	7	7	7
11.002	Disabled veteran exemption	Title Fee	Exemption	(m)	(m)	(m)
11.003	Reduced rate for rental vehicles	Title Fee	Rate Reduction	73	80	75
11.004	Reduced rate for vehicles manufactured in years 1963 through 1985	Title Fee	Rate Reduction	(m)	(m)	(m)
11.005	Reduced rate for salvage vehicles	Title Fee	Rate Reduction	31	33	31
11.006	Dealer loaner vehicle exemption	Title Fee	Exemption	7	6	4
11.007	Reduced rate for donated vehicles	Title Fee	Rate Reduction	(m)	(m)	(m)
11.008	Extended payment period for out-of- state vehicles	Title Fee	Exemption	2	0	-1

Expenditure	Summary	Tax	Type of Expenditure	State FY 2016	State FY 2017	State FY 2018
11.009	Trade-in exemption (including rebates and cash discounts)	Title Fee	Exemption	395	434	407
11.010	Special assessment for used vehicles	Title Fee	Exemption	21	22	20
11.011	Special assessment for new vehicles	Title Fee	Exemption	-43	-44	-41
11.012	Buy here pay here transactions	Title Fee	Rate Reduction	6	7	7
11.013	Exemption from TAVT for leased vehicles qualifying for Manufacturing Headquarters	Title Fee	Exemption	1	1	1

State Hotel-Motel Tax

1. Personal Income Tax

The personal income tax was first levied in Georgia in 1929 at a rate equal to one-third the federal rate of income taxation. The current rate structure which includes six brackets, ranging from 1 percent to 6 percent, has remained unchanged at 7 percent since 1955 when the rate on taxable incomes over \$20,000 was eliminated. The threshold for each bracket depends on the filing status of the taxpayer, i.e. single or head of household, married filing separate or joint.

The initial base of the Georgia individual income tax is the taxpayer's federal adjusted gross income (AGI). Several adjustments are made to this starting point to arrive at the version of AGI adopted by Georgia. After computing the Georgia version of AGI, taxpayers deduct an amount representing either the value of their Georgia itemized deductions or the Georgia standard deduction. In addition, for tax year 2012 and before, filers were allowed a personal exemption of \$5,400 for joint filers and \$2,700 for other filers and \$3,000 for each dependent. For tax years after 2012, the personal exemption for joint filers is \$7,400 and is \$3,700 for married taxpayers filing a separate return.

The tax is administered by the Georgia DOR. Individual income tax collections equaled \$9.7 billion in FY 2015 and accounted for 50 percent of Georgia's revenues from taxation. In CY 2015, 4.5 million individual state returns were filed. While predominately paid by individuals, a significant number of business activities are organized so that income associated with these enterprises is reported through the individual income tax. All revenue collected from the individual income tax is deposited in the State General Fund.

It is important to keep in mind that tax expenditure estimates may differ from revenue estimates presented in fiscal notes. Estimates included in fiscal notes incorporate behavioral effects that are not considered when estimating tax expenditure provisions. Whereas the purpose of a tax expenditure estimate is to convey the cost that would be necessary if the item were offered as a direct budgetary expenditure instead of a reduction in the tax liability. A second caveat concerns the estimates associated with the state individual income tax credit provisions. Forecasting the value of the revenue loss stemming from the use of these credits is problematic because of the presence of extensive carry forwards in the case of some credits. Because of past credit carry forwards, taxpayers may claim credits on current or future year tax returns that were created in prior years. In some cases, the credit may have expired, such that taxpayers are no long able to create new credits but the revenue loss to the state continues for several years until all carryforward liabilities have been exhausted. Therefore, the estimates provided in this report should be interpreted as the expected revenue loss stemming from the use of currently created or previously created credits and not an estimate of the value of credits created in a given year.

The Tax Expenditure Report includes the expenditures associated with both state and federal tax provisions. Because the Georgia individual income tax is based on the federal system, expenditures that are present at the federal level have revenue implications at the state level. For example, changes to itemized deductions by the federal government have repercussions on state tax revenues. The value of the expenditure as it relates to state taxes paid by those filing a Georgia return is presented in section 1.1 on federal exclusions. In some cases, Georgia might not adopt a federal provision. In that case, the expenditure is not listed because there is no loss of revenue to the state. In general, the value of the federal tax expenditure to the state of Georgia is determined by allocating a portion of the federal tax base associated with the expenditure estimate as estimated by the Joint Committee on Taxation for the U.S. Congress. The data and estimate reliability for the conformity provisions are considered class A. In some cases though, the value of the Georgia estimates are highly sensitive to the assumptions made concerning the appropriate tax rate for a given expenditure provision and the allocation factor that is used to determine the amount of federal activity associated with Georgia. The estimates associated with the federal conformity provisions are based on current law as it existed in November 2016. Therefore, any changes to provisions that may occur because of federal legislative action that occurred after that period are not reflected in the estimates.

The explanations of the federal conformity provisions are taken from *Tax Expenditures: Compendium of Background Material in Individual Provisions*, published by the Committee on the Budget, United States Senate and prepared by the Congressional Research Service, December 2014.

1.1 Federal Exclusions

<u>1.1.001</u>	 Exclusion of employee meals and lodging Federal Statute IRC section 119 and 132(e)(2) Description: Employees are allowed to exclude the fair market value of meals and lodging furnished by employers if provided on the employer's premises for the convenience of the employer. 				
	State Tax Expenditure	State Fisca <u>2016</u> 15		in Millions) <u>2018</u> 16	
	(m) Denotes a value of less than \$1 million	15	15	10	
<u>1.1.002</u>	Exclusion of housing allowances for minist Federal Statute IRC Section 107 and 265 Description: In general, this provision allow expenditures from their gross	ws ministe income.		-	
			-	in Millions)	
		<u>2016</u>	<u>2017</u>	2018	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	6	6	6	
<u>1.1.003</u>	Exclusion of employer-provided child care Federal Statute IRC Section 129 Description: Payments by an employer, un qualified dependent care assis from the employee's income.				
		State Fisca	al Years (\$	5 in Millions)	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> 16	<u>2017</u> 17	<u>2018</u> 17	
<u>1.1.004</u>	Exclusion of employee awards Federal Statute IRC Section 74(c) and 274 Description: This provision provides an exproperty given to employees achievement.	clusion for		÷ .	
		State Fisca	al Years (\$	in Millions)	
		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	2	2	$\frac{1}{2}$	
<u>1.1.005</u>	Net Exclusion of pension contributions and individuals (Keoghs) Federal Statute IRC Sections 401-407, 410 Description: Employer contributions to qua and annuity plans on behalf o Furthermore, the employee is they are distributed.	0-418E, ar alified pen f an emplo	nd 457 Ision, profi	it-sharing, stock-bonus, ot taxable to the employee.	

	State Tax Expenditure (m) Denotes a value of less than \$1 million	State Fisca <u>2016</u> 943	al Years (\$ <u>2017</u> 1148	6 in Millions) 2018 1317	
<u>1.1.006</u>	 Exclusion of employer contributions for health care, health insurance premiums and long-term care insurance premiums Federal Statute IRC Sections 105, 106, and 125 Description: Employees are allowed to exclude contributions by their employers for health care coverage for themselves and their dependents. State Fiscal Years (\$ in Millions) 				
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> 1087	<u>2017</u> 1135	<u>2018</u> 1185	
<u>1.1.007</u>	Exclusion of employer-paid accident and Federal Statute IRC Sections 105 and 10 Description: Premiums paid by employe plans are excluded from the State Tax Expenditure	06 rs for employ taxable inco	yee accide		
<u>1.1.008</u>	 (m) Denotes a value of less than \$1 million Exclusion of employer contributions for p Federal Statute IRC Section 79 Description: Premiums paid by the empl plans for the employee are of State Tax Expenditure (m) Denotes a value of less than \$1 million 	oyer for qua excluded fro	lified grou m employ	p-term life insurance	
<u>1.1.010</u>	 (m) Denotes a value of less than \$1 million Exclusion of benefits provided through care Federal Statute IRC Section 125 Description: Qualified benefits offered the included as taxable income State Tax Expenditure (m) Denotes a value of less than \$1 million 	hrough an en to the emplo	nployer's c oyee.	cafeteria plan are not 6 in Millions) 2018 254	
<u>1.1.011</u>	Exclusion of employer-provided adoption Federal Statute IRC Section 137 Description: Benefits received from a qu program are excludable from	alified emplo m taxable ind State Fisca <u>2016</u>	come for t al Years (\$ <u>2017</u>	he employee. 5 in Millions) 2018	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	1	1	1	

<u>1.1.012</u>	 Exclusion of employer-provided education benefits (including education assistance and tuition reduction benefits) Federal Statute IRC Section 117(d) and Section 127 Description: Tuition reductions for employees of educational institutions may be excluded from taxable income. In addition, an employee may exclude amounts paid by the employer for qualified educational assistance programs. 				
	State Fiscal Years (\$ in Millions)				
	State Tax Expenditure $\frac{2016}{9}$ $\frac{2017}{9}$ $\frac{2018}{9}$ (m) Denotes a value of less than \$1 million999				
<u>1.1.013</u>	Exclusion of miscellaneous fringe benefits Federal Statute IRC Section 132 and 117(D) Description: Certain miscellaneous fringe benefits provided by employers, including services provided at no additional costs, employee discounts, working condition fringes, de minimis fringes and certain tuition reductions, can be excluded from the employee's taxable income. State Fiscal Years (\$ in Millions) 2016 2017 2018				
	State Tax Expenditure464748(m) Denotes a value of less than \$1 million464748				
<u>1.1.014</u>	Exclusion of foreign earned income (including housing and salary)Federal Statute IRC Section 911Description: U.S. taxpayers who live and work abroad are allowed a capped exclusion of their wage and salary income. In addition, qualified individuals can also exclude certain excess foreign housing costs. This provision does not apply to federal employees working abroad.State Fiscal Years (\$ in Millions) $\frac{2016}{51}$ $\frac{2016}{54}$ $\frac{2018}{57}$ (m) Denotes a value of less than \$1 million				
<u>1.1.015</u>	 <u>Exclusion of certain allowances for federal employees abroad</u> Federal Statute IRC Section 912 Description: U.S. federal civilian employees who work abroad are allowed to exclude from taxable income certain special allowances they receive that are generally linked to the cost of living. State Fiscal Years (\$ in Millions) 				
	<u>2016</u> <u>2017</u> <u>2018</u>				
<u>1.1.016</u>	State Tax Expenditure121213(m) Denotes a value of less than \$1 millionExclusion of benefits and allowances to armed forces personnel (includes expenditure for military disability benefits)Federal StatuteIRC Section 112, 134, 104(a)(4) or (5) and 104(b)Description:Military personnel are provided with a variety of in-kind benefits (or cash payments in lieu of such benefits) that are not taxed. In addition, certain members of the armed forces are eligible for tax exclusion of disability pay.				

	State Fisca	al Years (\$ in Millions)
	<u>2016</u>	2017	<u>2018</u>	
State Tax Expenditure	65	69	72	
(m) Denotes a value of less than \$1 million				

Exclusion of medical care and Tricare medical insurance for military dependents, retirees, 1.1.017 and retiree dependents Federal Statute IRC Section 112 and 134 **Description:** Military personnel are provided with a variety of in-kind benefits (or cash payments in lieu of such benefits) that are not taxed. In addition, certain members of the armed forces are eligible for tax exclusion of disability pay. State Fiscal Years (\$ in Millions) 2016 2017 2018 24 24 24 State Tax Expenditure (m) Denotes a value of less than \$1 million 1.1.018 Exclusion of veterans' benefits (includes veterans disability compensation, pensions, and readjustment benefits) Federal Statute 38 U.S.C. Section 5301 **Description:** All benefits administered by the U.S. Department of Veterans Affairs are exempt from income. State Fiscal Years (\$ in Millions) 2016 2017 2018 63 65 63 State Tax Expenditure (m) Denotes a value of less than \$1 million Exclusion of income attributable to the discharge of certain student loan debt and 1.1.019 National Health Service Corp and certain state educational loan repayments Federal Statute IRC Section 108(f) Description: This section provides that in certain instances, student loan cancellation and student loan repayment assistance may be excluded from gross income. State Fiscal Years (\$ in Millions) 2016 2017 2018 1 State Tax Expenditure 1 1 (m) Denotes a value of less than \$1 million Exclusion of workers' compensation benefits (includes disability and survivor benefits 1.1.020 and medical benefits, and exclusion of damages on account of personal physical injuries or physical sickness) Federal Statute IRC Section 104(a)(1)-(5) Description: Employees are not taxed on the value of insurance contributions for workers' compensation medical benefits made on their behalf by employers, or on the medical benefits or reimbursements they actually receive. Workers' compensation benefits to employees in cases of workrelated injury and to survivors in cases of work-related death are not taxable. Damages paid, through either a court award or a settlement, to compensate for physical injury or sickness are not included in income of the recipient. State Fiscal Years (\$ in Millions) 2016 2017 2018 58 State Tax Expenditure 56 57 (m) Denotes a value of less than \$1 million

<u>1.1.021</u>	Exclusion of special benefits for disabled coar Federal Statute IRC Section 104(a)(1)	al miners	<u>}</u>		
	Description: Cash and medical benefits to coal mine workers or their survivors for total				
	disability or death resulting from	m coal w	orkers' pn	eumoconiosis (black lung	
	disease) paid under the Black L				
	St			5 in Millions)	
		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)	
<u>1.1.022</u>	Exclusion of untaxed Social Security and rail Federal Statute IRC Section 86	lroad reti	irement be	nefits	
	Description: In general, Social Security and	railroad	retirement	benefits are not subject	
	to tax.			5	
	St	tate Fisca	al Years (\$	5 in Millions)	
		<u>2016</u>	2017	<u>2018</u>	
	State Tax Expenditure	259	275	290	
	(m) Denotes a value of less than \$1 million				
<u>1.1.024</u>	Exclusion of certain foster care payments				
1.1.024	Federal Statute IRC Section 131				
	Description: Qualified payments are exclude	ed from t	he foster o	are provider's gross	
	income.				
	St	tate Fisca	al Years (\$	5 in Millions)	
		2016	2017	2018	
	State Tax Expenditure	1	1	1	
	(m) Denotes a value of less than \$1 million				
1.1.026	Exclusion of scholarship and fellowship inco	mo			
1.1.020	Federal Statute IRC Section 117				
	Description: Scholarships and fellowships ca	an be exc	cluded from	m the gross income of	
	students and their families prov				
	and (2) the amounts are used for				
	for books, supplies, and equipn				
	institution. Amounts used for re	-		-	
	excluded from gross income.			L	
	St	tate Fisca	al Years (\$	5 in Millions)	
		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure	15	16	17	
	(m) Denotes a value of less than \$1 million				
<u>1.1.027</u>	Exclusion of earnings of Coverdell education	n savings	accounts	and interest on	
	educational savings bonds		ut to units		
	Federal Statute IRC Section 530				
	Description: Contributions to a Coverdell Ed	ducation	Savings A	account are not deductible	
	but the earnings grow on a tax of		-		
	St	tate Fisca	al Years (\$	5 in Millions)	
		<u>2016</u>	2017	2018	
	State Tax Expenditure	1	1	1	
	(m) Denotes a value of less than \$1 million				

<u>1.1.028</u>	Exclusion of earnings of qualified tuition programs (including prepaid tuition programs and savings account programs) Federal Statute IRC Section 529
	Description: Contributions to qualified tuition programs are not deductible at the federal
	level but earnings accumulate on a tax-deferred basis.
	State Fiscal Years (\$ in Millions) <u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure 7 8 9 (m) Denotes a value of less than \$1 million
<u>1.1.029</u>	Exclusion for certain agricultural cost-sharing payments Federal Statute IRC Section 126 Description: Grants made for the purpose of conserving soil and water resources or
	protecting the environment are excluded from the recipient's taxable income.
	State Fiscal Years (\$ in Millions)
	<u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure(m)(m)(m) Denotes a value of less than \$1 million(m)(m)
<u>1.1.030</u>	Exclusion of cancellation of indebtedness income for farmers
1.1.030	Federal Statute Sections 108 and 1070(b)(4)
	Description: The provision allows farmers who are solvent to treat the income arising
	from the cancellation of certain indebtedness as if they were insolvent
	taxpayers. As such, income that would normally be subject to tax would be
	excluded from tax under qualifying conditions.
	State Fiscal Years (\$ in Millions) <u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure $1 1 1$
	(m) Denotes a value of less than \$1 million
<u>1.1.031</u>	Exclusion of interest on state and local government private activity bonds
	Federal Statute Various
	Description: Interest earned on qualified private activity bonds is tax exempt.
	State Fiscal Years (\$ in Millions)
	State Tax Expenditure $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$
	State Tax Expenditure(m)(m)(m) Denotes a value of less than \$1 million(m)(m)
1.1.032	Exclusion of capital gains on sales of principal residences
	Federal Statute IRC Section 121
	Description: A taxpayer may exclude from federal income tax up to \$250,000 of capital
	gain (\$500,000 in the case of married taxpayers filing joint returns) from the sale or exchange of their principal residence.
	State Fiscal Years (\$ in Millions)
	<u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure230248261(m) Denotes a value of less than \$1 million230248261
<u>1.1.033</u>	Exclusion of capital gains at death
1.1.033	Federal Statute IRC Sections 1001, 1014, 1015, 1023, 1040, 1221, and 1222

Description: A capital gain tax is not imposed on the increased value of an asset when

ownership of the property is transferred as a result of the death of the owner.

	owner.			
		State Fisca	al Years (S	\$ in Millions)
		2016	2017	2018
	State Tax Expenditure	$\frac{2010}{152}$	$\frac{2017}{159}$	166
	(m) Denotes a value of less than \$1 million	152	139	100
	(iii) Denotes a value of less than \$1 minion			
1 1 024	Communication of constal points on sifts			
<u>1.1.034</u>	Carryover basis of capital gains on gifts		a 1040 1	11000
	Federal Statute IRC Sections 1001, 1014			
	Description: A capital gain tax is not imp	posed on the	increased	l value of an asset when
	ownership of the property is	s transferred	as a gift o	during the owner's
	lifetime.		Ũ	C
		State Fisc	al Years (\$ in Millions)
		<u>2016</u>	<u>2017</u>	
				<u>2018</u>
	State Tax Expenditure	23	47	42
	(m) Denotes a value of less than \$1 million			
<u>1.1.035</u>	Permanent Exemption from imputed inter			
	Federal Statute IRC Sections 163(e), 48	3, 1274, and	l 1274A	
	Description: Debt instruments for amoun	its not excee	ding an ir	nflation adjusted
	maximum, given in exchang	ge for real p	roperty, m	nay not have imputed to
	them an interest rate greater			
	them an interest rate greater	-		\$ in Millions)
		<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure	3	3	3
	(m) Denotes a value of less than \$1 million			
<u>1.1.036</u>	Exclusion of combat pay			
	Federal Statute IRC Section 112			
	Description: Compensation received by a	active memb	pers of the	armed forces is excluded
	from gross income for any r			
	zone or was hospitalized as			
	-	a result of a	in injury 0	a miless meaned while
	serving in a combat zone.	G	1 7 7	ф · Ъ «·11· \
				\$ in Millions)
		<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure	22	23	23
	(m) Denotes a value of less than \$1 million			
<u>1.1.037</u>	Exclusion of energy conservation subsidi	es provided	by public	utilities
	Federal Statute IRC Section 136			
	Description: In general, this provision all	lows custom	ners to exc	clude from their gross
	income the value of any sub			
		• •		-
	purchase or installation of a	ny energy c	onservatio	on measure.
		State Fisca	al Years (S	\$ in Millions)
		<u>2016</u>	2017	<u>2018</u>
	State Tax Expenditure	(m)	(m)	(m)
	(m) Denotes a value of less than \$1 million	()	()	</p
1.1.040	Exclusion of interest on public purpose st	ate and loca	l governn	nent bonds
111010	Federal Statute IRC Sections 103, 141 a		<u> </u>	
			ntal hand	is avaluded from toyohle
	Description: Interest income of qualifyin	g governme	intal DOIIO	s is excluded from taxable

	income (expenditure estimat interest on GA bonds is excl	uded from	income).	o reflect GA law that only in Millions)
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> 1	<u>2017</u> 1	<u>2018</u> 1
<u>1.1.041</u>	Exclusion of income earned by voluntary Federal Statute IRC Sections 501(a) and		<u>beneficiar</u>	y associations
	Description: Provided certain requirement employee beneficiary associt taxes.			• •
		State Fisc	al Years (§	in Millions)
		2016	2017	2018
	State Tax Expenditure (m) Denotes a value of less than \$1 million	23	23	23
<u>1.1.042</u>	Exclusion of survivor annuities paid to far of duty Federal Statute IRC Section 101(h)			
	Description: The surviving spouse of a puer exclude from gross income a governmental pension plan.			
	governmentar pension plan.	State Fisc	al Vears (\$	5 in Millions)
		2016	2017	2018
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)
<u>1.1.043</u>	Exclusion of disaster mitigation payments Federal Statute IRC Section 139	<u>-</u>		
	Description: Payments made for disaster	mitigation	under the H	Robert T. Stafford
	Disaster Relief and Emerger	ncy Insuran	ce Act or t	he National Flood
	Insurance Act is excluded fr			
		State Fisc	al Years (\$	5 in Millions)
		2016	2017	<u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)

1.2 Federal Deductions

<u>1.2.001</u>	Accelerated depreciation (MACRS) Federal Statute IRC Sections 167 and 168 Description: Under the Modified Accelerated Cost Recovery System (MACRS) the cost of tangible depreciation property of certain energy property is allowed a shorter depreciation period. Taxpayers are allowed to depreciate the costs of new rental housing and certain other buildings and equipment on an accelerated schedule.				
	accelerated schedule.	State Fisca	al Vears (S in Millions)	
		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	27	26	26	
<u>1.2.003</u>	Expensing of exploration and developmer Federal Statute IRC Sections 263, 291, 6			rals	
	Description: Firms engaged in mining are development costs.	e permitted	to expense	e certain exploration and	
		State Fisca	al Years (\$	5 in Millions)	
		2016	2017	<u>2018</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)	
<u>1.2.004</u>	Amortization of business startup costs Federal Statute IRC Section 195	nace townow	var to dodu	at up to $$5,000$ in	
	Description: This provision allows a busi qualified start-up expenditur			ct up to \$5,000 m	
	quanned start-up expenditur		al Vaara (S in Millions)	
		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	1	1	1	
<u>1.2.005</u>	Expensing of research and experimental e Federal Statute IRC Section 174 and 59(
	Description: This provision allows a busi expenditures that are paid or trade or business.	ness taxpay			
	trade of business.	State Fisca	al Vears (S in Millions)	
		<u>2016</u>	2017	<u>2018</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)	
<u>1.2.006</u>	 <u>Expensing of magazine circulation expenditures</u> Federal Statute IRC Section 173 Description: In general, current federal tax law allows publishers of newspapers, magazines, and other periodicals to deduct their expenditures to maintain, establish, or increase circulation in the year in which they are made. State Fiscal Years (\$ in Millions) 2016 2017 2018 				
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)	

<u>1.2.007</u>	Deductions of oil and gas exploration and development costs Federal Statute IRC Sections 611, 612, 613, 613A, and 291; 263(c), 616-617, 57(a)(2), 59(e) and 1254			
	Description: Firms that extract oil, gas or recover their capital investment to the physical and economic recovered. Firms engaged in geothermal properties have t and development costs.	ent in a mir depletion the explora	neral reserv or exhaust ation and d	ve, which depreciates due ion as the mineral is evelopment of oil, gas or
		State Fisca	al Years (\$	in Millions)
	State Tar Free as literat	$\frac{2016}{0}$	$\frac{2017}{0}$	$\frac{2018}{0}$
	State Tax Expenditure (m) Denotes a value of less than \$1 million	0	0	0
<u>1.2.008</u>	<u>Special treatment for expenses related to the</u> Federal Statute IRC Sections 194, 263A(Description: This provision allows expense	c)(5)		sts of growing timber.
	Taxpayers are also allowed of			
	reforestation expenses.			
				in Millions)
	State Tax Expenditure	$\frac{2016}{2}$	$\frac{2017}{2}$	$\frac{2018}{2}$
	(m) Denotes a value of less than \$1 million	2	2	2
<u>1.2.009</u>	Expensing under IRC section 179 of depre Federal Statute IRC Section 179 Description: Within certain limits, a taxpa the cost of qualifying proper	iyer may el ty in the tax	ect to dedu x year whe	ict as a current expense
	(m) Denotes a value of less than \$1 million	12	12	10
<u>1.2.010</u>	Exceptions for publicly traded partnership energy-related activities Federal Statute IRC Section 7704 Description: This code section allows pub corporation for the purposes situations.	olicly traded	l partnersh	ips to be treated as a
				in Millions)
	State Terr Frence Blance	<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	7	8	8
<u>1.2.011</u>	<u>Treatment of income from exploration and</u> <u>under the publicly traded partnerships rule</u> Federal Statute IRC Section 7704 Description: This code section allows pub- corporation for the purposes situations.	s blicly traded	l partnersh	ips to be treated as a

	State Tax Expenditure (m) Denotes a value of less than \$1 million (m) State Tax Expenditure (m) Denotes a value of less than \$1 million (m) Denotes a valu
<u>1.2.012</u>	Various agricultural expensing provisions Federal Statute IRC Sections 162, 175, 180, 446, 448, 461, 464 Description: Taxpayers in the business of farming may choose to expense costs associated with soil and water conservation, soil conditioning and the costs associated with raising dairy and breeding cattle. State Fiscal Years (\$ in Millions) 2016 2017 2018 State Tax Expenditure 2 2 2
	(m) Denotes a value of less than \$1 million
<u>1.2.013</u>	<u>Community and regional development incentives</u> Federal Statute IRC Sections 38(b), 39(d), 45A, 280C(a), 1391-1397D Description: Communities designated as empowerment zones and renewable communities are eligible for special development incentives. State Fiscal Years (\$ in Millions) <u>2016</u> 2017 2018
	State Tax Expenditure 1 1 1
<u>1.2.014</u>	 (m) Denotes a value of less than \$1 million <u>Expensing to remove architectural and transportation barriers to the handicapped and elderly</u> Federal Statute IRC Section 190
	Description: This provision allows taxpayers to deduct up to \$15,000 of expenses incurred in a single year for removing physical barriers to handicap or elderly individuals in qualified facilities or public transportation vehicles owned or leased by the taxpayer.
	State Fiscal Years (\$ in Millions) <u>2016</u> 2017 2018
	State Tax Expenditure(m)(m)(m) Denotes a value of less than \$1 million(m)(m)
<u>1.2.015</u>	 <u>Inventory methods and valuation, (including last-in first-out, lower of cost or market, specific identification for homogenous products)</u> Federal Statute IRC Sections 475, 491-492 Description: This provision allows taxpayers to use alternative inventory systems to determine cost of goods sold.
	State Fiscal Years (\$ in Millions) <u>2016</u> 2017 2018
	State Tax Expenditure222(m) Denotes a value of less than \$1 million222
<u>1.2.017</u>	 <u>Health Savings Accounts</u> Federal Statute IRC Section 223 Description: This provision allows taxpayers to exclude their health savings account contributions from their gross income in determining their taxable income.

	State Tax Expenditure (m) Denotes a value of less than \$1 million	State Fiscal Ye <u>2016</u> 201 11 13	17	in Millions) <u>2018</u> 15
<u>1.2.018</u>	Deduction of property taxes on real proper Federal Statute IRC Section 164 Description: Taxpayers may claim an iter owner-occupied residences.		for pro	operty taxes paid on
	owner occupied residences.	State Fiscal Ye	ears (\$	in Millions)
	State Tax Expenditure (m) Denotes a value of less than \$1 million	$\frac{2016}{161}$ $\frac{201}{17}$		<u>2018</u> 181
<u>1.2.019</u>	Deduction of nonbusiness state and local g personal property taxes Federal Statute IRC Section 164	government inco	ome tax	tes and
	Description: State and local income, sales	· ·	. .	x v
	individuals are deductible fr	om adjusted gros State Fiscal Ye		
		<u>2016</u> <u>201</u>	17	<u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	373 39	96	416
<u>1.2.020</u>	Deduction of mortgage interest on owner- Federal Statute IRC Section 163(h) Description: A taxpayer may claim an ite which includes interest paid	mized deduction	n for "c	
	and a second residence.			
		State Fiscal Ye 2016 201	-	in Millions) <u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	552 59		630
<u>1.2.021</u>	Deduction of charitable contributions (inc purposes other than health and education) Federal Statute IRC Sections 170 and 64		<u>s for he</u>	ealth, education, and for
	Description: Subject to certain limitations individuals.	s, charitable cont		
	State Tax Expenditure (m) Denotes a value of less than \$1 million	State Fiscal Ye 2016 201 432 44	17	$\frac{2018}{400}$
<u>1.2.022</u>	Deduction of casualty and theft losses Federal Statute IRC Sections 165(c)(3), Description: An individual may claim an casualty or theft losses up to	itemized deduct	tion for it.	*
	State Tax Expenditure (m) Denotes a value of less than \$1 million	$\frac{2016}{3}$ $\frac{201}{3}$		<u>2018</u> 3

<u>1.2.023</u>	Deduction of overnight expenses for National Federal Statute IRC Sections 162(p) and 62 Description: An above-the-line deduction is meals, and lodging expenses of St State Tax Expenditure (m) Denotes a value of less than \$1 million	(a)(2)(E) available Nationa) e for unrei l Guard ar al Years (\$	mbursed overnight travel,
<u>1.2.025</u>	Deduction of interest on student loans Federal Statute IRC Section 221 Description: Taxpayers may deduct interest p determining their adjusted gross St	s income ate Fisca	al Years (\$	in Millions)
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> 10	<u>2017</u> 11	<u>2018</u> 11
<u>1.2.028</u>	Deduction of health insurance premiums and self-employed Federal Statute IRC Section 162(1) Description: Generally, a self-employed indi health insurance or long-term of State Tax Expenditure (m) Denotes a value of less than \$1 million	ividual m	nay deduct rance.	
<u>1.2.029</u>	Deduction of medical and dental expenses an	d long-te	erm care e	<u>xpenses</u>
	Federal Statute IRC Section 213			
	Description: Most medical expenses that are			
	an employer or insurance comp to the extent they exceed 10 per			
	•			5 in Millions)
		2016	2017	2018
	State Tax Expenditure (m) Denotes a value of less than \$1 million	72	77	81
<u>1.2.030</u>	<u>Net exclusion of pension contributions and ea</u> Federal Statute Section 219 and 408 and 400 Description: Individuals participating in a tra contributions in the case of trad Roth IRAs. Both exemptions a St State Tax Expenditure	8A aditional litional II re phase	or Roth II RAs and d d out for h	RA are allowed to deduct istributions in the case of
	(m) Denotes a value of less than \$1 million			

1.3 Special Federal Conformity Provisions

<u>1.3.001</u>	Deferral of gain on like-kind exchanges Federal Statute IRC Section 1031 Description: When business or investment property is exchanged for property of a like kind, no gain or loss is recognized on the exchange and therefore no tax is paid at the time of the exchange. State Fiscal Years (\$ in Millions)
	State Tax Expenditure $\frac{2016}{27}$ $\frac{2017}{28}$ $\frac{2018}{29}$ (m) Denotes a value of less than \$1 million
<u>1.3.002</u>	Special rules for magazine, paperback book, and record returns Federal Statute IRC Section 458 Description: Publishers and distributors of magazines, paperbacks, and records may elect to exclude from gross income for a tax year, the income from the sale of goods that are returned after the close of the tax year. State Fiscal Years (\$ in Millions) 2016 2017 2018 State Tax Expenditure (m) (m) (m) Denotes a value of less than \$1 million
<u>1.3.003</u>	$ \begin{array}{c} \underline{Five-year\ carryback\ for\ net\ operating\ losses\ attributable\ to\ farming} \\ Federal Statute \ IRC Section\ 172 \\ \hline \textbf{Description:}\ Current\ law\ provides\ a\ five-year\ carryback\ period\ for\ losses\ related\ to\ farming. The\ normal\ carryback\ period\ for\ losses\ is\ two\ years. \\ State\ Fiscal\ Years\ (\$\ in\ Millions) \\ \hline \underline{2016}\ \ \underline{2017}\ \ \underline{2018}\ \\ I\ \ 1\ \ 1\ \ 1\ \ 1\ \ 1\ \ 1\ \ 1$
<u>1.3.004</u>	 <u>Special rules for mining reclamation reserves</u> Federal Statute IRC Section 468 and 1274 Description: Electing taxpayers may deduct the current value equivalent of certain estimated future reclamation and closing costs for mining and solid waste disposal sites. State Fiscal Years (\$ in Millions)
	State Tax Expenditure (m) Denotes a value of less than \$1 million $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$
<u>1.3.005</u>	Cash accounting, other than agricultureFederal StatuteIRC Sections 446 and 448 Description: The cash method of accounting may be used by any business taxpayer that is not a tax shelter and falls into at least one of three specified categories. State Fiscal Years (\$ in Millions) $\frac{2016}{12}$ $\frac{2017}{13}$ $\frac{2018}{13}$ State Tax Expenditure121313
<u>1.3.006</u>	Deferral of gain on non-dealer installment sales Federal Statute IRC Sections 453 and 453A(b)

	Description: Some taxpayers are allowed method of accounting in whi over the years during which State Tax Expenditure (m) Denotes a value of less than \$1 million	ch the gros	ss profit front front front front front from the second seco	om the sale is prorated
<u>1.3.007</u>	<u>Completed contract rules</u> Federal Statute IRC Section 460 Description: Some taxpayers with constru for more than one tax year at the contracts under special ac tax accounting.	e allowed	to report s	ome or all of the profit on
		State Fisc	al Years (S	\$ in Millions)
		<u>2016</u> 1	2017	<u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	1	1	1
<u>1.3.008</u>	<u>Special treatment of employee stock owne</u> <u>on certain employee stock plans)</u> Federal Statute IRC Sections 401(a)(28), 4975(d)(3), 4978, 4979A	404(a)(9),		
	Description: Employer contributions may addition, some contributions contributions to other employ stock purchase plans are not deferred until stock is sold.	be deducte are subjec yee benefit	t to less re plans. Ta	strictive limits than x on qualified employee
		State Fisc	al Years (S	\$ in Millions)
		<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	2	2	1
<u>1.3.009</u>	Income averaging for farmers and fisherm Federal Statute IRC Section 1301 Description: Beginning with tax years after		xpayers ha	we the option to calculate
	their current year income tax by averaging over a prior three-year period, all or a portion of their income from farming and/or fishing. State Fiscal Years (\$ in Millions)			or fishing.
	<u>2016</u> <u>2017</u> <u>2018</u>			
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)

1.4 Georgia Exemptions

<u>1.4.001</u>		3,700 for married tion, \$3,000 is ex	al analysis he persona l filing sep	al exemption parately, an	
	State Tax Expenditure (m) Denotes a value of less than \$1 n		ate Fiscal <u>2016</u> 1,022	Years (\$ in <u>2017</u> 1,035	n Millions) <u>2018</u> 1,048
<u>1.4.002</u>		of \$65,000 of reti kimum of \$4,000 St	al analysis 2, individ rement inc of earned	uals age 6 come. This income.	
<u>1.4.003</u>	Exclusion of federally taxa Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Social Securi state taxable in State Tax Expenditure	<pre>§48-7-27 1971 1971 DOR data for 2 Class A Class A ty and tier 1 railr income.</pre>	014 oad retirer	ment benef	fits are excluded from n Millions) <u>2018</u> 189
	(m) Denotes a value of less than \$1 n	nillion	1/4	101	107

<u>1.4.004</u>	Georgia Higher Education	Savings Plan Contributions		
	Statute	§48-7-27		
	Year Enacted	NA		
	Year Effective	Taxable years beginning on or after January 1, 2002		
	Data Source	DOR data for 2014		
	Estimate Reliability	Class A		
	Data Reliability	Class A		
	Note	The contribution limits were increased from \$2,000 to		
	1,000	\$4,000 effective January 1, 2016. For distributional analysis		
		see Table 5 in Appendix		
	Description · An exemption	n from income is allowed for contributions to a qualified higher		
		vings plan. The exemption is limited to \$4,000 per qualified		
	plan benefici			
	plan benefici	•		
		State Fiscal Years (\$ in Millions)		
	~ ~ ~ ~ ~ "	$\frac{2016}{2017}$ $\frac{2017}{2018}$		
	State Tax Expenditure	7 7 9		
	(m) Denotes a value of less than \$1 n	nillion		
1 4 005	Internet on U.C. abligation	-		
<u>1.4.005</u>	Interest on U.S. obligation			
	Statute	§48-7-27		
	Year Enacted	1971		
	Year Effective	1971		
	Data Source	DOR data for 2014		
	Estimate Reliability	Class A		
	Data Reliability	Class A		
	Note	For distributional analysis see Table 6 in Appendix		
	Description: Interest earned on U.S. government bonds and other obligations are not			
	included as t	axable income.		
		State Fiscal Years (\$ in Millions)		
		2016 2017 2018		
	State Tax Expenditure	6 6 7		
	(m) Denotes a value of less than \$1 m	nillion		
4 4 9 9 7				
<u>1.4.007</u>	Organ donation expenses			
	Statute	§48-7-27		
	Year Enacted	1981		
	Year Effective	Taxable years beginning on or after January 1, 2005		
	Data Source	United Network for Organ Sharing, 2015		
	Estimate Reliability	Class B		
	Data Reliability	Class A		
	Data Reliability Note	Class A		
	Note			
	Note Description: Expenses ass	ociated with the donation of organs in accordance with the		
	Note Description: Expenses ass National Org	ociated with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded		
	Note Description: Expenses ass National Org	sociated with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded not exceed \$10,000.		
	Note Description: Expenses ass National Org	sociated with the donation of organs in accordance with the can Procurement Act. The maximum value of excluded not exceed \$10,000. State Fiscal Years (\$ in Millions)		
	Note Description: Expenses ass National Org expenses can	accordance with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded anot exceed \$10,000. State Fiscal Years (\$ in Millions) <u>2016</u> <u>2017</u> <u>2018</u>		
	Note Description: Expenses ass National Org	The process of the donation of organs in accordance with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded anot exceed \$10,000. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$		
	Note Description: Expenses ass National Org expenses can State Tax Expenditure	The process of the donation of organs in accordance with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded anot exceed \$10,000. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$		
<u>1.4.008</u>	Note Description: Expenses ass National Org expenses can State Tax Expenditure	The process of the donation of organs in accordance with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded anot exceed \$10,000. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$		
<u>1.4.008</u>	Note Description: Expenses ass National Org expenses can State Tax Expenditure (m) Denotes a value of less than \$1 m	The process of the donation of organs in accordance with the donation of organs in accordance with the gan Procurement Act. The maximum value of excluded anot exceed \$10,000. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$		

Year Effective	1971
Data Source	DOR data for 2014
Estimate Reliability	Class A
Data Reliability	Class A
Note	For distributional analysis see Table 7 in Appendix
Description: Taxpayers a	aged 65 or older are allowed an annual deduction from income
	er taxpayer. Taxpayers who are blind are allowed an annual
-	from income of \$1,300 per taxpayer.
	State Fiscal Years (\$ in Millions)
	<u>2016 2017 2018</u>
State Tax Expenditure	6 7 7
(m) Denotes a value of less than \$	1 million
Premiums for high-deduc	ctible health plans
Statute	§48-7-27
Year Enacted	1981
Year Effective	Taxable years beginning on or after January 1, 2008
Data Source	Kaiser-Health Research and Educational Trust and America's
	Health Insurance Plan, Center for Policy and Research
Estimate Reliability	Class B
Data Reliability	Class A
Note	
Description: Taxpayers a	are allowed to exclude 100 percent of premiums paid for certain
high-deduc	tible health plans.
-	State Fiscal Years (\$ in Millions)
	<u>2016 2017 2018</u>
State Terr Erre en diteres	9 10 12

	<u>2016</u>	2017	2018
State Tax Expenditure	8	10	12
(m) Denotes a value of less than \$1 million			

<u>1.4.010</u>

1.5 Georgia Deductions

<u>1.5.001</u>	Standard Deduction			
	Statute	§48-7-27		
	Year Enacted	1971		
	Year Effective	1971		
	Data Source	DOR data for 2014		
	Estimate Reliability	Class A		
	Data Reliability	Class A		
	Note	For distributional analysis see Table 8 in Appendix		
	Description: Taxpayers wh	ho do not itemize expenses on their federal return are allowed a		
	standard dedu	uction equal to \$2,300 for head of household and single filers,		
	\$1,500 for ma	arried filing separately and \$3,000 in the case of joint filers.		
		State Fiscal Years (\$ in Millions)		
		2016 2017 2018		
	State Tax Expenditure	217 231 242		
	(m) Denotes a value of less than \$1 m	million		
1.6 Georgia Credits

<u>1.6.001</u>	of the credit i	\$48-7-29 1995 Taxable years beginning on or after January 1, 19 DOR data as of 2016 Class A Class A for certain physicians practicing in rural counties. The sequal to the lessor of \$5,000 or the taxpayer's include the lessor of \$2,000 or the taxpayer's	The value
<u>1.6.002</u>		cchase or retrofit credit§48-7-29.11998Taxable years beginning on or after January 1, 19DOR data as of 2016Class AClass Acovides a \$500 credit for the purchase of a new singing accessibility features or for the retrofit of an exState Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$	le-family
<u>1.6.003</u>	(m) Denotes a value of less than \$1 m <u>Driver Education Credit</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: This credit pr	illion \$48-7-29.5 2000 Taxable years beginning on or after January 1, 20 DOR data as of 2016 Class A Class A class A povides a credit against income tax for the lesser of ualified driver education class. State Fiscal Years (\$ in Millions) 2016 2017 $2018(m) (m) (m)$	
1.0.004	Statute	§48-7-29.4	

	Year Enacted Year Effective Data Source Estimate Reli Data Reliabilit Note	e ability	2000 Taxable year DOR data as Class A Class A		on or after	January 1, 2000
	Description: State Tax Ex	Georgia Emer Management disaster relief	rgency Manag Agency. The	ement Ageno credit amoun	cy or from t is the act ever is less	
1.6.005		ue of less than \$1 m regiving Expen				
	Statute Year Enacted Year Effective Data Source Estimate Reli Data Reliabili Note	e ability	§48-7-29.2 1998		on or after	January 1, 1999
	-	family members of the total and event shall the whichever is 1	er. The value on ount expended e credit exceeded e credit	of the credit i ed for qualify d \$150 or the State Fiscal <u>2016</u>	is equal to ing caregi taxpayer' Years (\$ in <u>2017</u>	<u>2018</u>
	State Tax Ex (m) Denotes a val	ue of less than \$1 m	illion	(m)	(m)	(m)
<u>1.6.006</u>	National Gua Statute Year Enacted Year Effective Data Source Estimate Reli Data Reliabili Note	e ability ity This credit is Guard and Ai days and who Group Life In	 §48-7-29.9 2005 Taxable year DOR data as Class A Class A available for a r National Gu purchase qua surance progr surance progr tirs. The credi 	rs beginning of 2016 active duty m ard on active lified life ins am administe t amount is e	on or after tembers of duty for n urance thre ered by the qual to the	January 1, 2005 the Georgia National nore than 90 consecutive ough the Services' e U.S. Department of cost of the premiums of
	State Tax Ex (m) Denotes a val	penditure ue of less than \$1 m	illion	State Fiscal <u>2016</u> 1	<u>2017</u> 1	<u>2018</u> 1

<u>1.6.007</u>	Child and Dependent Care	Credit
	Statute	<u></u>
	Year Enacted	2006
	Year Effective	Taxable years beginning on or after January 1, 2006
	Data Source	DOR data as of 2016
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	
		equal to 30 percent of the federal credit claimed for qualified
	expenses rela	ted to the care of children and dependents.
		State Fiscal Years (\$ in Millions)
		2016 2017 2018
	State Tax Expenditure	37 37 38
	(m) Denotes a value of less than \$1 r	nillion
<u>1.6.008</u>	Adoption of Foster Child C	Credit
	Statute	<u></u>
	Year Enacted	2008
	Year Effective	Tax years beginning on or after January 1, 2008
	Data Source	DOR data as of 2016
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	
		rovides an annual tax credit for taxpayers adopting qualified
		en. The value of the credit is \$2,000 per child annually until
		ins the age of 18 and applies to adoptions occurring in taxable
		ing on or after January 1, 2008.
	years beginn	State Fiscal Years (\$ in Millions)
		<u>2016 2017 2018</u>
	State Tax Expenditure	$\frac{2010}{3}$ $\frac{2017}{3}$ $\frac{2010}{4}$
	(m) Denotes a value of less than \$1 r	
1.6.009	Low-Income Credit	
	Statute	§48-7A -3
	Year Enacted	1991
	Year Effective	Taxable years beginning on or after January 1, 1992
	Data Source	DOR data as of 2016
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	
	Description: This credit pr	rovides a tax credit to low-income individuals. The credit is
		taxpayer's AGI. The maximum value of the credit is \$26 per
		or tax years beginning on January 1, 2010 and after, the credit
	is nonrefunda	
		State Fiscal Years (\$ in Millions)
		<u>2016 2017 2018</u>
	State Tax Expenditure	8 9 9
	(m) Denotes a value of less than \$1 r	
<u>1.6.010</u>	Credit for taxes paid to and	other state
	Statute	§48-7-28
	Year Enacted	1931

Year Effective	1931
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	

Description: A resident individual with income taxed by another state is allowed a credit for such tax. The maximum value of this credit is equal to the amount that would be due if the income were taxed by Georgia.

> 2016 271

State Fiscal Years (\$ in Millions) 2017

286

2018

300

State Tax Expenditure
(m) Denotes a value of less than \$1 million

1.6.012 Georgia Job Tax Credit

otorgravoo run orean	
Statute	§48-7-40 and §48-7-40.1
Year Enacted	§48-7-40: 1989; §48-7-40.1: 1993
Year Effective	§48-7-40: Taxable years beginning on or after January 1,
	1990; §48-7-40.1: Taxable years beginning on or after
	January 1, 1994
Data Source	DOR data as of 2016 and Office of Insurance and Safety
	Fire Commissioner
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section and the insurance premium tax section, see 2.6.001
	and 5.00200

Description: The credit provides a statewide job tax credit to any business or headquarters engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development. Retail establishments are only allowed the credit if located in one of the 40 least-developed counties of the state. Average wages must be greater than the average wage of the county in the state with the lowest average wage. To be eligible, employers must offer health insurance to all new employees.

1 2	State Fiscal	Years (\$ i	n Millions)
	<u>2016</u>	2017	<u>2018</u>
Income Tax Expenditure	10	10	10
Corporate Income Tax Expenditure	72	73	75
Insurance Premium Tax Expenditure	5	5	5
State Tax Expenditure	87	88	90
(m) Denotes a value of less than \$1 million			

<u>1.6.013</u>	Quality	Jobs	Tax	Credit	

Statute	§48-7-40.17
Year Enacted	2009
Year Effective	Taxable years beginning on or after January 1, 2009
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	This provision was modified to allow consideration of jobs in disregarded entities for purposes of qualifying for the

credit. The same estimate is provided in the corporate income tax section see 2.6.002

Description: This credit is for employers creating new high-wage jobs or relocating high-wage jobs into the state. A quality job or high-wage job has 30 hours a week of regular work; is not already located in Georgia; and pays at or above 110 percent of the average wage of the county in which it is located.

	State Fiscal Years (\$ in Millions)		
	<u>2016</u>	2017	2018
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	48	56	58
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	49	56	58
(m) Denotes a value of less than \$1 million			

1.6.014 New Facilities Jobs Credit

Statute	§48-7-40.24
Year Enacted	2003
Year Effective	Latest modifications are effective for taxable years
	beginning on or after January 1, 2009
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.003

Description: For business enterprises that first qualified in a taxable year beginning before January 1, 2009, \$450 million in qualified investment property must be purchased for the project within a six-year period. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period and can receive credit for up to a maximum of 4,500 jobs. For business enterprises that first qualify in a taxable year beginning on or after January 1, 2009, the business enterprise must meet the job creation requirement of 1,800 eligible full-time employees and either the qualified investment requirement of \$450 million in qualified investment property, or the payroll requirement of \$150 million in total annual Georgia W-2 reported payroll within the six-year period.

2018

State Fiscal Years (\$ in Millions) 2017 2016 Income Tax Expenditure Estimate combined Corporate Income Tax Expenditure with 1.6.012 **Insurance Premium Tax Expenditure** State Tax Expenditure (m) Denotes a value of less than \$1 million

1.6.016 Manufacturer's Investment Tax Credit

Statute	§§48-7-40.2, 48-7-40.3, and 48-7-40.4
Year Enacted	1994
Year Effective	Taxable years beginning on or after January 1, 1994
Data Source	DOR data as of 2016
Estimate Reliability	Class B
Data Reliability	Class A

	Note		The same estir section see 2.6	-	vided in th	ne corporate in	come tax
	Description:	Taxpayer mu	st invest a mini		50,000 per	project per lo	cation
	•		x year to receive		-		
			the immediatel				
		period of five	e years or longe	r is eligible	e for the ci	edit.	
			St	ate Fiscal	Years (\$ in	n Millions)	
				2016	2017	<u>2018</u>	
	Income Tax E	•		1	1	1	
	•	ome Tax Expe		17	18	19	
		mium Tax Exp	penditure	0	0	0	
	State Tax Exp	Denditure ie of less than \$1 mi	llion	19	19	20	
	(III) Denotes a valu	ie of less than \$1 mi	mon				
<u>1.6.017</u>	Optional Invo	estment Tax C	redit				
	Statute		§§48-7-40.7, 4	8-7-40.8, a	and 48-7-4	0.9	
	Year Enacted		1995				
	Year Effective	e	Taxable years		on or after	r January 1, 19	996.
	Data Source	1 •1•.	DOR data as o	t 2016			
	Estimate Reli	•	Class A				
	Data Reliabili Note	ity	Class A The same estir	noto is pro	vidad in th	a cornorata in	como tox
	Note		section see 2.6			le corporate m	come tax
	Description:	An alternativ	e investment ta		ailable for	investments in	n
	I • • •		ig or telecommu				
			erating for the t			~ ~	
		is available f	or investments i	n excess o	f \$5 millio	on and placed i	in service no
			anuary 1, 1996				
			n for tier 2 coun	ties and is	\$20 millio	on for tier 3 an	d 4
		counties.	St	ate Fiscal	Vears (\$ ii	n Millions)	
				<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax E	Expenditure		$\frac{2010}{(m)}$	$\frac{2017}{(m)}$	(m)	
		ome Tax Expe	enditure	1	1	1	
		mium Tax Exp			0		
	State Tax Exp	-		1	1	1	
	(m) Denotes a valu	e of less than \$1 mi	llion				
1.6.018	Port Activity	Tax Credit					
1.0.010	Statute	Tax Credit	§48-7-40.15				
	Year Enacted		1998				
	Year Effective		Latest modific	ations app	ly to taxab	le vears begin	ning on or
			after January 1		j	,	0
	Data Source		DOR data as o				
	Estimate Reli	ability	Class A				
	Data Reliabili	ity	Class A				
	Note		The same estir	-	vided in th	e corporate in	come tax
		T	section see 2.6			10.1	
	Description:	-	ears beginning		•		
		-	of any such bus			-	
		warehousing	and distribution	i, processii	ng, telecor	mmunications,	

broadcasting, tourism, or research and development that have increased shipments out of Georgia ports during the previous 12-month period by more than 10 percent over their 1997 base year port traffic, or by more than 10 percent over 75 net tons, five containers or 10 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. For taxable years beginning on or after January 1, 2010, the increase is based on a comparison of the previous 12-month period to the second preceding 12month period.

	State Fiscal	rears (\$1	n Millions)
	<u>2016</u>	<u>2017</u>	<u>2018</u>
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	6	6	7
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	6	7	7
(m) Denotes a value of less than \$1 million			

ome tax
3 county
lobs Tax
re feet in
tity or its
ear of
: l

Income Tax Expenditure Corporate Income Tax Expenditure Insurance Premium Tax Expenditure State Tax Expenditure (m) Denotes a value of less than \$1 million 2016 2017 20. Estimate combined with 1.6.018

1.6.020 Film Tax Credit

 Statute	§48-7-40.26
Year Enacted	2005
Year Effective	Taxable years beginning on or after January 1, 2005
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
Data Reliability	Class A

	section see 2.6.009. Tax credit provisions applicable to
	qualified interactive entertainment production companies
	were modified in 2015. There are special provisions relating t
Description:	Production companies which have at least \$500,000 of qualified
	expenditures in a state-certified production may claim this credit.
	Certification must be approved through the Georgia Department of
	Economic Development. There are special provisions relating to the tax
	credits awarded to interactive entertainment companies. Under the 2015
	modifications to this provision, interactive entertainment companies are
	eligible to claim this credit for tax years before January 1, 2019.

	it for ture your	5 001010 5	unuury 1, 20
	State Fiscal	Years (\$ i	n Millions)
	2016	2017	<u>2018</u>
Income Tax Expenditure	199	222	244
Corporate Income Tax Expenditure	139	155	170
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	338	376	414
(m) Denotes a value of less than \$1 million			

1.6.021 Research Tax Credit

Research Tax Crean	
Statute	§48-7-40.12
Year Enacted	1997
Year Effective	Taxable years beginning on or after January 1, 1998
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.010

Description: This credit is for expenses resulting from research conducted in Georgia by businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. A tax credit is allowed provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986, as amended.

	State Fiscal Years (\$ in Millions)		
	2016	2017	<u>2018</u>
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	27	28	30
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	28	29	31
(m) Denotes a value of less than \$1 million			

<u>1.6.022</u>	Seed-Capital Fund Credit	
	Statute	§48-7-40.27 & 40.28
	Year Enacted	2008
	Year Effective	Applicable to investments made on or after July 1, 2008
	Data Source	DOR data as of 2016
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	The same estimate is provided in the corporate income tax section see 2.6.011

Description: This provides a tax credit for certain qualified investments made on or

after July 1, 2008 in a research fund, the purpose of which is to provide early-stage financing for businesses formed as a result of research conducted in Georgia's research universities.

C	State Fiscal	Years (\$ i	n Millions)
	<u>2016</u>	2017	<u>2018</u>
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 million			

1.6.023	Qualified Health	n Insurance Expense Credit
	Que tant a	e 10 7 00 12

Statute	§48-7-29.13
Year Enacted	2008
Year Effective	Taxable years beginning on or after January 1, 2009
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.012

Description: Employer credit for the premiums paid for a high-deductible health plan. Employers must employ 50 or fewer persons for whom the employer provides high-deductible health plans as defined by Section 223 of the Internal Revenue Code and in which such employees are enrolled. The qualified health insurance must be made available to all employees and compensated individuals of the employer pursuant to the applicable provisions of Section 125 of the Internal Revenue Code. The qualified health insurance premium expense must equal at least \$250 annually.

·	State Fiscal Years (\$ in Millions)			
	2016	2017	<u>2018</u>	
Income Tax Expenditure	(m)	(m)	(m)	
Corporate Income Tax Expenditure	(m)	(m)	(m)	
Insurance Premium Tax Expenditure	0	0	0	
State Tax Expenditure	(m)	(m)	(m)	
(m) Denotes a value of less than \$1 million				

<u>1.6.025</u> Qualified Transportation Credit

Quannea mansportation C	<u>stear</u>
Statute	§48-7-29.3
Year Enacted	1999
Year Effective	Taxable years beginning on or after January 1, 2001
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.014
Description: A tax credit	provided to employers for the cost of providing any federally

qualified transportation benefit to an employee.

			C(-(- E'1	V	···) ('11' - ··· -)	
			State Fiscal			
			<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax Expenditure		(m)	(m)	(m)	
	Corporate Income Tax H	•	(m)	(m)	(m)	
	Insurance Premium Tax	Expenditure	0	0	0	
	State Tax Expenditure	h1	(m)	(m)	(m)	
	(m) Denotes a value of less than	\$1 million				
1.6.026	Business Enterprise Ve	hicle Credit				
	Statute	§48-7-40.22				
	Year Enacted	2001				
	Year Effective		s beginning	on or afte	r January 1, 2002.	
	Data Source	DOR data as		on or are	<i>validaty</i> 1, 2002.	
	Estimate Reliability	Class A	01 2010			
	Data Reliability	Class A				
	Note		imate is pro	vided in th	ne corporate income	• tax
	Note	section see 2	-	vided in ti	le corporate meonic	, tux
	Description: This is a	credit given to a b	ousiness ente	rprise for	the purchase of a m	notor
					ortation for its empl	
					rtify that each vehic	
					four employees for	
	entire tax	able year.	•			
		-	State Fiscal	Years (\$ i	n Millions)	
			2016	2017	<u>2018</u>	
	Income Tax Expenditure	e	(m)	(m)	(m)	
	Corporate Income Tax H	Expenditure	(m)	(m)	(m)	
	Insurance Premium Tax	Expenditure	0	0	0	
	State Tax Expenditure	-	(m)	(m)	(m)	
	(m) Denotes a value of less than	\$1 million				
1.6.027	Employer's credit for p	roviding or spons	oring child c	are for en	nlovees and emplo	ver's
1.0.027	credit for purchasing ch		oring ennia e		ipioyees and emplo	<u>yer s</u>
	Statute	§48-7-40.6				
	Year Enacted	1994 & 1999)			
	Year Effective			on taxabl	e years beginning o	n or
			·		ost of Qualified Chi	
					ning on or after Jan	
		1, 2000.	y. uxuole ye		ing on or unter sun	uury
	Data Source	DOR data as	of 2016			
	Estimate Reliability	Class A	01 2010			
	Data Reliability	Class A				
	Note		imate is pro	vided in th	ne corporate income	etax
	1,000	section see 2		videa ili ti		
	Description: Employe	r's Credit for Prov	viding or Sp	onsoring (Child Care for Empl	oyees.
			State Fiscal	Years (\$ i	n Millions)	
			2016	2017	<u>2018</u>	
	Income Tax Expenditure	e	4	4	4	
	Corporate Income Tax H		7	7	7	
	Insurance Premium Tax	-	0	0	0	
	State Tax Expenditure	_	11	11	12	
	(m) Denotes a value of less than	\$1 million				
					8	81 P a ș

<u>1.6.028</u>		edit §48-7-29.6 2000 Taxable years beginning on or after January 1, 2001. DOR data as of 2016 Class A Class A The same estimate is provided in the corporate income tax section and the insurance premium tax section, see 2.6.017 and 5.00700 redit against Georgia income taxes for taxpayers owning			
	-	placed in servic		r January	
	Income Tax Expenditure Corporate Income Tax Exp Insurance Premium Tax Ex State Tax Expenditure (m) Denotes a value of less than \$1 r	xpenditure	2016 64 27 <u>101</u> 192	2017 69 29 108 206	2018 72 31 113 217
<u>1.6.029</u>	must be me	§48-7-29.8 2002 Taxable years DOR data as of Class B Class B The same estimation section see 2.6 the certified reh dards set by the O t. This credit was or sold to other	of 2016 and mate is pro- 5.018 abilitation Georgia De s modified taxpayers. tate Fiscal	Fiscal No vided in th of a certifi partment o in 2015 to Years (\$ in	of Natural Resources allow unused credits to Millions)
	Income Tax Expenditure Corporate Income Tax Exp Insurance Premium Tax Ex State Tax Expenditure (m) Denotes a value of less than \$1 r	xpenditure		$ \begin{array}{r} \underline{2017} \\ \underline{27} \\ 4 \\ \underline{0} \\ \overline{31} \end{array} $	$ \frac{2018}{24} 4 0 28 $
<u>1.6.030</u>	<u>Diesel Particulate Emissic</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	 §48-7-40.19 2000 Taxable years DOR data as of Class A Class A 	beginning of 2016 mate is prov	on or after	<u>Credit</u> January 1, 2001. e corporate income tax

Description: This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For purposes of this credit, diesel particulate emission reduction technology equipment is any equipment that provides heat, air conditioning, light, or communications for the driver's compartment of a commercial motor vehicle parked at a truck stop, depot, or other facility, the use of which results in the engine being turned off with a corresponding reduction of particulate emissions from such vehicle's diesel engine. State Fiscal Years (\$ in Millions)

State I Iseai	r cars (ψ	III IVIIIIIOI
2016	2017	2018
0	0	0
0	0	0
0	0	0
0	0	0
		$ \begin{array}{cccccccccccccccccccccccccccccccccccc$

1.6.031 Low- and Zero-Emission Vehicle Credit & Electric Vehicle Charger Credit

	Statute	§48-7-40.16				
	Year Enacted	1998				
	Year Effective	Taxable years beginning on or after January 1, 1998			998	
	Data Source	DOR data as of 2016				
	Estimate Reliability	Class A				
	Date Reliability	Class A				
	Note	The same estimate	·		·	
		2.6.020. This				•
		or leases occu	•	•		
		electric vehicl				
	Description: This is a cre	·				
		is registered in				
						icle. In addition,
	the credit ap	plies to the pure			÷	
		E S	State Fiscal			
			<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax Expenditure		30	5	(m)	
	Corporate Income Tax Exp		(m)	(m)	(m)	
	Insurance Premium Tax Ex	penditure	$\frac{0}{20}$	0 5	0	
	State Tax Expenditure (m) Denotes a value of less than \$1 m	villion	30	3	(m)	
	(iii) Denotes a value of less than \$1 ii	minon				
<u>1.6.032</u>	Land Conservation Credit					
	Statute	§48-7-29.12				
	Year Enacted	2006				
	Year Effective	Taxable years	U U	on or after	r January 1, 20	006
	Data Source	DOR data as	of 2016			
	Estimate Reliability	Class B				
	Data Reliability	Class A				
	Note	The sunset on	•			
		2016 in the 20	•			
		provided in th				
	Description: This provide	es for an income	e tax credit	for the qua	alified donatic	on of real

property that qualifies as conservation land pursuant to Chapter 22 of Title 36. This credit was modified in 2015 such that the aggregate value of credits awarded under this provision cannot exceed \$30 million per year and no new credit applications will be accepted after December 31, 2021. State Fiscal Years (\$ in Millions)

Income Tax Expenditure Corporate Income Tax Expenditure Insurance Premium Tax Expenditure State Tax Expenditure (m) Denotes a value of less than \$1 million

<u>1.6.033</u> Clean Energy Property and Wood Residuals Credit

Statute	§48-7-29.14
Year Enacted	2008
Year Effective	2008
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.022

Description: The Georgia Clean Energy Property and Wood Residuals tax credit includes two general types of income tax credits: 1) investments in the construction, purchase or lease of clean energy property, and 2) the value of wood residuals delivered to a qualified renewable biomass facility. The clean energy property tax credits apply to solar, wind and energy efficiency projects, geothermal heat pumps, and certain biomass equipment for making electricity. The clean energy property tax credit expired on December 31, 2014. For the purposes of the Wood Residuals tax credit, wood residuals include urban wood waste, land clearing residues, and pellets, but not wood from a U.S. national forest.

penets, but not wood nom a 0.5. national forest.					
	State Fiscal Years (\$ in Million				
	2016	2017	2018		
Income Tax Expenditure	1	1	(m)		
Corporate Income Tax Expenditure	(m)	(m)	(m)		
Insurance Premium Tax Expenditure	0	0	0		
State Tax Expenditure	1	1	1		
(m) Denotes a value of less than \$1 million					

<u>1.6.034</u>	Georgia Employer GED Ta	ax Credit (previously known as the Employer's Credit for
	Basic Skills Education)	
	Statute	§48-7-41
	Year Enacted	2015
	Year Effective	2015
	Data Source	Fiscal Note for H.B. 63 for 2015
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	The same estimate is provided in the corporate income tax
		section see 2.6.023. The 2015 provision replaces the
		previous provision. The 2015 provision is capped at \$1

million in aggregate credits annually.

Description: Allows an employer a tax credit against their income tax liability for the employer incurred expenses associated with GED attainment of employees.

employer medired expension	ses associated			
	State Fiscal Years (\$ in Million			
	<u>2016</u>	2017	<u>2018</u>	
Income Tax Expenditure	1	1	1	
Corporate Income Tax Expenditure	(m)	(m)	(m)	
Insurance Premium Tax Expenditure	0	0	0	
State Tax Expenditure	1	1	1	
(m) Denotes a value of less than \$1 million				

1.6.035 Employer's Credit for Approved Employee Retraining

Statute	§48-7-40.5
Year Enacted	1994
Year Effective	Latest modifications are effective for taxable years
	beginning on or after January 1, 2009
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.024

Description: The tax credit reimburses employers for the cost of providing retraining services to their employees. As of January 1, 2009, retraining programs shall not include any retraining on commercially, mass produced software packages for word processing, data base management, presentations, spreadsheets, e-mail, personal information management, or computer operating systems except a retraining tax credit shall be allowable for those providing support or training on such software.

	State Fiscal Years (\$ in Millions)		
	2016	2017	<u>2018</u>
Income Tax Expenditure	12	13	13
Corporate Income Tax Expenditure	23	24	24
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	35	36	37
(m) Denotes a value of less than \$1 million			

<u>1.6.036</u> Qualified Education Expense Credit

anneu Euucai
tute
r Enacted
ar Effective
a Source
imate Reliabili
a Reliability
e
cription: Th
sch
ar Enacted ar Effective a Source imate Reliabili a Reliability e ecription: Th

school or program.

	State Fiscal Years (\$ in Millions)		
	<u>2016</u>	2017	<u>2018</u>
Income Tax Expenditure	34	34	34
Corporate Income Tax Expenditure	12	12	12
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	47	47	47
(m) Denotes a value of less than \$1 million			

1.6.037 Qualified Investor Tax Credit

Statute	§48-7-40.30
Year Enacted	2010
Year Effective	January 1, 2011; legislation modified in 2013
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.026

Description: This credit provides a 35 percent tax credit for amounts invested in certain Georgia-headquartered small businesses. The credit was modified in 2015 and is now available for qualified investments made in years 2011-2018. The aggregate value of credits awarded under this provision cannot exceed \$5 million per year. State Fiscal Years (\$ in Millions)

	State Fiscal	Years (\$1	n Million
	<u>2016</u>	2017	2018
Income Tax Expenditure	1	2	2
Corporate Income Tax Expenditure	(m)	(m)	(m)
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	1	2	2
(m) Denotes a value of less than \$1 million			

<u>1.6.038</u> Energy-efficient or water-efficient equipment credit

Statute	§48-7-40.29		
Year Enacted	2010		
Year Effective	January 1 of the year following the year in which federal		
	funds for this program are made available and received by		
	the state		
Data Source	DOR data as of 2016		
Estimate Reliability	Class A		
Data Reliability	Class A		
Note	The same estimate is provided in the corporate income tax		
	section see 2.6.027		
Description: This tax cree	dit applies to taxpayers who purchase energy-efficient and		
water conser	water conservation equipment. The value of the credit is equal to 25		

water conservation equipment. The value of the credit is equal to 25 percent of the cost of the qualified equipment or \$2,500, whichever is less. The credit is only available for those tax years in which federal funds are made available to the state for this purpose.

	State Fiscal Years (\$ in Millions)		
	<u>2016</u>	2017	<u>2018</u>
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	0	0	0
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	0	0	0
(m) Denotes a value of less than \$1 million			

Tax credit for existing bus	siness enterprises undergoing qualified business expansion
Statute	§48-7-40.21
Year Enacted	2001
Year Effective	Latest modifications are applicable to tax years beginning on
	or after January 1, 2008
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section see 2.6.030
Description: This credit a	applies to businesses that create at least 500 new full-time jobs
within a tax	able year.
	State Fiscal Years (\$ in Millions)
	2016 2017 2018
	Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: This credit a

Income Tax Expenditure Corporate Income Tax Expenditure Insurance Premium Tax Expenditure State Tax Expenditure (m) Denotes a value of less than \$1 million tate Fiscal Years (\$ in Millions) <u>2016</u> <u>2017</u> <u>2018</u> Estimate combined with 1.6.013

1.6.042	Tax credit for purchase	of alternative fuel heavy-duty or medium-duty vehicle
	Statute	§48-7-29.18
	Year Enacted	2014
	Year Effective	Taxable years beginning on or after 2015
	Data Source	Fiscal Note for H.B. 404 for 2012
	Estimate Reliability	Class B
	Data Reliability	Class B
	Note	The same estimate is provided in the corporate income tax section see 2.6.031

Description: Provides a tax credit for the purchase of an alternative fuel heavy-duty vehicle not to exceed \$20,000 or \$12,000 in the case of an alternative fuel medium-duty vehicle. The aggregate value of the credit is limited to \$2.5 million in each fiscal year beginning with fiscal year 2016 and ending with fiscal year 2017. The credit is applicable to purchases made on or after July 1, 2015 and before July 30, 2017.

	State Fiscal Years (\$ in Millions)		
	2016	<u>2017</u>	2018
Income Tax Expenditure	1	1	0
Corporate Income Tax Expenditure	2	2	0
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure (m) Denotes a value of less than \$1 million	3	3	0

<u>1.6.043</u>	Bank Tax Credit				
	Statute	§48-7-29.7			
	Year Enacted	2000			
	Year Effective	2001			
	Data Source	DOR data as	of 2016		
	Estimate Reliability	Class A			
	Data Reliability	Class A			
	Note	The same esti	imate is prov	vided in th	e corporate income tax
		section 2.6.03			
	Description: Depository				0
		• •			nt of business licenses
	-	-	ents and any	y special s	tate occupation tax paid
	to the state.		N (F ' 1)	м (ф.	
		2	State Fiscal	-	
	Income Tey Expenditure		$\frac{2016}{1}$	$\frac{2017}{1}$	$\frac{2018}{1}$
	Income Tax Expenditure Corporate Income Tax Exp	anditura	14	15	1 15
	Insurance Premium Tax Exp			0	$\frac{13}{0}$
	State Tax Expenditure	spenditure	15	16	<u> </u>
	(m) Denotes a value of less than \$1 m	nillion	15	10	10
<u>1.6.044</u>	Employer tax credit for hi		arolees		
	Statute	§48-7-40.31			
	Year Enacted	2016			
	Year Effective	2016			
	Data Source	Fiscal Note for	or H.B. 828	for 2016	
	Estimate Reliability	Class B			
	Data Reliability	Class A			
	Note		-	vided in th	e corporate income tax
	Description. For the pari	section, see 2		1 2	17 and hafara January
	Description: For the peri	• •		•	rolee in a full-time job for
					be eligible for an income
					ch qualified parolee.
			State Fiscal		
		_		<u>2017</u>	
	Income Tax Expenditure		0	0	(m)
	Corporate Income Tax Exp	penditure	0	0	1
	Insurance Premium Tax Ex	spenditure	0	0	0
	State Tax Expenditure		0	0	1
	(m) Denotes a value of less than \$1 r	nillion			
<u>1.6.045</u>	Income Tax Credit for Co	ntributions to P	ural Haalth	Cara Orga	nizations
1.0.045	Statute	§48-7-29.20		Care Orga	mizations
	Year Enacted	2016			
	Year Effective	2010			
	Data Source	Fiscal Note for	or LC 28 78	06ER for	2016
	Estimate Reliability	Class B		00210101	
	Data Reliability	Class B			
	Note		imate is prov	vided in th	e corporate income tax
		section, see 2	-		*

Description: An individual taxpayer shall be allowed an income tax credit equal to a maximum of \$2,500 for an individual filing a single return or \$5,000 for joint returns. A corporation or other entity shall be allowed an income tax credit equal to a maximum of 75 percent of the corporation's income tax liability. Aggregate amount of credits cannot exceed \$50 million in 2017, \$60 million in 2018 and \$70 million in 2019. The provision is no longer effective for tax years after 2019.

	State Fiscal Years (\$ in Millions)		
	2016	2017	2018
Income Tax Expenditure	0	0	1
Corporate Income Tax Expenditure	0	0	1
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	0	0	2
(m) Denotes a value of less than \$1 million			

Expenditure	Statute	Summary
1.4.006	§48-7-27	Certain military income
1.4.009	§48-7-27	Certain dependent's unearned income
1.4.011	§48-7-27	Salaries and wages reduced from Federal taxable income because of the Federal Jobs Tax Credit
1.4.012	§48-7-27	Individual retirement account, Keogh, SEP and Sub-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986
1.4.013	§48-7-27	Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986
1.4.014	§48-7-27	Income from any fund, program or system which is exempted by federal law or treaty
1.4.015	§48-7-27	Certain income in which the Sub-S election is not recognized by Georgia or another state in order to avoid double taxation
1.4.016	§48-7-27	Adjustment for certain teachers retired from the Teachers Retirement System of Georgia
1.4.017	§48-7-27	Amount claimed by certain employers in food and beverage establishments
1.4.018	§48-7-27	Adjustment of certain payments to minority subcontractors
1.4.019	§48-7-27	Adjustments to federal AGI for certain Georgia resident partners
1.4.020	§48-2-100	Exemption for certain disaster relief firms
1.6.015	§48-7-40.25	New Manufacturing Facilities Property Credit
1.6.039	\$48-7-40.10	Tax credit for water conservation facilities and qualified water conservation investment property
1.6.040	§48-7-40.11	Tax credit for shift from groundwater usage

Income tax expenditures for which an estimate is not currently available

2. Corporate Income Tax

The corporate income tax was first levied in Georgia in 1929. While originally levied at a rate equal to one-third of the federal corporate tax rate, the rate was changed to 4 percent in 1931. The tax has gone through several rate changes since its introduction, including in 1949 when it was temporarily increased to 7.5 percent. The current rate of 6 percent was adopted in 1969. The Georgia corporate income tax does not include a minimum level of exempt income and includes only one income tax bracket.

The starting point for the construction of the tax base is federal taxable income of a corporation. Several adjustments are made in order to determine Georgia business income. For example, although corporations are allowed certain special depreciation deductions at the federal level, some of these deductions are not allowed at the state level. Firms taking these deductions on their federal return must add these deductions back to their tax base when determining their state taxable income. In addition, firms operating in multiple states must apportion their corporate income to each of the states in which they have a legal obligation to pay the tax. Since 2008, firms with multistate income determine the portion of their total income associated with Georgia by computing their total Georgia receipts relative to their total receipts. Prior to 2008, Georgia firms were required to use a three-factor apportionment formula.

It is important to keep in mind that tax expenditure estimates may differ from revenue estimates presented in fiscal notes. Estimates included in fiscal notes incorporate behavioral effects that are not considered when estimating tax expenditure provisions. Whereas the purpose of a tax expenditure estimate is to convey the cost that would be necessary if the item were offered as a direct budgetary expenditure instead of a reduction in the tax liability. A second caveat concerns the estimates associated with the state corporate credit provisions. Forecasting the value of the revenue loss stemming from the use of these credits is problematic because of the presence of extensive carry forwards in the case of some credits. Because of past credit carry forwards, firms may claim credits on current or future year tax returns that were created in prior years. In some cases, the credit may have expired, such that taxpayers are no long able to create new credits but the revenue loss to the state continues for several years until all carryforward liabilities have been exhausted. Therefore, the estimates provided in this report should be interpreted as the expected revenue loss stemming from the use of currently created or previously created credits and not an estimate of the value of credits created in a given year.

The tax is administered by the Georgia DOR. Corporate tax collections for FY 2015 were \$937 million or 5.0 percent of total state tax revenues. Approximately 266,000 corporate returns were filed for CY 2015. All revenue collected from this tax is deposited into the State General Fund.

2.1 Federal Corporate Exclusions

<u>2.1.001</u>	 <u>Permanent exemption from imputed interest rules</u> Federal Statute IRC Sections 163(e), 483, 1274, and 1274(A) Description: Debt instruments for amounts not exceeding an inflation adjusted maximum, given in exchange for real property, may not have imputed to them an interest rate greater than 9 percent. State Fiscal Years (\$ in Millions) 				
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> (m)	<u>2017</u> (m)	<u>2018</u> (m)	
<u>2.1.002</u>	Exclusion of interest on state and local gover Federal Statute IRC Section 103,141,142, a Description: Interest earned on qualified pri State Tax Expenditure (m) Denotes a value of less than \$1 million	nd 146 ivate activ	vity bonds		
<u>2.1.003</u>	 <u>Exclusion of contributions in aid of construction for water and sewer utilities</u> Federal Statute IRC Section 118(c), (d) Description: Qualifying contributions in aid of construction received by regulated water and sewage disposal utilities are not included in the utility's gross income under certain conditions. 				
<u>2.1.004</u>	State Tax Expenditure (m) Denotes a value of less than \$1 million Exclusion of earnings of certain environment Federal Statute IRC Section 468B Description: Under certain conditions envir tax.	2016 (m) tal settler onmental tate Fisca	2017 (m) nent funds l settlemen l Years (\$	t funds are exempt from in Millions)	
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> (m)	<u>2017</u> (m)	<u>2018</u> (m)	
<u>2.1.005</u>	Exclusion of certain agricultural cost-sharing Federal Statute IRC Section 126 Description: Grants made for the purpose of protecting the environment are St	f conserv e exclude tate Fisca	ing soil an d from the l Years (\$	recipient's gross income. in Millions)	
<u>2.1.006</u>	State Tax Expenditure (m) Denotes a value of less than \$1 million <u>Exclusion of gain or loss on sale or exchange</u> Federal Statute IRC Section 512 and 514 Description: Qualifying brownfield property subject to remediation, and sol unrelated business income tax.	y that is a d to anot	acquired fr	om an unrelated party,	

	State Tax Expenditure	State Fisc <u> 2016</u> (m)	al Years (\$ 2017 (m)	in Millions) <u>2018</u> (m)
	(m) Denotes a value of less than \$1 million			
<u>2.1.008</u>	Exclusion of disaster mitigation payments Federal Statute IRC Section 139			
	Description: Payments made for disaster m	nitigation	under the l	Robert T. Stafford
	Disaster Relief and Emergence			the National Flood
	Insurance Act is excluded fro			
	S			in Millions)
		<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)
	(iii) Denotes a value of less than \$1 minion			
2.1.009	Exclusion of interest on public purpose state	e and loca	al governm	ent bonds
	Federal Statute IRC Sections 103, 141, and	1 146		
	Description: Interest income of qualifying income.	governm	ental bonds	s is excluded from taxable
		State Fisc	al Years (\$	in Millions)
		2016	2017	2018
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)
	(iii) Denotes a value of less than \$1 minion			
<u>2.1.010</u>	Various foreign provisions including invent	ory prope	erty sales so	ource rule exception,
	interest expense allocation, deferral of activ	e income	of controll	ed foreign corporations,
	deferral of active financing income			
	Federal Statute IRC Sections 861-863, 865			1
	Description: These provisions provide cert	ain excep	otions to the	e general treatment of
	foreign sourced income.	toto Eino	al Vaara (¢	in Millione)
	2	2016 2016	al Years (\$ 2017	in Millions) 2018
	State Tax Expenditure	$\frac{2010}{249}$	$\frac{2017}{253}$	<u>2018</u> 256
	(m) Denotes a value of less than \$1 million	247	233	250

2.2 Federal Corporate Deductions

<u>2.2.001</u>	cost of tangible depreciation a shorter depreciation period	ral Statute IRC Sections 167 and 168 ription: Under the Modified Accelerated Cost Recovery System (MACRS), the cost of tangible depreciation property of certain energy property is allowed a shorter depreciation period. Taxpayers are allowed to depreciate the costs of new rental housing and certain other buildings and equipment on					
	State Tax Expenditure (m) Denotes a value of less than \$1 million	$\frac{2016}{5}$	$\frac{2017}{4}$	$\frac{2018}{4}$			
<u>2.2.003</u>	Expensing of exploration and development Federal Statute IRC Sections 263, 291, 6 Description: Firms engaged in mining and development costs.	516-617, 56,	1254				
	development costs.	State Fisca	al Years (\$	in Millions)			
		2016	2017	<u>2018</u>			
	State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)			
<u>2.2.004</u>	Amortization of business start-up costs Federal Statute IRC Section 195 Description: This provision allows a bus qualified start-up expenditu	res.		-			
				5 in Millions)			
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> (m)	<u>2017</u> (m)	<u>2018</u> (m)			
<u>2.2.005</u>	Expensing of research and experimental e Federal Statute IRC Section 174 and 59e Description: This provision allows a bus expenditures that are paid o trade or business.	iness taxpay					
		State Fisca	al Years (\$	in Millions)			
		2016	2017	<u>2018</u>			
<u>2.2.006</u>	State Tax Expenditure (m) Denotes a value of less than \$1 million Expensing of magazine circulation expendence Exdemal Statutes IRC Station 172	8 <u>litures</u>	9	10			
	Federal Statute IRC Section 173 Description: In general, current federal ta magazines, and other period establish, or increase circula	licals to dec ation in the	luct their e year in wh al Years (\$	expenditures to maintain, hich they are made. 5 in Millions)			
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> (m)	<u>2017</u> (m)	<u>2018</u> (m)			

<u>2.2.007</u>	Deductions of oil and gas exploration and development costs Federal Statute IRC Sections 611, 612, 613, 613A and 291; 263(c), 616-617, 57(a)(2),						
	Federal Statute IRC Sections 611, 612, 613 59(e) and 1254	o, 015A a	110 291; 20	5(c), 010-017, 57(a)(2),			
	Description: Firms that extract oil, gas or, o	other min	erals are pe	ermitted a deduction to			
		recover their capital investment in a mineral reserve, which depreciates due					
	to the physical and economic	-					
	recovered. Firms engaged in t						
	geothermal properties have th		of expensin	g certain intangible			
	drilling and development cost		1 Veena (¢	in Millions)			
	2	<u>2016</u>	<u>2017</u>	in Millions) 2018			
	State Tax Expenditure	$\frac{2010}{0}$	$\frac{2017}{0}$	$\frac{2010}{0}$			
	(m) Denotes a value of less than \$1 million	0	Ū	0			
<u>2.2.008</u>	Special treatment of expenses related to time	oer produ	<u>ction</u>				
	Federal Statute IRC Sections 194, 263A(c)						
	Description: This provision allows expension						
	Taxpayers are also allowed di reforestation expenses.	merent de	epreciation	practices for qualified			
	▲	tate Fisca	al Years (\$	in Millions)			
	_	2016	<u>2017</u>	<u>2018</u>			
	State Tax Expenditure	3	3	3			
	(m) Denotes a value of less than \$1 million						
2.2.009	Deduction of charitable contributions (inclu	des deduc	ctions for h	ealth, education, and for			
	purposes other than health and education)						
	Federal Statute IRC Sections 170 and 642(
	Description: Subject to certain limitations,	charitabl	e contributi	ions may be deducted by			
	taxpayers.	toto Eigo	1 Voora (¢	in Milliona)			
	2	<u>2016</u>	<u>2017</u>	in Millions) 2018			
	State Tax Expenditure	<u>2010</u> 15	$\frac{2017}{16}$	16			
	(m) Denotes a value of less than \$1 million	10	10	10			
0 0 0 1 1							
<u>2.2.011</u>	Expensing under IRC section 179 of deprect Federal Statute IRC Section 179	able busi	ness prope	rty			
	Description: Within certain limits, a taxpay	ver mav e	lect to dedu	ict, as a current expense.			
	the cost of qualifying propert						
				in Millions)			
		$\frac{2016}{3}$	$\frac{2017}{3}$	$\frac{2018}{3}$			
	State Tax Expenditure	3	3	3			
<u>2.2.012</u>	(m) Denotes a value of less than \$1 million Amortization of air pollution control facilitie	25					
	Federal Statute IRC Section 169(d)(5)	20					
	Description: This provision allows plants p	laced in s	service afte	r January 1, 1976 the			
	option of amortizing investme						
	fired electric generation plants						
	S			in Millions)			
	State Toy Expanditure	$\frac{2016}{1}$	<u>2017</u>	<u>2018</u> 1			
	State Tax Expenditure (m) Denotes a value of less than \$1 million	1	1	1			

<u>2.2.014</u>	 <u>Various agricultural expensing provisions</u> Federal Statute IRC Section 162, 175, 180, 446, 448, 461, 464 Description: Taxpayers in the business of farming may choose to expense costs associated with soil and water conservation, soil conditioning and the costs associated with raising dairy and breeding cattle. State Fiscal Years (\$ in Millions) 			
	State Tax Expenditure (m) Denotes a value of less than \$1 million	<u>2016</u> (m)	<u>2017</u> (m)	<u>2018</u> (m)
<u>2.2.015</u>	Community and regional development incen Federal Statute IRC Sections 38(b), 39(d), and J)C(a), 139	1-1397D and 1400F,H,I
	Description: Communities designated as en communities are eligible for s	pecial de	velopmen	
<u>2.2.016</u>	Expensing to remove architectural and transpelderly Federal Statute IRC Section 190 Description: This provision allows taxpaye incurred in a single year for re elderly individuals in qualified owned or leased by the taxpay S State Tax Expenditure (m) Denotes a value of less than \$1 million	ers to dedu emoving j d facilitie ver.	uct up to \$ physical b s or public	\$15,000 of expenses arriers to handicap or
<u>2.2.017</u>	Inventory methods and valuation Federal Statute IRC Section 475, 491-492 Description: This provision allows taxpaye determine the cost of goods so State Tax Expenditure (m) Denotes a value of less than \$1 million	old.		e inventory systems to \$ in Millions) 2018 5
<u>2.2.018</u> (m)	Limits on deductible compensation and disal payments Federal Statute IRC Sections 280G, 4999, a Description: Excess parachute payments ar corporate income tax. In the c executive compensation of \$1 corporate income tax. S State Tax Expenditure) Denotes a value of less than \$1 million	and 162(1 re not allo case of pu million o	m) owable dec oblicly hel or less is d	ductions against the d corporations only

2.3 Special Federal Corporate Conformity Provisions

<u>2.3.001</u>	Deferral of gain on like-kind exchanges					
	Federal Statute IRC Section 1031					
	Description: When business or investment property is exchanged for property of a like					
	kind no gain or loss is recognized on the exchange and therefore no tax is paid at the time of the exchange.					
	paid at the time of the excha-	0	l Voore (\$	S in Millions)		
		2016	2017	<u>2018</u>		
	State Tax Expenditure	$\frac{2010}{30}$	$\frac{2017}{30}$	31		
	(m) Denotes a value of less than \$1 million	50	50	51		
<u>2.3.002</u>	Special rules for magazine, paperback boo	ok, and recor	d returns			
	Federal Statute IRC Section 458					
	Description: Publishers and distributors of					
	elect to exclude from gross					
	sale of goods that are return					
				S in Millions)		
		<u>2016</u>	<u>2017</u>	<u>2018</u>		
	State Tax Expenditure	(m)	(m)	(m)		
	(m) Denotes a value of less than \$1 million					
2.3.003	Five-year carryback for net operating loss	es attributab	le to farm	ning		
2.3.003	Federal Statute IRC Section 172	es attributab		<u>nng</u>		
	Description: Current law provides a five-	-vear carryb	ack period	d for losses related to		
	farming. The normal carryb	• •	-			
	State Fiscal Years (\$ in Millions)					
		2016	2017	<u>2018</u>		
	State Tax Expenditure	(m)	(m)	(m)		
	(m) Denotes a value of less than \$1 million					
2.3.004	Special rules for mining reclamation reser	ves				
<u></u>	Federal Statute IRC Section 468 and 127					
	Description: Electing taxpayers may ded		ent value	equivalent of certain		
	estimated future reclamation					
	disposal sites.		0	8		
	× ×	State Fisca	l Years (\$	S in Millions)		
		2016	2017	2018		
	State Tax Expenditure	(m)	(m)	(m)		
	(m) Denotes a value of less than \$1 million					
2.3.005	Cash accounting, other than agriculture					
<u></u>	Federal Statute IRC Sections 446 and 44	8				
	Description: The cash method of account		used by a	ny business taxpayer		
	that is not a tax shelter and t		-			
	categories.			er under speeniee		
		State Fisca	l Years (\$	S in Millions)		
		<u>2016</u>	2017	<u>2018</u>		
	State Tax Expenditure	1	1	1		
	(m) Denotes a value of less than \$1 million	-	-			

<u>2.3.006</u>	 <u>Deferral of gain on non-dealer installment sales</u> Federal Statute IRC Sections 453 and 453A(b) Description: Some taxpayers are allowed to report some sales using the installment method of accounting in which the gross profit from the sale is prorated over the years during which the payments are received. State Fiscal Years (\$ in Millions) 				
	State Tax Expenditure 2016 2017 2018 (m) Denotes a value of less than \$1 million151414				
<u>2.3.007</u>	Completed contract rulesFederal StatuteIRC Section 460Description:Some taxpayers with construction or manufacturing contracts extending for more than one tax year are allowed to report some or all of the profit on the contracts under special accounting rules rather than the normal rules of tax accounting.				
	State Fiscal Years (\$ in Millions)				
	State Tax Expenditure $\frac{2016}{3}$ $\frac{2017}{3}$ $\frac{2018}{3}$				
	State Tax Expenditure333(m) Denotes a value of less than \$1 million333				
<u>2.3.008</u>	Special treatment of employee stock ownership plans (ESOPs) (includes deferral of tax on certain employee stock plans)Federal Statute IRC Sections 401(a)(28), 404(a)(9), 404(k), 415(c)(6), 512(e), 1042, 497(e)(7), 4975(d)(3), 4978, 4979ADescription: ESOPs are provided special tax treatment. Employer contributions may be deducted as a business expense. In addition, some contributions are subject to less restrictive limits than contributions to other employee benefit plans. Tax on qualified employee stock purchase plans are not taxed when granted or excised. Tax is deferred until stock is sold. State Tax ExpenditureState Tax Expenditure (m) Denotes a value of less than \$1 million				
<u>2.3.009</u>	Deferral of capital construction costs of shipping companies Federal Statute IRC Section 7518 Description: U.S. operators of vessels in foreign, or domestic commerce of the U.S., or in U.S. fisheries, may establish a capital construction fund into which they may make certain tax deductible deposits. In addition, the earnings on the deposits are tax deferred. State Fiscal Years (\$ in Millions) 2016 2017 2018 State Tax Expenditure (m) (m) (m)				

2.4 Corporate Apportionment

Discussed below are three issues relating to corporate apportionment that can be considered tax expenditures because they are deviations from the traditional formula of corporate apportionment and result in a benefit to some taxpayers. No estimate of the value of these expenditures is available at this time.

2.4.001 Single-Factor Apportionment

Corporate income earned in Georgia is apportioned using a single-factor apportionment formula. With single-factor apportionment, firms determine state tax liability based solely on the ratio of Georgia receipts to total receipts. The traditional apportionment formula involves the use of three Georgia-total ratios: property, payroll, and receipts. With the three-factor formula, the firm applies a weight of 33.33 percent to each ratio. The single-factor formula benefits firms that have manufacturing presence in one state but significant sales outside of the state. Firms that are located and operate in a single state are not affected by the apportionment formula.

2.4.002 Throwback Rule

Under a throwback rule, out-of-state sales from a corporation are taxed by the state of origin if the corporation has no nexus in the destination state. At least 25 states have a throwback rule. Georgia, North Carolina, Florida, Tennessee, South Carolina, and Virginia do not but Alabama does. An alternative rule is the "throwout rule" which eliminates sales to non-nexus states from both the numerator and denominator of the apportionment formula of a corporation. Georgia does not have a throwout rule.

2.4.003 Corporate Receipts Sourcing

Georgia is among 16 states that apportions multistate corporate income based only on gross receipts, (i.e. a 100-percent sales factor). This creates a destination-based corporate income tax system. Under this approach, corporations pay taxes based on the state in which their products are sold, not where production takes place. This rule applies to the sale of tangible property. When considering apportionment for services provided across state lines, Georgia employs a market-based sourcing rule. At the present, there is no consensus between the states on how to define a "market" for the purpose of implementing this rule but, in general, it means that services will be taxed based on the state in which the customer receives the benefit. The rule is meant to apply a consistent destination-based treatment to services when compared to tangible goods.

	Current	
Expenditure	Statute	Summary
2.4.001	N/A	Single-factor Apportionment
2.4.002	N/A	Throwback Rule
2.4.003	N/A	Corporate Receipts Sourcing

Corporate apportionment expenditures for which an estimate is not currently available

2.5 Georgia Deductions

Corporate income tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
2.5.001	§48-7-21	Interest on obligations of United States
2.5.002	§48-7-21	Exception to intangible expenses and related interest cost
2.5.003	§48-2-100	Exemption for certain disaster relief firms

2.6 Georgia Credits

<u>2.6.001</u>	<u>Georgia Job'</u>	Tax Credit				
	Statute		§48-7-40 and §4	48-7-40.1		
	Year Enacted		§48-7-40: 1989; §48-7-40.1: 1993			
	Year Effective	e	§48-7-40: Taxa	able years	beginning	on or after January 1,
			1990; §48-7-40	.1: Taxabl	le years be	eginning on or after
			January 1, 1994	ŀ.	-	
	Data Source		DOR data as of	2016 and	Office of	Insurance and Safety
			Fire Commission	oner		
	Estimate Relia	ability	Class A			
	Data Reliabili	ty	Class A			
	Note					e income tax section and
			the insurance premium tax sec		x section,	see 1.6.012 and
			5.00200			
	Description:		ovides a statewic			
		·		•		sing and distribution,
						urism, or research and
						ved the credit if located in
			•			Average wages must be
		-			-	state with the lowest
			-	employers	s must off	er health insurance to all
		new employe		(. E 1 X	۲ (۴ :	
			Sta			Millions)
	Т Т Т Г			<u>2016</u>	<u>2017</u>	$\frac{2018}{10}$
	Income Tax E			10 72	10 72	10
		ome Tax Expe		72	73 5	75
	Insurance Premium Tax Expen State Tax Expenditure (m) Denotes a value of less than \$1 millior		penditure	<u>5</u> 87	<u> </u>	$\frac{5}{90}$
			illion	07	00	30
	(iii) Denotes a vala	• • • • • • • • • • • • • • • • • • •				
<u>2.6.002</u>	Quality Jobs	Tax Credit				
	Statute		§48-7-40.17			
	Year Enacted		2009		2	
	Year Effective	e		Taxable years beginning on or after January 1, 2009		
	Data Source	1 .1.	DOR data as of	2016		
	Estimate Relia	•	Class A			
	Data Reliabili	ty	Class A	<i>,</i> .	• 1 1 • 71	. , ,.
	Note					e income tax section see
						s higher than in previous
	Decomintion	This and it is	reports because			
	Description:					ge jobs or relocating h-wage job has 30 hours
						ocated in Georgia; and
						of the county in which
		it is located.	ove 110 percent		uge wage	or the county in which
		10 10 10 caled.				

		State Fiscal Years (\$ in Millions)					
		<u>2016 2017 2018</u>					
	Income Tax Expenditure	1 1 1					
	Corporate Income Tax Ex	xpenditure 48 56 58					
	Insurance Premium Tax H						
	State Tax Expenditure	49 56 58					
	(m) Denotes a value of less than \$1	million					
2.6.003	New Facilities Jobs Cred	lit					
	Statute	§48-7-40.24					
	Year Enacted	2003					
	Year Effective	Latest modifications are effective for taxable years					
		beginning on or after January 1, 2009					
	Data Source	DOR data as of 2016					
	Estimate Reliability	Class A					
	Data Reliability	Class A					
	Note	The same estimate is provided in the income tax section see 1.6.014					
	Description: For busing	ess enterprises that first qualified in a taxable year beginning					
	-	uary 1, 2009, \$450 million in qualified investment property must					
		sed for the project within a six-year period. The manufacturer					
	-	create at a minimum 1,800 new jobs within a six-year period and					
		e credit for up to a maximum of 4,500 jobs. For business					
		s that first qualify in a taxable year beginning on or after January					
	1, 2009, the business enterprise must meet the job creation requ						
	1,800 eligible full-time employees and either the qualified investmen requirement of \$450 million in qualified investment property, or the						
		nt of \$150 million in total annual Georgia W-2 reported payroll					
	within the six-year period. State Fiscal Years (\$ in Millions) <u>2016</u> 2017 2018 Income Tax Expenditure Estimate combined						
	Corporate Income Tax Experiature						
	Insurance Premium Tax H	•					
	State Tax Expenditure	ZAPORARATO					
	(m) Denotes a value of less than \$1	million					
2.6.005	Manufacturer's Investme	ent Tax Credit					
2.0.000	Statute	§§48-7-40.2, 48-7-40.3, and 48-7-40.4					
	Year Enacted	1994					
	Year Effective	Taxable years beginning on or after January 1, 1994					
	Data Source	DOR data as of 2016					
	Estimate Reliability	Class B					
	Data Reliability	Class A					
	Note	The same estimate is provided in the income tax section see					
		1.6.016					
		must invest a minimum of \$50,000 per project per location					
		tax year to receive credit. Eligible taxpayers must be in					
		for the immediately preceding three years. Leased property for a ive years or longer is eligible for the credit.					
	period of I	ive years of longer is engine for the credit.					

	Income Tax Expenditure Corporate Income Tax Expenditu Insurance Premium Tax Expendi State Tax Expenditure (m) Denotes a value of less than \$1 million	
<u>2.6.006</u>	Year Enacted199Year EffectiveTaxData SourceDOEstimate ReliabilityClassData ReliabilityClassNoteThe1.6.	able years beginning on or after January 1, 1996. R data as of 2016 ss A ss A same estimate is provided in the income tax section 017
	manufacturing or have been operati is available for in earlier than Janua	
<u>2.6.007</u>	Year Enacted199Year EffectiveLateafteafteData SourceDOEstimate ReliabilityClassData ReliabilityClassNoteEstimprovDescription:For taxable yearsheadquarters of anwarehousing andbroadcasting, tourshipments out of 0more than 10 percent orunits (TEU's) dur	-7-40.15 8 est modifications apply to taxable years beginning on or r January 1, 2010 R data as of 2016 ss A ss A mate combined with 2.6.008. The same estimate is vided in the income tax section see 1.6.018. beginning before January 1, 2010, businesses or the ny such businesses engaged in manufacturing, distribution, processing, telecommunications, ism, or research and development that have increased Georgia ports during the previous 12-month period by ent over their 1997 base year port traffic, or by more ver 75 net tons, five containers or 10 20-foot equivalent ing the previous 12-month period are qualified for credits or investment tax credits. For taxable years

		comparison	n or after Januar of the previous	•			ding 12-
	month period. State Fiscal Years (\$ in Mil						
			S				
				<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax E	Expenditure		(m)	(m)	(m)	
	Corporate Inc	ome Tax Exp	enditure	6	6	7	
	Insurance Pre			0	0	0	
	State Tax Exp	-		6	7	7	
	(m) Denotes a valu		illion	0	,	1	
2.6.008	Alternative P	ort Activity T	Tax Credit				
	Statute		§48-7-40.15A				
	Year Enacted		2009				
	Year Effective		2009				
	Data Source	C	DOR data as o	f 2016			
		1 .1.		2010			
	Estimate Reli	-	Class A				
	Data Reliabili	ty	Class A				
	Note		Estimate comb	oined with	2.6.007. T	he same estima	te is
			e income t	ax section	see 1.6.019.		
	Description:	prise locate	ed in a tier 2 or	3 county			
	 Description: Credit is allowed to any business enterprise located in a tier 2 or 3 co or in a less developed area and which qualifies and receives the Jobs Credit and which; 1. Consists of a distribution facility of greater than 650,000 square fe operation in this state prior to December 31, 2008; 2. Distributes product to retail stores owned by the same legal entity subsidiaries as such distribution facility; and 3. Has a minimum of eight retail stores in this state in the first year or 						-
							005 144
							ra faat in
							le leet III
							tity or its
							ar of
		operations.	C			2	
	State Fiscal Years (\$ in Millions)						
	Income Tax Expenditure201620172018Corporate Income Tax ExpenditureEstimate combinedwith 2.6.007						
						7	
	Insurance Premium Tax Expenditure State Tax Expenditure						
	(m) Denotes a valu		illion				
<u>2.6.009</u>	<u>Film Tax Cre</u>	edit.					
	Statute		§48-7-40.26				
	Year Enacted		2005				
	Year Effective	a		heginning	on or after	· January 1 200	15
	Data Source		Taxable years beginning on or after January 1, 2005 DOR data as of 2016				
	Estimate Reliability		Class A				
	Data Reliability Note		Class A				
			The same estin	mate is pro	ovided in th	e income tax se	ection see
			1.6.020. Tax c	redit provi	isions appli	icable to qualifi	ed
				-		n companies we	
			modified in 20		1	- I	
	Description	Production			aget \$500 0	00 of qualified	
	Description:		n companies which have at least \$500,000 of qualified res in a state-certified production may claim this credit.				
		-		-	-		
		Certification	must be approv	ed throug	n the Georg	gia Department	10

Economic Development. There are special provisions relating to the tax credits awarded to interactive entertainment companies. Under the 2015 modifications to this provision, interactive entertainment companies are eligible to claim this credit for tax years before January 1, 2019.

State Fiscal Years (\$ in Millions)

	<u>2016</u>	2017	2018
Income Tax Expenditure	199	222	244
Corporate Income Tax Expenditure	139	155	170
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	338	376	414
(m) Denotes a value of less than \$1 million			

	<u>2.6.010</u>	Research Tax Credit
--	----------------	---------------------

Statute	§48-7-40.12
Year Enacted	1997
Year Effective	Taxable years beginning on or after January 1, 1998
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the income tax section see
	1.6.021

Description: This credit is for expenses resulting from research conducted in Georgia by businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. A tax credit is allowed provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986, as amended.

	State Fiscal Years (\$ in Millions		
	<u>2016</u>	2017	<u>2018</u>
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	27	28	30
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	28	29	31
(m) Denotes a value of less than \$1 million			

2.6.011	Seed-Capital	Fund Credit

Statute	\$48-7-40.27 & 40.28
Year Enacted	2008
Year Effective	Applicable to investments made on or after July 1, 2008
Data Source	DOR data as of 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the income tax section see
	1.6.022
Description: This provi	des a tax credit for certain qualified investments made on or
ofter July	1 2008 in a research fund the nurness of which is to provide

after July 1, 2008 in a research fund, the purpose of which is to provide early-stage financing for businesses formed as a result of research conducted in Georgia's research universities.

		S	tate Fiscal	Years (\$ ii	n Millions)		
			2016	2017	2018		
	Income Tax Expenditure		(m)	(m)	(m)		
	Corporate Income Tax Ex	xpenditure	(m)	(m)	(m)		
	Insurance Premium Tax Expenditur		0	0	0		
	State Tax Expenditure		(m)	(m)	(m)		
	(m) Denotes a value of less than \$1	million					
<u>2.6.012</u>	Qualified Health Insuran		<u>t</u>				
	Statute	§48-7-29.13					
	Year Enacted	2008		0			
	Year Effective			on or after	January 1, 2009		
	Data Source	DOR data as c	of 2016				
	Estimate Reliability	Class A					
	Data Reliability	Class A	<i>,</i> .	• 1 1 • 4	· , ,·		
	Note		nate 1s pro	vided in th	e income tax sectior	i see	
	Deceminations Englasses	1.6.023		for a biab	de du stible beslik al	lan	
	Description: Employer					lan.	
					whom the employer by Section 223 of the	•	
	*	•	•		vees are enrolled. Th		
					e to all employees ar		
					it to the applicable	IU	
					e Code. The qualified	d	
					least \$250 annually.		
	nearth hist		tate Fiscal				
			<u>2016</u>	2017	<u>2018</u>		
	Income Tax Expenditure		(m)	$\frac{2017}{(m)}$	(m)		
	Corporate Income Tax Experiature	penditure	(m)	(m) (m)	(m) (m)		
	Insurance Premium Tax Expenditure		0	0	0		
	State Tax Expenditure		(m)	(m)	(m)		
	(m) Denotes a value of less than \$1	million	()	(111)	()		
2.6.014	Qualified Transportation	Credit					
	Statute	§48-7-29.3					
	Year Enacted	1999					
	•		U U	on or after	January 1, 2001		
	Data Source DOR data		of 2016				
	Estimate Reliability	Class A					
	Data Reliability	Class A					
	Note	The same estin 1.6.025	nate is pro	vided in th	e income tax sectior	i see	
	Description: A tax credit provided to employers for the cost of providing any federally						
	qualified transportation benefit to an employee.						
		S	tate Fiscal				
			<u>2016</u>	<u>2017</u>	<u>2018</u>		
	Income Tax Expenditure		(m)	(m)	(m)		
	Corporate Income Tax Ex		(m)	(m)	(m)		
	Insurance Premium Tax I	Expenditure	0	0	0		
	State Tax Expenditure	million	(m)	(m)	(m)		
	(m) Denotes a value of less than \$1	mmon					
<u>2.6.015</u>	Business Enterpris						
----------------	---	---	---	-------------------------	------------------------	------------	
	Statute	*	§48-7-40.22				
	Year Enacted		2001				
	Year Effective			g on or afte	r January 1, 200	2.	
	Data Source		a as of 2016				
	Estimate Reliability						
	Data Reliability	Class A					
	Note	The same 1.6.026	e estimate is pro	ovided in th	ne income tax se	ction see	
	Description: This		a husiness ent	ernrise for	the nurchase of	a motor	
		cle that is used exc					
		der to qualify, a b					
		es an average daily					
		e taxable year.	y meetship of h	ot iess than	Tour employees	101 dil	
	Citti	e taxable year.	State Fiscal	Vears (\$ i	n Millions)		
			<u>2016</u>	$\frac{2017}{2017}$	<u>2018</u>		
	Incomo Toy Evnon	dituro	(m)				
	Income Tax Expend Corporate Income		. ,	(m) (m	(m) (m)		
			(m) 0	(m 0	(m) 0		
	Insurance Premium	-					
	State Tax Expendit (m) Denotes a value of less		(m)	(m)	(m)		
<u>2.6.016</u>	Employer's Credit			care for er	nployees and en	nployer's	
	credit for purchasin						
	Statute	§48-7-40					
	Year Enacted	1994 & 1					
	Year Effective		Credit for cost of operation: taxable years beginning on or after January 1, 1994; Credit for Cost of Qualified Child				
			•				
			perty: taxable y	ears begin	ning on or after.	January	
		1, 2000.					
	Data Source		a as of 2016				
	Estimate Reliability		Class A				
	Data Reliability	Class A					
	Note		The same estimate is provided in the income tax section see				
		1.6.027				11.02 1	
	Description: Tax credit for expenses related to an employer who purchases qualified child care property; and a tax credit for employers who provide or sponsor						
				r employer	rs who provide c	or sponsor	
	child	l care for employed		N 7 (h ·	X (11)		
			State Fiscal	-			
	I T I	11.	<u>2016</u>	<u>2017</u>	<u>2018</u>		
	Income Tax Expend		4	4	4		
	Corporate Income		7	7	7		
	Indurance Dromuum	Tax Expenditure	0	0	0		
	State Tax Expendit		11	11	12		
			11	11	12		
<u>2.6.017</u>	State Tax Expendit (m) Denotes a value of less	s than \$1 million	11	11	12		
<u>2.6.017</u>	State Tax Expendit	s than \$1 million		11	12		
<u>2.6.017</u>	State Tax Expendit (m) Denotes a value of less Low-Income Hous	s than \$1 million ing Credit		11	12		
<u>2.6.017</u>	State Tax Expendit (m) Denotes a value of less Low-Income Hous Statute	s than \$1 million <u>ing Credit</u> \$48-7-29 2000	9.6			1.	
<u>2.6.017</u>	State Tax Expendit (m) Denotes a value of less Low-Income Hous Statute Year Enacted	s than \$1 million <u>ing Credit</u> \$48-7-29 2000 Taxable y	9.6		12 r January 1, 200	1.	
<u>2.6.017</u>	State Tax Expendit (m) Denotes a value of less Low-Income Hous Statute Year Enacted Year Effective	s than \$1 million <u>ing Credit</u> \$48-7-29 2000 Taxable y	9.6 years beginning			1.	

	Estimate Reliability		Class A				
	Data Reliabili	ity	Class A				
	Note			-		he income tax section and	
				remium ta	x section,	, see 1.6.028 and	
			5.00700				
	Description:					taxpayers owning	
						ome Housing tax credit	
		and that are	placed in service		•		
			St	ate Fiscal	Years (\$ i	n Millions)	
				<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax E			64	69	72	
	-	ome Tax Exp		27	29	31	
	Insurance Pre	mium Tax Ex	penditure	101	108	113	
	State Tax Exp			192	206	217	
	(m) Denotes a valu	e of less than \$1 m	illion				
2 (019	III at a site Date	-1:1:4-4:	1.4				
<u>2.6.018</u>	-	abilitation Cre					
	Statute		§48-7-29.8				
	Year Enacted		2002			1 2004	
	Year Effective	e				r January 1, 2004	
	Data Source	- 1- 11:4		2016 and	Fiscal No	ote for H.B. 308 for 2015	
	Estimate Reli	•	Class B Class B				
	Data Reliabili Note	lty		oto ia mnos	ridad in t	ha income tox costion cos	
	Note					he income tax section see in 2015 to allow unused	
	Decomintion	A anadit for	credits to be as				
	Description:					ied structure or historic	
						of Natural Resources allow unused credits to	
					III 2015 IC	allow unused cleans to	
		be assigned	or sold to other t		Voora (\$ i	n Millions)	
			SL	2016	2017	<u>2018</u>	
	Incomo Tor E	Typondituro		4	$\frac{2017}{27}$	2018	
	Income Tax E	ome Tax Exp	anditura	4	4	4	
	·	mium Tax Expo		0	4	4 0	
	State Tax Exp		penditure	5	31	28	
		e of less than \$1 m	illion	5	51	20	
	() =						
<u>2.6.019</u>	Diesel Partic	ulate Emission	n Reduction Tecl	nnology Ed	quipment	Credit	
	Statute		§48-7-40.19				
	Year Enacted		2000				
	Year Effective	e	Taxable years	beginning	on or afte	r January 1, 2001.	
	Data Source		DOR data as of	f 2016			
	Estimate Reli	ability	Class A				
	Data Reliabili	ity	Class A				
	Note		The same estin	nate is prov	vided in tl	he income tax section see	
			1.6.030	_			
	Description:	This is a crea	dit given to any p	berson who	o installs o	diesel particulate emission	i
		reduction eq	uipment at any t	ruck stop,	depot, or	other facility. For	
		purposes of	this credit, diesel	particulat	e emissio	n reduction technology	
		equipment is	s any equipment	that provid	les for hea	at, air conditioning, light,	

or communications for the driver's compartment of a commercial motor vehicle parked at a truck stop, depot, or other facility, the use of which results in the engine being turned off with a corresponding reduction of particulate emissions from such vehicle's diesel engine. State Fiscal Years (\$ in Millions)

	State Fiscal Years (\$ in Millions		
	2016	2017	2018
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	0	0	0
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	0	0	0
(m) Denotes a value of less than \$1 million			

2.6.020	Low - and Zero-emission Vehicle Credit & Electric Vehicle Charger Credit						
	Statute		§48-7-40.16			•	
	Year Enacted		1998				
	Year Effectiv	e	Taxable years	beginning	on or after	r January 1, 199	 €
	Data Source		DOR data as of	f 2016			
	Estimate Reli	ability	Class A				
	Data Reliabil	ity	Class A				
	Note		The same estin	nate is pro	vided in th	e income tax s	ection see
			1.6.031. This c	redit has l	been repeat	led for all vehic	ele
			purchases or le				
	Description:		dit for the purcha				
			is registered in th				
		the conversion of a standard vehicle to a zero- or low-emission vehic					
		addition, the credit applies to the purchase of an electric vehicle charger			charger.		
			St			n Millions)	
				<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax H			30	5	(m)	
	·	come Tax Exp		(m)	(m)	(m)	
		emium Tax Ex	spenditure	0	0		
	State Tax Exp	penditure ie of less than \$1 m	aillion	30	5	(m)	
	(iii) Denotes a van						
<u>2.6.021</u>	Land Conser	vation Credit					
	Statute		§48-7-29.12				
	Year Enacted		2006				
	Year Effectiv	e	Taxable years	0 0	on or after	r January 1, 200)6
	Data Source		DOR data as of	f 2016			
	Estimate Reli	•	Class A				
	Data Reliabil	ity	Class A				
	Note		The same estin	hate is pro	ovided in th	ie income tax s	ection see
	D		1.6.032	1	1.6. 1 1	1	1 .
	Description:		come tax credit f				
			conservation land				
			nodified in 2015				
			der this provision			• •	
		new credit a	pplications will b	<i>accepte</i>		centuer 51, 201	0.

		S	tate Fiscal	Years (\$ ir	n Millions)	
			<u>2016</u>	<u>2017</u>	<u>2018</u>	
	Income Tax Expenditure		19	9	0	
	Corporate Income Tax Ex	-	10	5	0	
	Insurance Premium Tax E	xpenditure	0	0	0	
	State Tax Expenditure (m) Denotes a value of less than \$1	million	29	14	0	
2.6.022	Clean Energy Property &		<u>Credit</u>			
	Statute	§48-7-29.14				
	Year Enacted	2008				
	Year Effective Data Source	July 1, 2008 DOR data as o	$-f_{2016}$			
	Estimate Reliability	Class A	01 2010			
	Data Reliability	Class A Class A				
	Note		mate is pro	vided in th	e income tax sect	ion see
	1000	1.6.033	indie 15 pro	videa in th		
	Description: The Georg					
		0 1			1) investments in	
		-			operty, and 2) the	
					ble biomass facili	ty. The
		gy property tax cr projects, geotherr	· · ·			
					erty tax credit exp	virad on
		-	-		l residuals tax cre	
					learing residues, a	
		not wood from a			iournig residues, e	ina
	peneto, e a		tate Fiscal		n Millions)	
			2016	2017	2018	
	Income Tax Expenditure		1	1	(m)	
	Corporate Income Tax Ex	penditure	(m)	(m)	(m)	
	Insurance Premium Tax E	xpenditure	0	0	0	
	State Tax Expenditure		1	1	(m)	
	(m) Denotes a value of less than \$1	million				
<u>2.6.023</u>	Georgia Employer GED	<u> Fax Credit (previ</u>	ously know	n as the E	mployer's Credit	for
	Basic Skills Education)	840 7 41				
	Statute Norm Excertant	§48-7-41				
	Year Enacted Year Effective	2015 2015				
	Data Source	Fiscal Note fo	т U Р 63 f	or 2015		
	Estimate Reliability	Class A	n 11. D . 03 h	01 2013		
	Data Reliability	Class A				
	Note		mate is pro	vided in th	e income tax sect	ion see
	1.000				es the previous	
					apped at \$1 millio	n in
		aggregate cred	-			
	Description: Allows an				ome tax liability fo	or
		-	nses associa	ted with C	ED attainment of	ť
	employees					

		State Fiscal Years (\$ in Millions)
	Income Tax Expenditure Corporate Income Tax Expendit Insurance Premium Tax Expend State Tax Expenditure (m) Denotes a value of less than \$1 million	diture $0 0 0 1 1 1$
<u>2.6.024</u>	Year Enacted199Year EffectiveLabegData SourceDCEstimate ReliabilityClaData ReliabilityClaNoteTh	.8-7-40.5
	services to their of shall not include packages for wor spreadsheets, e-m operating system providing suppor Income Tax Expenditure Corporate Income Tax Expendit Insurance Premium Tax Expendit State Tax Expenditure	diture $0 0 0 0 35 36 37$
<u>2.6.025</u>	Year Enacted200Year EffectiveTaData SourceDCEstimate ReliabilityClaData ReliabilityClaNoteTh1.6Description:This provides a tscholarship orgatschool or programIncome Tax ExpenditureCorporate Income Tax ExpenditInsurance Premium Tax Expendit	Credit $18-7-29.16$ 008 uxable years beginning on or after January 1, 2008OR data as of 2016 ass A ass A he same estimate is provided in the income tax section see 6.036 6.036 tax credit for donations made by taxpayers to a student mization which are used for tuition and fees for a qualified m.State Fiscal Years (\$ in Millions) $\frac{2016}{34}$ $\frac{2017}{34}$ $\frac{2016}{34}$ $\frac{2017}{34}$ $\frac{2010}{34}$ $\frac{2018}{34}$ iture 12
	State Tax Expenditure (m) Denotes a value of less than \$1 million	47 47 47

2.6.026	<u>Oualified Investor Tax Credit</u>						
	Statute		<u>§</u> 48-7-40.30				
	Year Enacted	2010	•				
	Year Effective	January 1, 20	11: legislati	on modifi	ed in 2013		
	Data Source	DOR data as					
	Estimate Reliability		01 2010				
	Data Reliability	Class A					
	Note		imate is pro	vided in th	ne income tax s	ection see	
		1.6.037	_				
	Geor and i 2018	credit provides a 35 per gia headquartered sma is now available for qu b. The aggregate value ed \$5 million per year.	ll businesse alified inves of credits av	s. The creatments ma	dit was modifie ade in years 20	ed in 2015 11-	
		· ·	State Fiscal	Years (\$ in	n Millions)		
			2016	2017	<u>2018</u>		
	Income Tax Expend	liture	1	2	2		
	Corporate Income 7		(m)	(m)	(m)		
	Insurance Premium		0	0	0		
	State Tax Expenditu		1	2	2		
	(m) Denotes a value of less	than \$1 million					
<u>2.6.027</u>	•••	r Water-Efficient Equip	pment Credi	<u>t</u>			
	Statute	§48-7-40.29					
	Year Enacted	2010					
	Year Effective	-	-	-	year in which		
			funds for this program are made available and received by				
		the state					
	Data Source	DOR data as	of 2016				
	Estimate Reliability						
	Data Reliability	Class A					
	Note	The same est 1.6.038	imate is pro-	vided in th	ne income tax s	ection see	
	Description: This	tax credit applies to ta	xpayers who	o purchase	e energy-efficie	nt and	
		r-conservation equipm					
	-	ent of the cost of the qu	-	-			
		credit is only available			which federal	funds are	
	made	e available to the state					
			State Fiscal	Years (\$ in	n Millions)		
			<u>2016</u>	<u>2017</u>	<u>2018</u>		
	Income Tax Expend		0	0	0		
	Corporate Income 7		0	0	0		
	Insurance Premium		0	0	0		
	State Tax Expenditu (m) Denotes a value of less		0	0	0		
<u>2.6.030</u>	Tax credit for exist	ing business enterprise	s undergoin	g qualifie	d business expa	ansion	
	Statute	§48-7-40.21	-		-		
	Year Enacted	2001					
	Year Effective	Latest modifi	cations are a	applicable	to tax years be	ginning on	
		or after Janu		-	~	-	
			-				

	Data Source Estimate Relia Data Reliabilit Note	•	DOR data as of Class A Class A The same estim 1.6.041		ided in the	e income tax s	ection, see
	Description:	This credit ap within a taxal	•	ses that cre te Fiscal Y 2016			-time jobs
	Income Tax E Corporate Inco Insurance Prei State Tax Exp (m) Denotes a value	ome Tax Expe nium Tax Exp enditure	benditure	Estim	ate combir th 2.6.002		
<u>2.6.031</u>	Statute	purchases of	alternative fuel 1 §48-7-29.18	neavy-duty	or mediur	m-duty vehicle	<u>e</u>
	Year Enacted Year Effective Data Source Estimate Relia Data Reliabilit Note	ability	2014 Taxable year be Fiscal Note for Class B Class A The same estim section, see 1.6	H.B. 404 f	for 2012		come tax
	Description:	vehicle not to medium-duty million in eac fiscal year 20	x credit for the p exceed \$20,000 vehicle. The ag ch fiscal year beg 017. The credit is and before July 3 Sta) or \$12,00 gregate val ginning with applicable	0 in the ca lue of the c th fiscal ye e to purcha	se of an altern credit is limite ear 2016 and e uses made on o	hative fuel ed to \$2.5 ending with
	Income Tax E Corporate Inco Insurance Pren State Tax Exp (m) Denotes a value	ome Tax Expe nium Tax Exp enditure	benditure	$\begin{array}{c}1\\2\\0\\3\end{array}$	1 2 0 3	0 0 0 0	
<u>2.6.032</u>	Bank Tax Cre Statute Year Enacted Year Effective Data Source Estimate Relia Data Reliability Note	bility	 §48-7-29.7 2000 2001 DOR data as of Class A Class A The same estim 1.6.043 		ided in the	e income tax s	ection see
	Description:	income tax li	nancial institutio ability equal to t local governmer	he sum of	the amoun	t of business l	licenses

	State Fiscal Years (\$ in Millions)		
	2016	2017	<u>2018</u>
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	14	15	15
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure (m) Denotes a value of less than \$1 million	15	16	16

2.6.033

Employer tax credit for hiring qualified parolees

Statute	§48-7-40.31
Year Enacted	2016
Year Effective	2016
Data Source	Fiscal Note for H.B. 828 for 2016
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax
	section, see 1.6.044

Description: For the period beginning on or after January 1, 2017, and before January 1, 2020, an employer that employs a qualified parolee in a full-time job for at least 40 weeks during a 12-month period shall be eligible for an income tax credit in the amount of \$2,500 per year for each qualified parolee.

	State Fiscal Years (\$ in Millions)			
	<u>2016</u>	2017	2018	
Income Tax Expenditure	0	0	(m)	
Corporate Income Tax Expenditure	0	0	1	
Insurance Premium Tax Expenditure	0	0	0	
State Tax Expenditure	0	0	1	
(m) Denotes a value of less than \$1 million				

2.6.034 Income Tax Credit for Contributions to Rural Health Care Organizations

Statute	§48-7-29.20
Year Enacted	2016
Year Effective	2017
Data Source	Fiscal Note for LC 28 7806ER for 2016
Estimate Reliability	Class B
Data Reliability	Class B
Note	The same estimate is provided in the corporate income tax
	section, see 1.6.045

Description: An individual taxpayer shall be allowed an income tax credit equal to a maximum of \$2,500 for an individual filing a single return or \$5,000 for joint returns. A corporation or other entity shall be allowed an income tax credit equal to a maximum of 75 percent of the corporation's income tax liability. Aggregate amount of credits cannot exceed \$50 million in 2017, \$60 million in 2018 and \$70 million in 2019. The provision is no longer effective for tax years after 2019.

	State Fiscal	Years (\$ i	n Millions)
	2016	2017	<u>2018</u>
Income Tax Expenditure	0	0	1
Corporate Income Tax Expenditure	0	0	1
Insurance Premium Tax Expenditure	0	0	0
State Tax Expenditure	0	0	2
(m) Denotes a value of less than \$1 million			

Corporate income tax credits for which an estimate is not currently available

Expenditure	Statute	Summary
2.6.004	§48-7-40.25	New Manufacturing Facilities Property Credit
2.6.028	§48-7-40.10	Tax credit for water conservation facilities and qualified water conservation investment property
2.6.029	§48-7-40.11	Tax credit for shift from groundwater usage

3. Corporate Net Worth Tax

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

The tax is administered by the Georgia DOR. Revenues from this tax totaled \$46 million in FY 2015. All revenues from this tax are deposited into the State General Fund.

Corporate net worth tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
3.001	§48-13-72	Exemption for nonprofit corporations
3.002	§48-13-72	Exemptions from the Net Worth Tax

4. Sales and Use Tax

The sales and use tax was first enacted in Georgia in 1951 at a rate of 3 percent. The rate was increased to its current rate of 4 percent in 1989. The sales tax base consists of retail sales, leases, rentals, use or consumption of tangible personal property. In addition to the state sales tax, local governments are authorized to impose a 1 to 3 percent sales tax with a few exceptions. The local sales taxes in most counties consist of a combination of a Local Option Sales Tax (LOST), Special Purpose Local Option Sales Tax (SPLOST) and/or an Educational Special Purpose Local Option Sales Tax (E-SPLOST). In addition, Atlanta also levies another 1 percent sales tax to cover expenses related to sewer repairs and two counties levy a Homestead Option Sales Tax (TSPLOST) beginning January 1, 2013.

In general, the local tax base is consistent with the state sales tax base; the major exception being food for home consumption which is included in the local sales tax base, but not in the state base. The sales tax is remitted to the Georgia DOR by the retailer. The use tax is remitted by the consumer in cases where the retailer does not collect and remit sales tax.

For purposes of this report, the base of taxation for the sales and use tax is defined to include mainly tangible personal property. For example, food for home consumption consists of tangible property that is not included in the sales tax base at the state level and is listed as a state sales tax exemption. On the other hand, all or most services are also excluded from the state and local tax base. This report provides estimates of some services that are indirectly exempt from the sales tax. Lastly, this report identifies each sales tax expenditure used as a business input. This designation allows the reader to distinguish between tax expenditures that are provided for reasons of reducing economic distortions and those provided on the basis of more societal reasons, while still providing a comprehensive list of all statutory exemptions.

The tax is administered by the Georgia DOR. In FY 2015 the state sales and use tax generated \$5.4 billion and accounted for approximately 29 percent of state tax revenues. All proceeds from the state sales and use tax net of the vendor commission are deposited into the State General Fund.

<u>4.00400</u>	Sales of transportation furr public transit authorities	nished by a county or municipal public transit system or
	Statute	§48-8-3(4)
	Year Enacted	1968
	Year Effective	1968
	Data Source	National Transit Database
	Estimate Reliability	Class B

	public transit counties, mu	Class A Estimate combined with 4.00500 nties and municipalities arising out of their operation of any facility and sales by public transit authorities or charges by nicipalities, or public transit authorities for the transportation supon their conveyances. State Fiscal Years (\$ in Millions) $\frac{2016}{9} \frac{2017}{10} \frac{2018}{10}$ illion
<u>4.00500</u>	Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Fares and cha	$\frac{\text{hished by an approved and authorized urban transit system}{\$48-8-3(5)}$ 1970 1970 National Transit Database Class A Class A Estimate combined with 4.00400 arges, except charges for charter or sightseeing service, an urban transit system for the transportation of passengers. State Fiscal Years (\$ in Millions) <u>2016</u> 2017 2018 Estimate combined with 4.00400 illion
<u>4.00600</u>	Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	ority created by Georgia law§48-8-3(6)19761976Georgia Office of Planning and Budget and IRS Form 990DataClass BClass BEstimate combined with 4.00700nospital authority created by Article 4 of Chapter 7 of Title 31.State Fiscal Years (\$ in Millions) 2016 2017 2018 Estimate combined with 4.00700
<u>4.00610</u>		ority created by Georgia law §48-8-3(6.1) 1999 1999 Georgia Department of Community Affairs and the American Community Survey Class C Class A

Note

Description:	Sales to any	housing authority	created by Article	1 of Chapter 3 of Title 8.

	Description: Sales to any n	iousing uuno	State Fiscal		
			2016	2017	<u>2018</u>
	State Tax Expenditure		$\frac{2010}{2}$	$\frac{2017}{2}$	2
	Local Tax Expenditure		$\frac{2}{2}$	$\frac{2}{2}$	$\frac{2}{2}$
	(m) Denotes a value of less than \$1 mi	llion	2	2	2
<u>4.00620</u>	Sales to local government a	uthorities cre	ated on or aft	er January	1, 1980 for the
	principal purpose of constru	ucting, ownin	g, or operatin	g a colisei	um and related facilities
	Statute	§48-8-3(6.2))		
	Year Enacted	2002			
	Year Effective	2002			
	Data Source	. .	partment of C	ommunity	Affairs
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	Note				
	Description: Sales to local	government	authorities cre	eated on or	r after January 1, 1980
			f constructing	, owning,	or operating a coliseum
	and related fac	cilities			
			State Fiscal	-	
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		2	2	1
	Local Tax Expenditure		1	1	(m)
	(m) Denotes a value of less than \$1 mi	llion			
4.00630	Sales to any agricultural con	mmission cre	ated by the D	epartment	of Agriculture
1000000	Statute	§48-8-3(6.3)		opurtinent	orrighteuture
	Year Enacted	2002	/		
	Year Effective	2002			
	Data Source		partment of A	griculture	and the Georgia Office
		of Planning		0	0
	Estimate Reliability	Class C	e		
	Data Reliability	Class C			
	Note				
	Description: Sales to any a	gricultural co	mmission cre	ated by th	e Department of
	Agriculture.				
			State Fiscal	Years (\$ i	n Millions)
			<u>2016</u>	2017	<u>2018</u>
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1 mi	llion			
4.00700	Sales of tangible personal p	roperty and s	ervices to an	annroved	nursing home innatient
4.00700	hospice, general hospital or				v i
	function.	<u>mentur nosp</u>			<u>ing in the doutiont</u>
	Statute	§48-8-3(7)			
	Year Enacted	1971			
	Year Effective	1971			
	Data Source		or 2009 and IF	RS Form 9	90 data
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	····· · ······························				

		e, inpatient hosp cally in the treatn S	operty and s ice, general nent function	services to hospital (on and use	or mental hospita	al when
<u>4.00705</u>	Sales of tangible personal			lth center	established and	receiving
	funds pursuant to the U.S.	Public Health Se	ervice Act			
	Statute	§48-8-3(7.05)				
	Year Enacted	2015				
	Year Effective	2015		~ ~		
	Data Source	Fiscal Note for	r HB 426/L	C 34 452	7 for 2015	
	Estimate Reliability	Class C				
	Data Reliability	Class B			010 and using to t	
	Note				2010 and reinstat	
		2015. This pro 2018.	vision is sc	inequied to	o expire on June	30,
	Description: Sales of tang		nerty to a	non-profit	health center	
		and receiving fur				Service
	Act.	and receiving fur	lus pursuun		.o. i done i lean	berviee
		S	tate Fiscal	Years (\$ i	n Millions)	
			2016	2017	2018	
	State Tax Expenditure		1	1	1	
	Local Tax Expenditure (m) Denotes a value of less than \$1 r	nillion	(m)	1	1	
<u>4.00710</u>	Sales of tangible personal					se
	primary function is to pro- Statute	§48-8-3(7.1)	ersons with	<u>i interiecti</u>	tai disadinues	
	Year Enacted	2001				
	Year Effective	2001				
	Data Source		c Census ar	nd Americ	an Community S	Survey
	Estimate Reliability	Class C				, en l'eg
	Data Reliability	Class A				
	Note					
	Description: Sales of tang	gible personal pro	perty and s	services to	a nonprofit orga	anization,
	the primary	function of which	n is the pro	vision of s	services to person	ns with
		lisabilities, when				
		ternal Revenue C			xemption determ	ination
	letter from the	he State Revenue				
		S			n Millions)	
			<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure		2	2	2	
	Local Tax Expenditure (m) Denotes a value of less than \$1 r	nillion	1	1	1	
	(in) Denotes a value of 1655 tridii \$11	minon				

<u>4.00720</u>	Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	of the Daughters of the American Revolution §48-8-3(7.2) 2002 2002 IRS 990 Form Data Class C Class C gible personal property or services to any chapter of the	
	is tax exemp	the Society of the Daughters of the American Revolution wh pt under IRS Code Section $501(c)(3)$ and obtains an exempt on letter from the State Revenue Commissioner.	
	determinatio	State Fiscal Years (\$ in Millions)	
		<u>2016 2017 2018</u>	
	State Tax Expenditure	(m) (m) (m)	
	Local Tax Expenditure	(m) (m) (m)	
	(m) Denotes a value of less than \$1	million	
<u>4.00730</u>		and services to a nonprofit volunteer health clinic primarily	<u>y</u>
	Statute	below 200 percent of the poverty level	
	Year Enacted	§48-8-3(7.3) 2015	
	Year Effective	2015	
	Data Source	Fiscal Note for HB 426/LC 34 4527 for 2015	
	Estimate Reliability	Class C	
	Data Reliability	Class C	
	Note	This exemption was eliminated in 2010 and reinstated in 2015. This provision is scheduled to expire on June 30, 2018.	
	health clinic	gible personal property and services to a nonprofit voluntee c primarily treating patients with incomes below 200 percen level and when the item sold is used exclusively for general	t of
		State Fiscal Years (\$ in Millions)	
		<u>2016</u> <u>2017</u> <u>2018</u>	
	State Tax Expenditure	1 1 1	
	(m) Denotes a value of less than \$1	1 1 1 million	
<u>4.00800</u>	Sales of tangible personal its educational units	l property and services to the University System of Georgia	<u>and</u>
	Statute	§48-8-3(8)	
	Year Enacted	1963	
	Year Effective	1963	
	Data Source	University System of Georgia Annual Financial Report	
	Estimate Reliability	Class B	
	Data Reliability Note	Class A Estimate combined with 4.00900	
		gible personal property and services to the University Syste	m of
	_	l its educational units.	

		5	State Fiscal	Years (\$ i	n Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		39	41	43
	Local Tax Expenditure (m) Denotes a value of less than \$1 mi	11.00	27	28	30
	(iii) Denotes a value of less than \$1 iii	liiioli			
<u>4.00900</u>	Sale of tangible personal pr	coperty and serv	vices used e	xclusively	v in the educational
	function of an approved pri	vate college or	university	located in	Georgia in which the
	credits are accepted by the	University Syst	em of Geor	rgia	
	Statute	§48-8-3(9)			
	Year Enacted	1966			
	Year Effective	1966			
	Data Source		stem of Geo	orgia Annı	ual Financial Report
	Estimate Reliability	Class C			
	Data Reliability	Class C			
	Note	Estimate com			
	Description: Sales of tangi				
			I I		ge or university located in
	Georgia whos				sity System of Georgia.
		2			in Millions)
	State Tex Expanditure	т	<u>2016</u> Estimata ao	<u>2017</u>	<u>2018</u> ith 4.00800
	State Tax Expenditure Local Tax Expenditure	I		indineu wi	101 4.00800
	(m) Denotes a value of less than \$1 mi	illion			
<u>4.01000</u>	Sales of tangible personal p				
	function of an approved pri		y or second	ary school	<u>l</u>
	Statute	§48-8-3(10)			
	Year Enacted	1968			
	Year Effective	1968		71 /	
	Data Source				Statistics and the Georgia
	Estimata Daliahility	Department of Class C	e Education		
	Estimate Reliability Data Reliability	Class C Class C			
	Note	Class C			
	Description: Sales of tangi	ble personal pr	onerty and	services us	sed exclusively in the
					entary or secondary
	school.	1	1 1		5
		S	State Fiscal	Years (\$ i	n Millions)
			2016	2017	<u>2018</u>
	State Tax Expenditure		3	3	3
	Local Tax Expenditure		2	2	2
	(m) Denotes a value of less than \$1 mi	illion			
4.01100	Sale of tangible personal pr	operty or servio	ces to. and	the purcha	se of tangible personal
	property or services by any				
	Statute	§48-8-3(11)			
	Year Enacted	1968			
	Year Effective	1968			
	Data Source	Fiscal Note fo	or HB 445/L	C 34 457	1S for 2015
	Estimate Reliability	Class A			
	Data Reliability	Class A			

Note

	Note				
	Description: Sales of tar				-
					cational or cultural
			·		01(c)(3) of the Internal
	Revenue C	ode; (B) Furnishes	s at least 50) percent o	f its programs through
	universities	s and other institut	ions of hig	her educat	ion in support of their
	educationa	l programs; (C) Is	paid for by	y governme	ent funds of a foreign
	country; an	nd (D) Is an instrur	nentality, a	igency, dep	partment, or branch of a
	foreign gov	vernment operating	g through a	permanen	t location in this state.
		S	tate Fiscal	Years (\$ i	n Millions)
			2016	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1	million			
<u>4.01200</u>	School lunches sold and	served to pupils a	nd employe	es of publ	ic schools
	Statute	§48-8-3(12)			
	Year Enacted	1953			
	Year Effective	1953			
	Data Source	Georgia Schoo	ol Nutrition	Associati	on and the Georgia
		Department of	Education		-
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	Note				
	Description: Food, food		-	od sold and	d served to pupils and
	employees	of public schools.			
		S			n Millions)
	a m n "		<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		7	7	7
	(m) Denotes a value of less than \$1	million	5	5	5
	(iii) Denotes a value of less than \$1	minon			
<u>4.01300</u>	School lunches sold and		nd employe	es of appr	oved private schools
	Statute	§48-8-3(13)			
	Year Enacted	1967			
	Year Effective	1967			
	Data Source	U			on and the National
		Center of Edu	cation Stati	stics	
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	Note				
	Description: Food, food				
	employees	of approved priva			
		S			n Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		1	(m)	(m)
	Local Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1	million			
<u>4.01400</u>	Sales of art and other art	ifacts for display of	or exhibitio	n to museu	ims
	Statute	§48-8-3(14)			
	Year Enacted	1973			

	Year Effective	1973
	Data Source	U.S. Economic Census and IRS Form 990 data
	Estimate Reliability	Class C
	Data Reliability	Class B
	Note	
		and anthropological, archeological, geological, horticultural, or
		bjects or artifacts and other similar tangible personal property to
		e by any museum or organization which is tax exempt under
		c)(3) of the Internal Revenue Code of such tangible personal
		display or exhibition in a museum within this state.
	property for	State Fiscal Years (\$ in Millions)
		$\frac{2016}{2017}$ $\frac{2017}{2018}$
	State Tax Expenditure	(m) (m) (m)
	Local Tax Expenditure	(m) (m) (m)
	(m) Denotes a value of less than \$1 n	nillion
<u>4.01500</u>	Specific fundraising sales	by any religious institution lasting no more than 30 days in a
4.01500		religious paper when the paper is owned and operated by the
	religious institution	rengious puper when the puper is owned and operated by the
	Statute	§48-8-3(15B)
	Year Enacted	1953
	Year Effective	1953
	Data Source	The National Center for Charitable Statistics
		Class C
	Estimate Reliability	
	Data Reliability	Class B
	Note	
		religious paper in this state when the paper is owned and
	operated by	religious institutions or denominations and no part of the net
	operated by profit from t	religious institutions or denominations and no part of the net he operation of the institution or denomination inures to the
	operated by profit from the benefit of an	religious institutions or denominations and no part of the net he operation of the institution or denomination inures to the y private person. When the number of days upon which the
	operated by profit from the benefit of an	religious institutions or denominations and no part of the net he operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year.
	operated by profit from the benefit of an	religious institutions or denominations and no part of the net he operation of the institution or denomination inures to the y private person. When the number of days upon which the
	operated by profit from the benefit of an	religious institutions or denominations and no part of the net he operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year.
	operated by a profit from the benefit of an fundraising a	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) 2016 2017 2018
	operated by a profit from th benefit of an fundraising a State Tax Expenditure	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$
	operated by a profit from the benefit of an fundraising a	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the ty private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) (m)
	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) (m)
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m Sales of pipe organs or stee	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million million
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the sy private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million hillion
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million million weple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the sy private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million hillion
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million million weple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or stee</u> Statute Year Enacted Year Effective	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the ty private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) (m) nillion septe bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted Year Effective Data Source Estimate Reliability	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) million meple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 The Atlanta Chapter for The American Guild of Organists
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted Year Effective Data Source	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million (m) (m) (m) (m) nillion we ple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 2001 The Atlanta Chapter for The American Guild of Organists Class C
<u>4.01510</u>	operated by a profit from the benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or stee</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the ty private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million (m) (m) (m) nillion eple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 The Atlanta Chapter for The American Guild of Organists Class C Class C
<u>4.01510</u>	operated by a profit from the benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or stee</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ million (m) (m) (m) (m) nillion we ple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 2001 The Atlanta Chapter for The American Guild of Organists Class C
<u>4.01510</u>	operated by a profit from the benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or stee</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the ty private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) (m) nillion septe bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 The Atlanta Chapter for The American Guild of Organists Class C Class C e organs or steepte bells to any church qualifying as a nonprofit. State Fiscal Years (\$ in Millions)
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of pipe	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the sy private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) (m) nillion septe bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 The Atlanta Chapter for The American Guild of Organists Class C Class C e organs or steepte bells to any church qualifying as a nonprofit. State Fiscal Years (\$ in Millions) <u>2016</u> 2017 2018
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of pipe	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the sy private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ nillion eeple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 2001 The Atlanta Chapter for The American Guild of Organists Class C Class C e organs or steeple bells to any church qualifying as a nonprofit. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$
<u>4.01510</u>	operated by a profit from th benefit of an fundraising a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sales of pipe organs or ste</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of pipe	religious institutions or denominations and no part of the net the operation of the institution or denomination inures to the y private person. When the number of days upon which the activity occurs does not exceed 30 in any calendar year. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m) nillion teple bells to any church qualifying as a nonprofit \$48-8-3(15.1) 2001 2001 2001 The Atlanta Chapter for The American Guild of Organists Class C class C to organs or steeple bells to any church qualifying as a nonprofit. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ (m) (m) (m)

4.01700

Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce Statute §48-8-3(17) Year Enacted 1951 Year Effective 1951 Data Source U.S. Energy Information Administration, U.S. Department of Energy **Estimate Reliability** Class B Data Reliability Class A Note **Description:** Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce. State Fiscal Years (\$ in Millions) 2016 2017 2018 17 18 19 State Tax Expenditure Local Tax Expenditure 12 12 13 (m) Denotes a value of less than \$1 million 4.02000 Water delivered through water mains, lines, or pipes Statute §48-8-3(20) Year Enacted 1966 Year Effective 1966 Data Source U.S. Bureau of Labor Statistics, Consumer Expenditure Survey **Estimate Reliability** Class C Data Reliability Class C Note **Description:** The sale of water delivered to consumers through water mains, lines, or pipes. State Fiscal Years (\$ in Millions) 2016 2017 2018 State Tax Expenditure 63 65 68 Local Tax Expenditure 47 49 51 (m) Denotes a value of less than \$1 million Professional, insurance or personal service transactions which involve sales as 4.02200 inconsequential elements for which no separate charge is made Statute §48-8-3(22) Year Enacted 1951 Year Effective 1951 Data Source U.S. Census Bureau Economic Census **Estimate Reliability** Class C Data Reliability Class C Note **Description:** Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made. State Fiscal Years (\$ in Millions) 2016 2017 2018 See expenditure estimates State Tax Expenditure Local Tax Expenditure for services (4.50003, 4.50010, 4.50011) (m) Denotes a value of less than \$1 million

4.02300	Repair services when a ser	parate charge is made to the customer
	Statute	§48-8-3(23)
	Year Enacted	1951
	Year Effective	1951
	Data Source	US Economic Census
	Estimate Reliability	Class C
	Data Reliability	Class C
	Note	
	Description: Repair service	es when a separate charge is made to the customer.
		State Fiscal Years (\$ in Millions)
		2016 2017 2018
	State Tax Expenditure	See expenditure estimates
	Local Tax Expenditure	for Services (4.50003, 4.50010, 4.50011)
	(m) Denotes a value of less than \$1 m	illion
4.02400	Rental of videotape or film	to persons charging admission to view the tape or film
	Statute	§48-8-3(24)
	Year Enacted	1989
	Year Effective	1989
	Data Source	US Economic Census and Nash Information Services Box
		Office Data
	Estimate Reliability	Class C
	Data Reliability	Class C
	Note	
	Description: Rental of vid	eotape or film to persons charging admission to view the tape
	or film.	
		State Fiscal Years (\$ in Millions)
		<u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure	7 7 7
	Local Tax Expenditure	5 5 5
	(m) Denotes a value of less than \$1 m	illion
4.03000	Vehicles purchased by ser	vice-connected disabled veterans when the U.S. Dept. of
		a grant to purchase and specially adapted the vehicle
	Statute	§48-8-3(30)
	Year Enacted	1972
	Year Effective	1972
	Data Source	The Department of Veteran Affairs
	Estimate Reliability	Class B
	Data Reliability	Class B
	Note	
	Description: The sale of a	vehicle to a service-connected disabled veteran when the
	veteran recei	ved a grant from the United States Department of Veterans
	Affairs to pu	rchase and specially adapt the vehicle to the veteran's
	disability.	
		State Fiscal Years (\$ in Millions)
		<u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure	(m) (m) (m)
	Local Tax Expenditure	(m) (m) (m)
	(m) Denotes a value of less than \$1 m	illion

<u>4.03420</u>	Machinery and equipment	used directly to	remanufac	ture certai	n aircraft engines or
	aircraft engine parts				
	Statute	§48-8-3(34.2)			
	Year Enacted	1996			
	Year Effective	1996			
	Data Source	Fiscal Note for	· HB 933/L	LC 40 0540	0 for 2014 and The Federal
		Trade Commis	sion		
	Estimate Reliability	Class B			
	Data Reliability	Class A			
	Note				
	e				facture certain aircraft a remanufacturing
	facility.	a		TZ (b :	
		S			n Millions)
	~		<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1 m	nillion	(m)	(m)	(m)
<u>4.03600</u>	Machinery and equipment eliminating air and water p		for the pr	imary purp	pose of reducing or
	Statute	§48-8-3(36)			
	Year Enacted	1972			
	Year Effective	1972			
	Data Source	Fiscal Note for	• HB 445 I	C 40 4571	IS for 2015
	Estimate Reliability	Class A			15 101 2015
	Data Reliability	Class A			
	Note	Clubb II			
	Description: Machinery an	nd equipment or	anv renair	or replace	ment component used in
					liminating air and water
	pollution.	the printery purp			and water
	politition.	S	tate Fiscal	Years (\$ i	n Millions)
			2016	2017	2018
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1 m	nillion			
<u>4.03800</u>	Sale of tangible personal p 4-H center	property and fees	and charge	es for serv	ices by the Rock Eagle
	Statute	§48-8-3(38)			
	Year Enacted	• • • •			
	Year Effective	1976 1976			
	Data Source	Fiscal Note for	11D 445/I	C 24 457	18 for 2015
		Class C	пD 443/L	C 54 457	15 101 2013
	Estimate Reliability				
	Data Reliability Note	Class C			
		bla norganal near	orty and f	one and ch	argas for sarvises by the
	Description: Sale of tangil Rock Eagle 4		Jerry and I	ees and ch	arges for services by the
	ROCK Lagie 4	+-11 CEIIIEL.			

	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m		ate Fiscal <u>2016</u> (m) (m)	Years (\$ i 2017 (m) (m)	n Millions) 2 <u>018</u> (m) (m)	
<u>4.03900</u>	<u>Certain sales by a public or</u> <u>and tickets for admission to</u> Statute Year Enacted Year Effective Data Source Estimate Reliability	school functions §48-8-3(39) 1994 1994 Georgia Depart the National Hig Class C	ment of E	ducation, 1	IRS Form 990 data, a	
	Data Reliability Note Description: Sales by any					
	kindergarten through 12 of tangible property, concessions, or tickets for admission to a school event or function, provided that the net proceeds from such sales are used solely for the benefit of such school or its students.					
		Sta	<u>2016</u>	2017	n Millions) <u>2018</u>	
	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 mi	illion	2 2	2 2	2 2	
<u>4.04000</u>	Sale of major components of Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	§48-8-3(40) 1965 1965 USASpending.g Class C Class B	gov and th	e U.S. Eco	onomic Census	issiles
	Description: Sale of major vehicles, or n	-	epair parts	sinstalled	in military aircraft,	
	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m		ate Fiscal <u>2016</u> 46 32	Years (\$ i <u>2017</u> 48 33	n Millions) <u>2018</u> 59 39	
<u>4.04100</u>	Sale of tangible personal pro- child-placing agency, or ma Statute Year Enacted Year Effective Data Source Estimate Reliability	· ·		onprofit ch	ild-caring institution	<u>.</u>

Description:	Sales of tangible personal property and services to a child-caring institution
···· I	as defined in paragraph (1) of Code Section 49-5-3; a child-placing agency
	as defined in paragraph (2) of Code Section 49-5-3, or maternity home as
	defined in paragraph (14) of Code Section 49-5-3, when such institution,
	agency, or home is engaged primarily in providing child services and is a
	non-profit, tax-exempt organization under Section 501(c)(3) of the IRS
	revenue code. Also includes sales from certain Fundraising activities
	(limited to 30 days per year)

	State Fiscal	l Years (\$	in Millions)
	2016	2017	2018
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1
(m) Denotes a value of less than \$1 million			

<u>4.04600</u>	Sale of tangible personal	property or taxable services to nonprofit blood banks		
	Statute	§48-8-3(46)		
	Year Enacted	1980		
	Year Effective	1980		
	Data Source	U.S. Economic Census and IRS 990 Form Data		
	Estimate Reliability	Class C		
	Data Reliability	Class B		
	Note			
	Description: Sale to certa	ain blood banks having a nonprofit status according to Section		
	-	f the IRS revenue code.		
		State Fiscal Years (\$ in Millions)		
		<u>2016</u> <u>2017</u> <u>2018</u>		
	State Tax Expenditure			
	Local Tax Expenditure	1 1 1		
	(m) Denotes a value of less than \$1	million		
<u>4.04700</u>		y prescription, prescription glasses, contact lenses, contact		
	lens samples and sales or use of certain controlled substances or dangerous drugs			
	Statute	§48-8-3(47)		
	Year Enacted	1984		
	Year Effective	1985		
	Data Source	State Health Expenditures from the Centers for Medicare		
		and Medicaid Services		
	Estimate Reliability	Class B		
	Data Reliability	Class B		
	Note			
		of drugs that are lawfully dispensable only by prescription for		
		nt of natural persons; prescription eyeglasses and contact		
		cription contact lens samples; drugs dispensable by prescription		
		ment of natural persons without charge to physicians,		
	-	tc. by pharmaceutical manufacturers or distributors; drugs and		
		dical equipment dispensed or distributed without charge solely		
		oses of a clinical trial approved by the FDA or an institutional		
		d. Note: This exemption does not include over-the-counter		
	drugs, drugs	s sold for animal use, or non-prescription eyeglasses.		

	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 mi		State Fiscal <u>2016</u> 397 295	Years (\$ i 2017 422 313	n Millions) <u>2018</u> 453 336
<u>4.04800</u>	Sale of crab bait to licensed Statute Year Enacted Year Effective Data Source	\$48-8-3(48) 1985 1985 Georgia Depar Economic Cer	rtment of N	latural Res	ources and the U.S.
	Estimate Reliability Data Reliability	Class C Class C			
	Note Description: Sale of crab b	ait to licensed o	commercial	fishermar	1.
	r		State Fiscal	Years (\$ i	n Millions)
	State Tex Expanditure		$\frac{2016}{m}$	$\frac{2017}{(m)}$	$\frac{2018}{(m)}$
	State Tax Expenditure Local Tax Expenditure		(m) (m)	(m) (m)	(m) (m)
	(m) Denotes a value of less than \$1 mi	llion	(III)	(111)	(111)
4.05000	Sales of insulin syringes an	d blood glucos	e level mea	suring stri	ns dispensed without a
4.05000	prescription			sunng sun	ps dispensed without a
	Statute	§48-8-3(50)			
	Year Enacted	1986			
	Year Effective	1986 The Contour fo	D'	7 1	1 Decement (in a second state
	Data Source	Medical Exper			d Prevention and the
	Estimate Reliability	Class C	nunuies i a	liei Suivey	
	Data Reliability	Class C			
	Note		differs fron	n the previ	ous years report due to
		new data	• • • • • •		
	Description: Sale of blood				ulin syringes and blood
	•	• •			t a prescription.
	C				n Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		25	27 19	28 20
	(m) Denotes a value of less than \$1 mi	llion	18	19	20
4 05100	Sala of ovugan whan prace	ribad by a liaan	and physici	0.7	
<u>4.05100</u>	Sale of oxygen when prescr Statute	§48-8-3(51)	seu physici		
	Year Enacted	1986			
	Year Effective	1986			
	Data Source				evey and The Department
	Estimate Dallahilita	of Health and	Human Ser	vices	
	Estimate Reliability Data Reliability	Class C Class A			
	Note	Class A			
	Description: Sale of oxyge	n when prescril	bed by a lic	ensed phy	sician.

<u>4.05200</u>	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 mi <u>Sale or use of hearing aids</u> Statute Year Enacted Year Effective Data Source	illion §48-8-3(52) 1986 1986	State Fiscal 2016 1 (m)	2017 1 (m)	n Millions) <u>2018</u> 1 (m) and Healthy Hearing
		Review		ci bui vey i	and fielding fielding
	Estimate Reliability Data Reliability Note	Class A Class B			
	Description: Exempts the s		~ ~	-	
			State Fiscal	Years (\$ 11 2017	1000000000000000000000000000000000000
	State Tax Expenditure		$\frac{2016}{5}$	<u>2017</u> 6	<u>2018</u> 6
	Local Tax Expenditure		4	4	4
	(m) Denotes a value of less than \$1 mi	illion			
<u>4.05300</u>	<u>Transactions where food st</u> payment	amps or WIC o	coupons are t	used as the	e method of payment of
	Statute	§48-8-3(53)			
	Year Enacted	1986			
	Year Effective	1987			
	Data Source	Agriculture	d Nutrition S	Service and	the U.S. Department of
	Estimate Reliability Data Reliability Note	Class B Class A			
	Description: Sales tax is no coupons.	ot applied on it	ems purchas	ed using f	ood stamps or WIC
	-		State Fiscal	Years (\$ in	n Millions)
				2017	<u>2018</u>
	State Tax Expenditure		116	115	115
	(m) Denotes a value of less than \$1 mi	illion	87	86	86
<u>4.05400</u>	Sale or use of any durable physician	medical equipr	nent or prost	hetic devi	ce prescribed by a
	Statute	§48-8-3(54)			
	Year Enacted	1992			
	Year Effective	1993			
	Data Source			-	enditures and the
		Medical Expe	enditure Pane	el Survey	
	Estimate Reliability	Class B			
	Data Reliability	Class A			
	Note Description: Sale or use of	any durable w	nedical equin	ment or p	rosthetic device
	prescribed by		icuicai equip	ment of p	
	presented by	- Physician.			

<u>4.05500</u>	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sale of Georgia lottery tick</u> Statute Year Enacted Year Effective	illion	State Fiscal <u>2016</u> 34 25	Years (\$ i <u>2017</u> <u>35</u> <u>26</u>	n Millions) <u>2018</u> 36 27
	Data Source	Georgia Lotter	ry Commis	sion Annu	al Report
	Estimate Reliability Data Reliability Note	Class A Class A			
	Description: Sale of lottery				
		S			n Millions)
	State Tax Expenditure		<u>2016</u> 159	<u>2017</u> 164	<u>2018</u> 168
	Local Tax Expenditure		118	121	124
	(m) Denotes a value of less than \$1 m	illion			
<u>4.05600</u>	Sale by any qualified nonp	rofit parent-teac	her organiz	zation	
	Statute	§48-8-3(56)			
	Year Enacted	1995			
	Year Effective Data Source	1995 Georgia Paren	t Teacher 4	Association	n and IRS Form 990 data
	Estimate Reliability	Class C		15500101101	
	Data Reliability	Class B			
	Note Description: Sale by any q	ualified nonprot	fit narent te	eacher org	anization
	Description. Sale by any q	· ·	-	÷	n Millions)
			2016	2017	2018
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure (m) Denotes a value of less than \$1 mi	illion	(m)	(m)	(m)
	(iii) Denotes a value of less than \$1 iii	linon			
<u>4.05700</u>	Food purchased for off-pre	-	tion_		
	Statute Year Enacted	48-8-3(57) 1996			
	Year Effective	1998			
	Data Source	U.S. Consume	r Expendit	ure Survey	1
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	Note Description: Exemption ap	nlies to food an	nd food ing	redients w	vhich means substances
					d, or dehydrated form,
	that are sold f	for ingestion or	chewing by	y humans a	and are consumed for
					alcoholic beverages,
		-			and minerals. This
	-		-	•	tax but does not apply to levied at the local level.
					or hygiene purposes

	(cough drops	, breath strips, o	over the cou	nter media	ration etc.)	
	(cough drops	·	State Fiscal			
			2016	2017	<u>2018</u>	
	State Tax Expenditure		489	502	513	
	Local Tax Expenditure		0	0	0	
	(m) Denotes a value of less than \$1 m	illion				
<u>4.05710</u>	Sales of food and beverage	es to a qualified	food bank (expires Ju	<u>ne 30, 2021)</u>	
	Statute	§48-8-3(57.1)	1			
	Year Enacted	2006				
	Year Effective	2006				
	Data Source	Fiscal Note for	or HB 763/L	C 430293	S for 2014	
	Estimate Reliability	Class B				
	Data Reliability	Class B	6	1: 1 - 1 : . /	006	20
	Note	·			2006 and expired June	
		2010. Cultern 2014 and June		applies to	r sales between July 1,	,
	Description: Sales of food and beverages to a qualified food bank (expires June 30,					
	2021)	-	-			
			State Fiscal	-		
	~ ~ ~ ~ "		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure		1	1	1	
	Local Tax Expenditure (m) Denotes a value of less than \$1 m	illion	(m)	(m)	(m)	
<u>4.05720</u>	Exemption for prepared fo	od and food ing	redients that	t are dona	ted to a qualified	
	nonprofit agency and used	for hunger relie	ef purposes			
	Statute	§48-8-3(57.2))			
	Year Enacted	2015				
	Year Effective	2015		G 40 0101	G.C. 2015	
	Data Source	Fiscal Note for	or HB 763/L	C 43 0191	S for 2015	
	Estimate Reliability	Class A				
	Data Reliability Note	Class A This exemption	on was alimi	inated in 7	011 and reinstated in	
	Note	-			expire on June 30,	
		2019. This pic	5 v 151011 15 5C		expire on suite 50,	
	Description: The use of fo		gredients that	at is donate	ed to a qualified nonpr	ofit
	-		-		"Qualified nonprofit	
					section $501(c)(3)$ of the	
	Internal Reve	enue Code and t	hat provide	s hunger r	elief. Does not include	e
	drugs or over	-the-counter dr	•			
			State Fiscal	-		
	~ ~ ~ ~ "		<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure		3 2	3 2	3 2	
	Local Tax Expenditure (m) Denotes a value of less than \$1 m	illion	2	2	2	
<u>4.05730</u>	Exemption for food and fo		hat are dona	ated follow	ving a natural disaster	
	and used for disaster relief					
	Statute Veer Enected	§48-8-3(57.3)				
	Year Enacted Year Effective	2015 2015				
	i cai Ellecuve	2013				

	Data Source Estimate Reliability Data Reliability Note	Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class B This provision is scheduled to expire on June 30, 2020
		or food and food ingredients that are donated following a ter and used for disaster relief and does not apply to any
		the counter drugs.
	donated over	State Fiscal Years (\$ in Millions)
		2016 2017 2018
	State Tax Expenditure	$\overline{(m)}$ $\overline{(m)}$ $\overline{(m)}$
	Local Tax Expenditure	(m) (m) (m)
	(m) Denotes a value of less than \$1 m	illion
<u>4.05900</u>	Sale of eligible food and b	everages by any Girl or Boy Scout council
	Statute	§48-8-3(59)
	Year Enacted	1996
	Year Effective	1996
	Data Source	The American Community Survey, IRS Form 990 data, and Girl Scouts of America annual report
	Estimate Reliability	Class B
	Data Reliability	Class B
	Note	
	-	or food ingredients to and by member councils of the Girl
	Scouts or Bo	y Scouts of America in connection with fundraising activities.
		State Fiscal Years (\$ in Millions)
		$\frac{2016}{1}$ $\frac{2017}{1}$ $\frac{2018}{1}$
	State Tax Expenditure Local Tax Expenditure	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
	(m) Denotes a value of less than \$1 m	· · · ·
	(iii) Denotes a value of less than \$1 ii	
4.06000		
<u>4.06000</u>	Sale of certain machinery a	and equipment used to improve air quality in a clean room of
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less	and equipment used to improve air quality in a clean room of
<u>4.06000</u>	Sale of certain machinery a	
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute	and equipment used to improve air quality in a clean room of §48-8-3(60)
<u>4.06000</u>	Sale of certain machinery a <u>Class 100,000 or less</u> Statute Year Enacted	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C ain machinery and equipment used to improve air quality in a
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C thin machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C thin machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility.
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C ain machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions)
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C ain machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions) <u>2016</u> <u>2017</u> <u>2018</u>
<u>4.06000</u>	Sale of certain machinery a <u>Class 100,000 or less</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C thin machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$
<u>4.06000</u>	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C ain machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) (m)
	Sale of certain machinery a Class 100,000 or less Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C thin machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) (m)
<u>4.06000</u>	Sale of certain machinery a <u>Class 100,000 or less</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sod grass sold in the origin</u>	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C thin machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) $(m)illion$
	Sale of certain machinery a <u>Class 100,000 or less</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni State Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sod grass sold in the origin</u> producer, or family member	and equipment used to improve air quality in a clean room of $\begin{cases} $
	Sale of certain machinery a <u>Class 100,000 or less</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sales of certa clean room o telecommuni State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>Sod grass sold in the origin</u>	and equipment used to improve air quality in a clean room of \$48-8-3(60) 2000 2001 Fiscal Note for HB 445/LC 34 4571S for 2015 Class C Class C thin machinery and equipment used to improve air quality in a f Class 100,000 or less when incorporated into cations manufacturing facility. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) $(m)illion$

	Year Effective		1998				
	Data Source		U.S. Census of Agriculture, the U.S. Economic Census, and				
			the Annual S	Survey of So	d Produce	ers	
	Estimate Reli	ability	Class B				
	Data Reliabili	ity	Class A				
	Note						
	Description:	Sod grass sol	d in the origin	al state of pr	oduction	by the sod pro	oducer,
			the producer, o				
			pes not apply to	o sales from	a nursery	or other place	es where
		plants are sol	d.				
						in Millions)	
				<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Exp			3	3	3	
	Local Tax Ex (m) Denotes a valu	penditure ne of less than \$1 m	illion	2	2	2	
<u>4.06300</u>	<u>Funeral merc</u> Fund	chandise when	<u>ı paid with fun</u>	ds from the (Georgia C	rime Victims	'Emergency
	Statute		§48-8-3(63)				
	Year Enacted		1998				
	Year Effectiv		1998				
	Data Source	C		Crime Repo	ort and the	e National Of	fice for
	Duiu Source		Victims of Crime				
	Estimate Reli	ability	Class C				
	Data Reliabili	•	Class C				
	Note						
		The sale or u	se of funeral m	nerchandise,	outer buri	ial containers	, and
	•		rkers as define				
		-	th funds received				
		-	Fund under Cha		-		
				State Fiscal	Years (\$	in Millions)	
				2016	<u>2017</u>	<u>2018</u>	
	State Tax Exp	penditure		(m)	(m)	(m)	
	Local Tax Ex	penditure		(m)	(m)	(m)	
	(m) Denotes a valu	ie of less than \$1 m	illion				
<u>4.06500</u>	•		ed exclusively	for operation	ns of vess	els or boats b	y licensed
	commercial f	<u>ishermen</u>	840 0 2(65)				
	Statute Veen Enceted		§48-8-3(65)				
	Year Enacted		NA NA				
	Year Effectiv Data Source	e		Doportmont	of Noture	1 Posouroos	and the US
	Data Source		Economic Co		of mature	al Resources a	ind the U.S.
	Estimate Reli	ability	Class C	ciisus			
	Data Reliabili		Class C Class C				
	Note	ity	Class C				
		Sale of dyed	diesel fuel use	d exclusively	v for oper	ations of vess	els or hoats
	Description.	-	ommercial fish	-	y for oper		or of ours
		ey neensed e	Similer of ut 1151				

4.06600	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 mi		State Fiscal <u>2016</u> (m) (m)	Years (\$ in <u>2017</u> (m) (m)	n Millions) <u>2018</u> (m) (m)
<u>4.06600</u>	<u>Sale of gold, silver, or plati</u> Statute	<u>848-8-3(66)</u>			
	Year Enacted	2000			
	Year Effective	2000			
	Data Source		14 annual rep	ort	
	Estimate Reliability Data Reliability	Class C Class C			
	Note	Class C			
	Description: Sale of gold, s	silver, or plati			
			State Fiscal		
	State Tex Expanditure		$\frac{2016}{3}$	$\frac{2017}{3}$	$\frac{2018}{3}$
	State Tax Expenditure Local Tax Expenditure		2	2	3 2
	(m) Denotes a value of less than \$1 mi	llion	-	-	-
4.06700	Sale of coins or currency				
	Statute	§48-8-3(67)			
	Year Enacted	2000			
	Year Effective	2000	Numiamatiat	Cuild	
	Data Source Estimate Reliability	Class C	Numismatist	s Guild	
	Data Reliability	Class C			
	Note				
	Description: Sale of coins	or currency.		Т (ф.	N (*11)
			State Fiscal 2016	2017	2018
	State Tax Expenditure		$\frac{2010}{1}$	1	1
	Local Tax Expenditure		1	1	1
	(m) Denotes a value of less than \$1 mi	llion			
<u>4.06900</u>	Sales of machinery and equ Class 100 or less	ipment and n	naterial incorr	porated and	d used in a clean room of
	Statute	§48-8-3(69)			
	Year Enacted	2000			
	Year Effective	2001 Eiseel Dill f		0 24 4571	S for 2015
	Data Source Estimate Reliability	Class C	or HB 445/ L	C 34 4571	S 10F 2015
	Data Reliability	Class C			
	Note		mbined with 4	4.06800	
	Description: Sales of mach				-
		-			100 or less when the angible personal
	property.	useu unceny			ungione personai
	1 1 7				

				-	n Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1 m	hillion			
<u>4.07000</u>	Sale of natural gas used dir		nufacture o	f electricit	<u>y</u>
	Statute	§48-8-3(70)			
	Year Enacted	1999			
	Year Effective	2000			
	Data Source	U.S. Energy I	nformation	Administr	ration
	Estimate Reliability	Class B			
	Data Reliability	Class A			
	Note				
	Description: Sale of natura			ectly in the	manufacture of
	electricity wh	nich is subseque	•		
			State Fiscal	Years (\$ i	n Millions)
			<u>2016</u>	2017	<u>2018</u>
	State Tax Expenditure		45	49	56
	Local Tax Expenditure		0	0	0
	(m) Denotes a value of less than \$1 m	nillion			
<u>4.07100</u>	Sale to or by an organization	on whose prima	ry purpose	is to raise	funds for books,
	materials, and programs fo	r public librarie	<u>es</u>		
	Statute	§48-8-3(71)			
	Year Enacted	1999			
	Year Effective	2000			
	Data Source	National Cent	er for Char	itable Stat	istics
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	Note				
	Description: Sale to or by				
	books, mater	ials, and progra	ms for publ	ic libraries	S.
			State Fiscal	Years (\$ i	n Millions)
			<u>2016</u>	2017	<u>2018</u>
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure		(m)	(m)	(m)
	(m) Denotes a value of less than \$1 m	hillion			
<u>4.07200</u>	Sale of prescribed mobility		ipment		
	Statute	§48-8-3(72)			
	Year Enacted	1999			
	Year Effective	2000			
	Data Source	State Health H	Expenditure	s from the	Centers for Medicare
			Services an	nd the Mee	lical Expenditure Panel
		Survey			
	Estimate Reliability	Class B			
	Data Reliability	Class B			
	Note				
	Description: The sale to or		nt of all mo	bility enha	incing equipment
	prescribed by	y a physician.			

		State Fiscal Years (\$ in Millions)
		<u>2016</u> <u>2017</u> 2018
	State Tax Expenditure	$\overline{2}$ $\overline{3}$ $\overline{3}$
	Local Tax Expenditure	2 2 2
	(m) Denotes a value of less than \$1 n	nillion
<u>4.07500</u>	Sales tax holiday for back	to school items (expired July 31, 2016)
	Statute	§ 48-8-3(75)
	Year Enacted	2012
	Year Effective	2013
	Data Source	Fiscal Note for HB 958/LC 34 4112-EC for 2014
	Estimate Reliability	Class A
	Data Reliability	NA
	Note	Sales tax holidays for school supplies have been utilized
		beginning in 2002; expired July 31, 2016
	Description:	loliday- From 12:01 AM on July 30th, 2016 until Midnight.
		lothing with a sales price of \$100 or less. School Supplies with
		620 or less. Computers, computer components, and prewritten
		ftware with a purchase price of \$1,000 or less.
	-	State Fiscal Years (\$ in Millions)
		<u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure	42 0 0
	Local Tax Expenditure	21 0 0
	(m) Denotes a value of less than \$1 n	nillion
4.07600	Exemption for personal pr	operty used in the renovation or expansion of an aquarium
	Statute	48-8-3(76)
		40-0-3(70)
	Year Enacted	2015
	Year Effective	2015 2015
	Year Effective Data Source	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015
	Year Effective Data Source Estimate Reliability	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A
	Year Effective Data Source Estimate Reliability Data Reliability	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A
	Year Effective Data Source Estimate Reliability Data Reliability Note	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A
	Year Effective Data Source Estimate Reliability Data Reliability Note Description:	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use o	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use o expansion of	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or ope	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3).
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or ope	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund.
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or ope	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3).
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or ope	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions)
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use o expansion of owned or op Qualifying a State Tax Expenditure Local Tax Expenditure	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) 0
	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use o expansion of owned or op Qualifying a State Tax Expenditure	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) 0
4.08100	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use o expansion of owned or op Qualifying at State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(0)}$ (m) (m) 0 nillion
<u>4.08100</u>	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or op Qualifying at State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) 0
<u>4.08100</u>	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use o expansion of owned or op Qualifying at State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(0)}$ (m) (m) 0 nillion
<u>4.08100</u>	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or op Qualifying an State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m <u>The purchase of food and so</u> <u>qualified airline</u>	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)}$ $\frac{2017}{(m)}$ $\frac{2018}{(m)}$ (m) (m) 0 nillion
<u>4.08100</u>	Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale or use of expansion of owned or op Qualifying a State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m The purchase of food and statute Statute	2015 2015 Fiscal Note for HB 238/LC 28 7425 for 2015 Class A Class A This exemption expires January 1, 2017 of tangible personal property used for or in the renovation or f an aquarium located in this state that charges admission and is erated by an organization that is tax exempt under 501(c)(3). quarium must pay tax and apply for refund. State Fiscal Years (\$ in Millions) $2016 2017 2018 \\ (m) (m) 0$ nillion nonalcoholic beverages provided at no charge aboard a \$48-8-3(81)

	Data Source Estimate Reliability Data Reliability Note	Bureau of Trans Class B Class B	sportation	Statistics		
	Description: The purchase	ified airline not i	ncluding a ate Fiscal	alcohol or Years (\$ i	tobacco. n Millions)	harge
			<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$1 m	illion	4 3	5 3	5 3	
<u>4.08200</u>	Sales tax holiday for water 2016)	-efficient and ene	ergy-effici	ent purcha	uses (expired Oct	ober 2,
	Statute	§ 48-8-3(82)				
	Year Enacted	2012				
	Year Effective	2013				
	Data Source	Fiscal Note for	HB 958/L	.C 34 4112	2-EC for 2014	
	Estimate Reliability	Class B				
	Data Reliability	Class B	C	cc		1
	Note		-		ent products have	
	Degenintions Sales Terry II				October 2, 2016	
	Description: Sales Tax He					
		, 2016. The purch Energy Star Qual				
		price of \$1,500 or			valer Sense Fro	lucis
	with a sales p				n Millions)	
		51	<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Expenditure		1	0	0	
	Local Tax Expenditure		1	0	0	
	(m) Denotes a value of less than \$1 m	illion				
<u>4.08300</u>	Sale of biomass materials		lectricity	or steam ir	ntended for sale	
	Statute Verse Excerted	§48-8-3(83)				
	Year Enacted Year Effective	2006				
	Data Source	2006 Eiscal Nota for	UD 1019	IC 18 403	36 for 2009 and t	bo U S
	Data Source	Energy Informa				lie U.S.
	Estimate Reliability	Class B	uon Aum	misuation		
	Data Reliability	Class A				
	Note					
	Description: The sale or u	se of biomass ma	terial inc	luding pell	ets or other fuel	s derived
	—	ssed, chipped, or				
	-	energy, includin				
	electricity and		0		I I I I I I I I I I I I I I I I I I I	
	J		ate Fiscal	Years (\$ i	n Millions)	
			2016	2017	<u>2018</u>	
	State Tax Expenditure		1	2	2 2	
	Local Tax Expenditure		1	1	2	
	(m) Denotes a value of less than \$1 m	illion				

<u>4.08600</u>	maintenance or repair of					
	Statute	§48-8-3(86)				
	Year Enacted	2009				
	Year Effective	2009		C 10 05 1	-62014	
	Data Source	Fiscal Note for	r HB 933/I	LC 40 054) for 2014	
	Estimate Reliability	Class C				
	Data Reliability Note	Class C				
	Description: The sale or use of engines, parts, equipment, and other tangible					
	property us parts, equip aircraft that	ed in the maintenance or repair of aircraft when such engines, ment, and other tangible personal property are installed on such is being repaired or maintained in this state, so long as such ot registered in this State.				
		S	tate Fiscal	Years (\$	n Millions)	
			2016	2017	<u>2018</u>	
	State Tax Expenditure		17	17	17	
	Local Tax Expenditure		12	12	13	
	(m) Denotes a value of less than \$1	million				
<u>4.08700</u>	Sales of tangible persona (expires June 30, 2018)	l property used to	renovate o	or expand a	a zoological institu	<u>ition</u>
	Statute	§48-8-3(87)				
	Year Enacted	2009				
	Year Effective	2009				
	Data Source	Fiscal Note for	r HB 428/I	LC 40 082	7 for 2015	
	Estimate Reliability	Class C				
	Data Reliability	Class C				
	Note			_		~
	exhibits, an than fish, an aquariums, under sectio exceed \$35	institution located d cares for a colle nd has received ac and is owned or c on 501(c)(3) of the 0,000 per instituti	in this stat ction cons ccreditation operated by e Internal H on and the tate Fiscal <u>2016</u>	te that char isting prin a from the γ an organi Revenue C exemption Years (\$ $\frac{1}{2017}$	rges for admission harily of animals of association of zoo zation that is tax e ode. Exemption can h expires June 30, n Millions) <u>2018</u>	, ther s and xempt annot
	State Tax Expenditure		0	(m)	(m)	
	(m) Denotes a value of less than \$1	million	0	(m)	(m)	
<u>4.09300</u>	Sale of tangible personal project of regional signifi				-	
	<u>30, 2019</u> Statute	§ 48-8-3(93)				
	Year Enacted	§ 48-8-5(95) 2012				
	Year Effective	2012				
	Data Source	Fiscal Note for	r HR 958/I	C 34 411	2 - FC for 2014	
	Estimate Reliability	Class B	11D 750/1	20 37 711	L-LC 101 2014	
	Data Reliability	Class B				

Note

	Note						
	Description: For the period commencing January 1, 2012, until June 30, 2019, sales of						
	tangible personal property used for and in the construction of a competitive						
	project of regional significance. (B) The exemption provided in subparagraph (A) of this paragraph shall apply to purchases made during the entire time of construction of the competitive project of regional significance so long as such project meets the definition of a "competitive project of regional significance" within the period commencing January 1,						
	2012, until June 30, 2016.						
			State Fiscal	Years (\$ i	in Millions)		
		~	<u>2016</u>	2017	<u>2018</u>		
	State Tax Expenditure		9	9	9		
	Local Tax Expenditure		7	7	7		
	(m) Denotes a value of less than \$1	million	7	/	7		
	()						
<u>4.09600</u>	Exemption for sales or us	e of construction	materials u	used for or	in the construction	on of	
	buildings at a private coll						
	Statute	§48-8-3(96)					
	Year Enacted	2015					
	Year Effective	2015					
	Data Source	Not Applicabl	e				
	Estimate Reliability	Class A					
	Data Reliability	Class A					
	Note	Provision is ef	fective for	purchases	made on or after	July 1,	
				-		-	
	2015 and before July 1, 2016 and is limited in value to \$350,000. Description: Allows an exemption for sales or use of construction materials used for or In the construction of buildings at a private college with between 1,000 and 3,000 enrolled students.						
	State Fiscal Years (\$ in Millions)						
			2016	2017	2018		
	State Tax Expenditure		(m)	0	0		
	Local Tax Expenditure		(m)	0	0		
	(m) Denotes a value of less than \$1	million					
			_				
<u>4.09700</u>	Sales of admission to a no		r sporting e	event			
	Statute	§48-8-3(97)					
	Year Enacted	2016					
	Year Effective	2017					
	Data Source	Not Applicabl	e				
	Estimate Reliability	Class B					
	Data Reliability	Class B					
	Note						
	Description: Sales of adm					ate that	
	are expected	l to generate over					
		S			in Millions)		
			<u>2016</u>	<u>2017</u>	<u>2018</u>		
	State Tax Expenditure		0	1	3		
	Local Tax Expenditure		0	1	3		
	(m) Denotes a value of less than \$1	million					

4.09800 Sales of tangible personal property and services to a qualified job training organization

Statute	§48-8-3(98)
Year Enacted	2016
Year Effective	2016
Data Source	Fiscal Note for HB 924/LC 34 4906S for 2016
Estimate Reliability	Class A
Data Reliability	Class A
Note	

Description:

Sales of tangible personal property and services to a qualified job training organization located in this state when such organization is tax exempt under 501(c)(3).

	State Fiscal Years (\$ in Million				
	2016	2017	<u>2018</u>		
State Tax Expenditure	1	1	1		
Local Tax Expenditure	0	0	0		
(m) Denotes a value of less than \$1 million					
	Exemptions for energy, r	machinery or equipment, industrial material, and consumable			
-------	---	--	--	--	--
	supplies used in manufac	cturing			
	Statute	§ 48-8-3.2			
	Year Enacted	2012			
	Year Effective	2013			
	Data Source	Bureau of Economic Analysis			
	Estimate Reliability	Class A			
	Data Reliability	Class A			
	Note				
	Description: Exemption:	s for energy, machinery or equipment, industrial material, and			
	consumable	e supplies used in manufacturing.			
		State Fiscal Years (\$ in Millions)			
		2016 2017 2018			
	State Tax Expenditure	3,005 3,145 3,294			
	Local Tax Expenditure	2,224 2,328 2,438			
	(m) Denotes a value of less than \$1	million			
4.3.3	Sala and use by a qualifi	ed agriculture producer of agricultural production inputs, energy			
4.3.3					
	• •				
	used in agriculture, and a	agricultural machinery and equipment			
	used in agriculture, and a Statute	agricultural machinery and equipment § 48-8-3.3			
	used in agriculture, and a Statute Year Enacted	agricultural machinery and equipment § 48-8-3.3 2012			
	used in agriculture, and a Statute Year Enacted Year Effective	agricultural machinery and equipment § 48-8-3.3 2012 2013			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale to, or the	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A use by, a qualified agriculture producer of agricultural			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale to, or a production	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A use by, a qualified agriculture producer of agricultural inputs, energy used in agriculture, and agricultural machinery			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale to, or the	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A use by, a qualified agriculture producer of agricultural inputs, energy used in agriculture, and agricultural machinery ment.			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale to, or a production	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A use by, a qualified agriculture producer of agricultural inputs, energy used in agriculture, and agricultural machinery nent. State Fiscal Years (\$ in Millions)			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale to, or a production and equipm	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A use by, a qualified agriculture producer of agricultural inputs, energy used in agriculture, and agricultural machinery nent. State Fiscal Years (\$ in Millions) <u>2016</u> <u>2017</u> <u>2018</u>			
	used in agriculture, and a Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Sale to, or a production	agricultural machinery and equipment § 48-8-3.3 2012 2013 National Agricultural Statistical Service Class B Class A use by, a qualified agriculture producer of agricultural inputs, energy used in agriculture, and agricultural machinery nent. State Fiscal Years (\$ in Millions)			

4.5 Sales and Use Tax for Services

4.50000 Admissions and Amusements

Description: Admission to school and college sports events; cable tv and direct satellite tv; coin-operated video games (includes pinball and other mechanical amusements); membership fees in private clubs; overnight trailer parks. State Fiscal Years (\$ in Millions)

	<u>2016</u>	2017	2018
State Tax Expenditure	153	158	164
Local Tax Expenditure	115	119	123
(m) Denotes a value of less than \$1 million			

4.50001 Agricultural Services

Description: Veterinary services (both large and small animal); landscaping services (including lawn care); pet grooming.

	State Fiscal Years (\$ in Millions)			
	2016	2017	2018	
State Tax Expenditure	147	152	158	
Local Tax Expenditure	110	114	118	
(m) Denotes a value of less than \$1 million				

4.50002 Automotive Services

Description: Automotive road service and towing services; automotive painting and lube; parking lots and garages; automotive washing and waxing; automotive rustproofing and undercoating; labor charges on repairs to motor vehicles.

	State Fiscal Years (\$ in Millions)			
	<u>2016</u>	2017	<u>2018</u>	
State Tax Expenditure	134	138	143	
Local Tax Expenditure	100	104	108	
(m) Denotes a value of less than \$1 million				

4.50003 Business Services

Description: Billboards; test laboratories (excluding medical); interior design and decorating; commercial art and graphic design; advertising agency fees (not ad placement); sign construction and installation; employment agencies; temporary help agencies; check and debt collection; credit information and credit bureaus; exterminating (includes termite services); maintenance and janitorial services; window cleaning; bail bond fees; telephone answering service; telemarketing services on contract; secretarial and court reporting services; security services (includes private investigation (detective) services; armored car services.

State Fiscal	Years ((\$ in	Millions)
--------------	---------	--------	-----------

	<u>2016</u>	2017	2018
State Tax Expenditure	673	697	722
Local Tax Expenditure	505	522	542

(m) Denotes a value of less than \$1 million

<u>4.50004</u>	Computer a	nd Online Services				
	Description:					
		movies and video content				
		providers – dial-up; intern mainframe computer acce				
		software – custom progra				
		1 0	State Fiscal			
			<u>2016</u>	2017	<u>2018</u>	
	State Tax Exp		362	375	389	
	(m) Denotes a value	e of less than \$1 million	272	281	292	
	()					
<u>4.50005</u>	<u>Constructio</u>					
	Description:	Labor for the construction				
		construction labor; labor			actors. in Millions)	
			<u>2016</u>	<u>2017</u>	<u>2018</u>	
	State Tax Exp	enditure	1,504	1,557	1,614	
	Local Tax Exp	penditure	1,128	1,168	1,211	
	(m) Denotes a value	e of less than \$1 million				
4.50006	Fabrication	, Installation, and Repair So	ervices			
	Description:	Labor charges for repairs		gible prop	erty; tv/radio repairs and	
		other electronic equipment	-		• •	
		repair of aircraft; repairs t				
		stock; repairs or remodeli time of sale of tangible pe				
					other than the seller of the	
		property.	-			
				-	in Millions)	
	State Tex Eve	anditura	$\frac{2016}{224}$	$\frac{2017}{230}$	$\frac{2018}{239}$	
	State Tax Exp Local Tax Exp		224 167	230 173	239 179	
		e of less than \$1 million	107	175	177	
<u>4.50007</u>	Einonco In	surance and Peol Estate				
4.50007	Description:	surance, and Real Estate Service charges of bankir	ng institution	s includes	loan broker fees:	
	2 0501-p 10110	insurance services; proper	v			
		estate management fees (rental agents); investme	ent counseling; real estate	
		title abstract services.				
					in Millions)	
	State Tax Exp	enditure	<u>2016</u> 1,034	<u>2017</u> 1,070	<u>2018</u> 1,109	
	Local Tax Exp		775	802	832	
		e of less than \$1 million				
4.50008	Industrial a	nd Mining Services				
	Description:	Seismograph and geophy	sical services	s; metal an	d nonmetal and coal	
		mining services; typesetti	ng services;	platemakii	ng for the print trade.	

	State Fiscal Years (\$ in Millions)			
	<u>2016</u>	2017	2018	
State Tax Expenditure	11	11	11	
Local Tax Expenditure	8	8	9	
(m) Denotes a value of less than \$1 million				

4.50009 Residential Utility Service

Description: Interstate telephone (including local, long distance, and cellular service) and telegraph.

	State Fiscal Years (\$ in Millions)			
	<u>2016</u>	<u>2017</u>	<u>2018</u>	
State Tax Expenditure	19	20	20	
Local Tax Expenditure	14	15	15	
(m) Denotes a value of less than \$1 million				

4.50010 Personal Services

Description: Carpet and upholstery cleaning; swimming pool cleaning and maintenance; water softening and conditioning; shoe repair; garment services (altering and repairing); health clubs, tanning parlors, and reducing salons; laundry and dry cleaning services – coin-operated; laundry and dry cleaning services – not coin-operated; massage services (includes dating services); tax return preparation; sports and recreation instruction; barber shops; beauty parlors; travel agent services.

	State Fiscal Years (\$ in Millions)			
	2016	2017	2018	
State Tax Expenditure	281	291	302	
Local Tax Expenditure	211	218	226	
(m) Denotes a value of less than \$1 million				

4.50011 Professional Services

Description: Attorneys; accounting and bookkeeping; physicians; dentists; medical test laboratories; architects; engineers; land surveying; nursing services out of the hospital.

	State Fiscal Years (\$ in Millions)				
	2016	2017	<u>2018</u>		
State Tax Expenditure	1,974	2,043	2,118		
Local Tax Expenditure	1,480	1,532	1,589		
(m) Denotes a value of less than \$1 million					

4.50012

Storage Description:

Marine towing services (includes tugboats); household goods storage; cold storage (includes fur storage); food storage; mini-storage; marina service (docking, storage, cleaning, repair); packing and crating (includes bus services); other warehousing and storage (including automotive storage).

	State Fiscal Years (\$ in Millions)			
	<u>2016</u>	2017	<u>2018</u>	
State Tax Expenditure	70	72	75	
Local Tax Expenditure	52	54	56	
(m) Denotes a value of less than \$1 million				

<u>4.50013</u>

<u>Transportation Services</u> Description: Intrastate courier service.			
	State Fiscal	Years (\$	in Millions)
	<u>2016</u>	2017	2018
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)

4.7 Vendor Compensation

4.70000	Compensation of dealers for reporting and paying tax				
	Statute	§48-8-50			
	Year Enacted	1964			
	Year Effective	1964			
	Data Source	DOR data as of 2016			
	Estimate Reliability	Class A			
	Data Reliability	Class A			
	Note				
	Description: Georgia allow	ws a vendor collection fee of 3 percent for the first \$3,000 and			
	then 0.5 perce	ent for amounts above \$3,000 but does not impose a			
	maximum lin	nitation per vendor.			
	State Fiscal Years (\$ in Millions)				
		<u>2016</u> <u>2017</u> <u>2018</u>			
	State Tax Expenditure (m) Denotes a value of less than \$1 m	65 68 70 million			

4.9 Casual Sales

<u>4.90000</u>	Sales tax exemption for casual sales				
	Statute	DOR administrative rule			
	Year Enacted	NA			
	Year Effective	NA			
	Data Source	DOR data for 2015			
	Estimate Reliability	Class B			
	Data Reliability	Class A			
	Note	Sales of all motor vehicles will be exempt from state and			
	local sales tax beginning March 1st, 2013 but taxed under				
	the Alternative Ad Valorem Tax on Motor Vehicles, see				
	section 11 of the report. Provision listed as 4.30000 in				
	reports prior to FY 2014.				
	Description: Purchases of	boats, planes and other tangible goods sold by persons not in			
	the business	of selling such items are not subject to sales tax. (Prior to the			
	implementati	ion of the Alternative Ad Valorem Tax on Motor Vehicles this			
	estimate incl	uded casual sale of motor vehicles.)			
	State Fiscal Years (\$ in Millions)				
		2016 2017 2018			
	State Tax Expenditure	2 2 2			
	Local Tax Expenditure	1 1 1			
	(m) Denotes a value of less than \$1 m	nillion			

Sales and use tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
4.00100	§48-8-3(1)	Sales to Federal Government, State of Georgia or a county or
		municipality in Georgia or any agency of such governments
4.00200	§48-8-3(2)	Tangible personal property furnished by the Federal Government or
		any county or municipality used by a contractor in the installation,
		repair, or extension of any public water, gas, or sewer system
4.00300	§48-8-3(3)	Federal retailer's excise tax if separately itemized to the consumer
		and Georgia motor fuel tax imposed on the sale of motor fuel
4.01800	§48-8-3(18)	Charges for transportation of tangible personal property made in
4.01000	8.40.0.0(10)	connection with interstate or intrastate transportation
4.01900	§48-8-3(19)	All tangible personal property purchased outside this state by a
		nonresident when the property is brought into Georgia upon the
4.02100	840.0.2(21)	nonresident becoming a resident
4.02100	§48-8-3(21)	Sales, transfers or exchanges of tangible personal property resulting
		from business reorganization when the owners, partners, or stockholders maintain the same proportionate interest or share in the
		newly formed business
4.02500	§48-8-3(25)	Fares of for-hire vehicles
4.03100	<u>§48-8-3(31)</u>	Sale of tangible personal property manufactured or assembled in
4.05100	340.0.5(51)	Georgia for export when delivery is taken outside of Georgia
4.03200	§48-8-3(32)	Aircraft, watercraft, motor vehicles, and other transportation
1100200	310000(02)	equipment manufactured or assembled in this State for exclusive use
		outside Georgia
4.03300	§48-8-3(33)	Common or common and contract carriers
4.03410	§48-8-3(34.1)	Machinery and equipment used to handle, move, or store tangible
		personal property in certain distribution facilities
4.03610	§48-8-3(36.1)	Machinery and equipment used for water conservation and
		incorporated into a qualified water conservation facility
4.03910	§48-8-3(39.1)	Cargo containers and related chassis used for storage or shipping by
		persons engaged in international shipment of tangible personal
		property
4.04200	§48-8-3(42)	Use or lease of tangible personal property when the lessor and lessee
		are under 100 percent common ownership and where the person who
		furnishes, leases, or rents the property has paid sales or use tax on the
4.04200	849.9.2(42)	property
4.04300	§48-8-3(42)	Revenues from coin-operated amusement machines for which
4.04400	<u>§48-8-3(44)</u>	individual permits are required Sale of motor vehicles to nonresident purchasers when vehicles are
4.04400	840-0-3(44)	immediately removed from Georgia and titled in another state
4.04500	§48-8-3(45)	The sale or use of paper stock when used to print catalogs for
4.04500	§+0-0-5(+5)	distribution outside Georgia
4.06100	§48-8-3(61)	Advertising inserts that are used in newspapers for resale
4.06800	§48-8-3(68)	Sale of certain computer equipment when the total qualifying
	5.000(00)	purchases by a high technology company exceed \$15 million
4.09100	§48-8-3(91)	The sale of prewritten software which has been delivered to the
	0 (> -)	purchaser electronically or by means of load and leave

4.09400	§ 48-8-3(94)	The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale
---------	--------------	--

5. Insurance Premium Tax

The premium tax is levied on premiums of persons, property or risks in Georgia written by insurance companies conducting business in Georgia. The state tax rate is imposed at a rate of 2.25 percent of gross direct premiums. Counties levy a 1 percent on gross direct premiums. Municipalities may levy at tax of up to 1 percent and counties and municipalities may levy rates of up to 2.5 percent on insurance premiums for policies other than life insurance policies.

This tax is administered by the State Insurance Commissioner. In FY 2015, state revenues from this tax equaled \$419 million and local revenues equaled \$495 million. The state proceeds of the tax are deposited into the State General Fund.

<u>5.00100</u>	Deduction of	retaliatory tay	xes paid to other	states			
	Statute		§33-8-7	<u>builds</u>			
	Year Enacted		1960				
	Year Effective		Prior to 2000				
	Data Source	0		ance and S	Safety Fire	e Commissioner	
	Estimate Reli	ability	Class A		uiety i iit	Commissioner	
	Data Reliabili	•	Class A				
	Note		Not applicable	at the loca	l level		
		Property and				ciled in Georgia are a	able
		· ·	•	-		aid to other states on	1010
			ten in those state		ly tunes pe	ind to other states on	
		policies with			Years (\$	in Millions)	
				2016	2017	<u>2018</u>	
	State Tax Exp	enditure		(m)	$\frac{2017}{(m)}$	(m)	
		e of less than \$1 m	illion	(111)	(11)	()	
5.00200	Insurance pre	emium tax cre	dits - Georgia Jol	b Tax Cre	dit		
	Statute		§33-8-4.1; §33-				
	Year Enacted		1960	, 0			
	Year Effectiv		2000				
	Data Source		DOR data as of	2016 and	Office of	Insurance and Safety	V
			Fire Commission				
	Estimate Reli	ability	Class A				
	Data Reliabili	•	Class A				
	Note	2	The same estim	nate is prov	vided in th	ne individual income	tax
			section and the	corporate	tax sectio	on, see 1.6.012 and	
			2.6.001	•			
	Description:						
	•	The credit pr	ovides a statewid	de job tax	credit to a	iny business or	
		headquarters	engaged in man	ufacturing	, warehou	using and distribution	,
		processing, t	elecommunicatio	ons, broad	casting, to	ourism, or research an	ıd
		development	t. Retail establis	hments are	e only allo	wed the credit if loca	ted in
		one of the 40) least-developed	counties	of the stat	e. Average wages m	ust
		be greater the	an the average w	age of the	county in	the state with the low	west
		average wag	e. To be eligible	, employe	rs must of	ffer health insurance t	to all
		new employe	ees.				

		St	ate Fiscal	Years (\$ in	Millions)
			2016	2017	<u>2018</u>
	Income Tax Expenditure		10	10	10
	Corporate Income Tax Expe		72	73	75
	Insurance Premium Tax Exp	enditure	5	5	5
	State Tax Expenditure (m) Denotes a value of less than \$1 mil	lion	87	88	90
<u>5.00300</u>	Exemption for premiums of	-	e health pla	ans	
	Statute	§33-8-4			
	Year Enacted	2008			
	Year Effective Data Source	2009 Office of Insur	ance and S	ofoty Fire	Commissioner
	Estimate Reliability	Class A	ance and S	alety File	Commissioner
	Data Reliability	Class A			
	Note		notion expi	red on Dec	ember 31, 2014.
	Description: Insurance cor				
					nts for high-deductible
		• • •	-	-	nal Revenue Code.
	•	•	tate Fiscal		
			<u>2016</u>	2017	<u>2018</u>
	State Tax Expenditure		9	10	11
	(m) Denotes a value of less than \$1 mil	lion			
<u>5.00400</u>	Exemption for insurance co	mpanies that or	nly insure p	laces of w	orship
	Statute	§33-8-13			
	Year Enacted	1996			
	Year Effective	1996			~
	Data Source	Office of Insur	ance and S	afety Fire	Commissioner
	Estimate Reliability	Class A			
	Data Reliability Note	Class A	at the lose	1 1 2 2 2 1	
	Description: Insurance cor	Not applicable			laces of worship are
	_	the state premit	ım tax.	-	-
		S	tate Fiscal	-	
				<u>2017</u>	
	State Tax Expenditure (m) Denotes a value of less than \$1 mil	lion	(m)	(m)	(m)
5 00 500	T 1 <i>J J</i>				
<u>5.00500</u>	Insurance abatements	822 0 5			
	Statute Year Enacted	§33-8-5 1996			
	Year Effective	Prior to 2000			
	Data Source	Office of Insur	ance and S	afety Fire	Commissioner
	Estimate Reliability	Class A		arety The	commissioner
	Data Reliability	Class A			
	Note	Not applicable	at the loca	l level	
	Description: Georgia impo				nt on insurance
					ssets in qualified Georgia
			-	-	assets is greater than
	75 percent, th	e rate is reduce	d to 0.50 p	ercent.	
	_		_		

	State Tax Expenditure	St	ate Fiscal <u>2016</u> 145	Years (\$ ir <u>2017</u> 148	n Millions) <u>2018</u> 151
	(m) Denotes a value of less than \$1 mi	llion	145	140	151
<u>5.00600</u>		§§33-8-4, 33-8- 1981 Prior to 2000 Office of Insura Class A Class A Not applicable te companies are tods, license fees remium taxes oth	-8, 33-8-8. ance and S at the loca permitted paid to loc nerwise pa	afety Fire l level to deduct al governr yable to the	contributions to state nents, local premium
<u>5.00700</u>	Insurance premium tax cred	lit – I ow-Incom			156
<u>3.00700</u>	Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: This is a cred developments	\$33-8-4.1; \$33- 1960 2009, 2002, 200 DOR data as of Fire Commissio Class A Class A The same estim section and the and 2.6.017 lit against Georg s which receive	-1-18; §48 08 2016 and oner nate is prov corporate ia income the federal	-7-29.14(b) Office of l vided in the income tax taxes for ta Low-Inco	Insurance and Safety e individual income tax a section, see 1.6.028 axpayers owning me Housing tax credit
	and that are p	placed in service	on or after	r January 1	, 2001
	Income Tax Expenditure Corporate Income Tax Expe Insurance Premium Tax Exp State Tax Expenditure (m) Denotes a value of less than \$1 mi	enditure penditure	ate Fiscal <u>2016</u> 64 27 <u>101</u> 192	Years (\$ in <u>2017</u> 69 29 <u>108</u> 206	Millions) <u>2018</u> 72 31 <u>113</u> 217
<u>5.00800</u>	Insurance Premium Tax Ex Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability	emption for mul §33-50-3 2016 2016 Office of Insura Class A Class A		-	-

Note

Description: Multiple employer self-insured health plans are exempt from the state insurance premium tax on the plan's net premiums. State Fiscal Years (\$ in Millions)

	State Fiscal	1 Cars (\$	III IVIIIIIOI
	<u>2016</u>	2017	2018
State Tax Expenditure (m) Denotes a value of less than \$1 million	(m)	(m)	(m)
(iii) Denotes a value of less than \$1 minion			

6. Motor Fuel Tax

The tax on motor fuels was substantially modified in 2015. Under the new law, the state tax on motor fuels other than diesel fuel is 26 cents per gallon. The state tax on diesel fuel is 29 cents per gallon. The base of the motor fuel tax is imposed on any source of energy that can be used for propulsion of a motor vehicle on the public highways, including, but not limited to: gasoline, fuel oils, compressed petroleum gas and special fuels.

The tax is administered by the Georgia DOR and revenues generated from this tax are allocated by the state constitution to the Georgia Department of Transportation for highway purposes.

<u>6.00400</u>	Motor fuel tax exemption f	or aviation fuel
	Statute	§48-9-3
	Year Enacted	1978
	Year Effective	1978
	Data Source	Fiscal Note for LC 34 4757 for 2016
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	
	Description: Exemption f	or aviation fuel.
		State Fiscal Years (\$ in Millions)
		<u>2016</u> <u>2017</u> <u>2018</u>
	State Tax Expenditure	2 2 2
	(m) Denotes a value of less than \$1 n	nillion
6.00500	Motor fuel tax vendor com	nensation
0.00200	Statute	§48-9-8(b)
	Year Enacted	1992
	Year Effective	1992
	Data Source	Office of Planning and Budget Data for FY 2016
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	
		ealers are allowed to retain 1 percent of total amounts
	-	reimbursement for the cost of collection.
		State Fiscal Years (\$ in Millions)
		2016 2017 2018
	State Tax Expenditure	$\frac{2010}{16}$ $\frac{2011}{17}$ $\frac{2010}{17}$
	(m) Denotes a value of less than \$1 m	

Motor fuel tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
6.00100	§48-9-10	Motor fuel tax refunds for agricultural purposes

7. Alcoholic Beverage Tax

This state and local tax is imposed on alcoholic beverages including malt beverages, wine, and distilled spirits. Malt beverages are taxed at a state rate of \$10 per container up to 31 gallons with a proportionate tax on fractional parts of 31 gallons for draft malt beverages. The state tax rate is four and one-half cents per 12 ounces for bottles and cans with proportionate rates on fractional parts of other sizes. Wine is taxed at a state rate of 11 cents per liter and a state import tax of 29 cents per liter is imposed on table wines with proportional rates for fractional parts of a liter. A state excise tax of 27 cents per liter with a state import tax of 40 cents per liter is imposed on dessert wines with proportional rates for fractional parts of 50 cents per liter and a state import tax of 70 cents per liter are levied on distilled spirits.

A uniform local government beer tax is levied at five 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. Counties and municipalities may levy excise tax at rates that do not exceed 22 cents per liter. Counties and municipalities may levy excise taxes on distilled spirits at rates that do not 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 taxes at rates up to 3 percent of the price charged for mixed drinks.

The state portion of the tax is administered by the Georgia DOR. Proceeds from the state tax are deposited into the State General Fund. In FY 2015, state collections equaled \$184 million. Local collections for FY 2013³ equaled \$134 million.

7.00300	200 gallons annually of homebrew per household				
	Statute	§§3-5-61, 3-6-70			
	Year Enacted	1977			
	Year Effective	1977			
	Data Source	American Homebrewers' Association			
	Estimate Reliability	Class B			
	Data Reliability	Class C			
	Note				
	Description: Allows an e	xemption for up to 200 gallons annually of homebrew per			
	household.				
		State Fiscal Years (\$ in Millions)			
		<u>2016</u> <u>2017</u> <u>2018</u>			
	State Tax Expenditure	1 1 1			
	(m) Denotes a value of less than \$1	million			

³ Latest data available.

7.00400	Sales to and use by religion	us organizations for sacramental purposes
	Statute	§§3-5-61, 3-6-70
	Year Enacted	1977
	Year Effective	1977
	Data Source	National Center for Charitable Statistics and Catholic.org
	Estimate Reliability	Class B
	•	Class C
	Data Reliability	Class C
	Note	
	Description: Sales to and	use by religious organizations for sacramental purposes.
		State Fiscal Years (\$ in Millions)
	~	2016 2017 2018
	State Tax Expenditure	(m) (m) (m)
	(m) Denotes a value of less than \$1 n	million
7.00500	Exemption for ethyl alcoho	ol used for certain purposes
	Statute	§§3-5-61, 3-6-70
	Year Enacted	1980
	Year Effective	1980
	Data Source	U.S. Economic Census
	Estimate Reliability	Class B
	-	Class A
	Data Reliability	Class A
	Note	
		on is allowed for purchases of ethyl alcohol intended for use or
		following purposes: scientific, chemical, mechanical,
	industrial, m	nedicinal, and culinary.
		State Fiscal Years (\$ in Millions)
		2016 2017 2018
	State Tax Expenditure	(m) (m) (m)
	(m) Denotes a value of less than \$1 n	million
7.00600	Malt beverages containing	less than one-half of 0.5 percent alcohol
	by volume	· · ·
	Statute	§3-5-90
	Year Enacted	1987
	Year Effective	1987
	Data Source	U.S. Economic Census and averagebeerprices.com
	Estimate Reliability	Class B
	Data Reliability	Class B
	5	Class D
	Note	
	_	ges which contain less than one-half of 1 percent alcohol by
		l not be subject to any tax levied under this title or any tax
	levied pursu	ant to authority granted by this title.
		State Fiscal Years (\$ in Millions)
		2016 2017 2018
	State Tax Expenditure	(m) (m) (m)
	(m) Denotes a value of less than \$1	million

Alcoholic beverages tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
7.00100	§3-5-61	Sales to persons outside the state for resale or consumption outside
		the state
7.00200	§§3-5-61, 3-6-70	Sales to stores or canteens in U.S. military reservations

8. Tobacco Products Excise Tax

This tax is levied upon the sale, receipt, purchase, possession, consumption, handling, distribution, or use of tobacco, cigars, and cigarettes in Georgia. The tax is imposed at a rate of 37 cents per pack of 20 cigarettes and pro rata for other sized packages. Little cigars, weighing not more than three 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. Loose or smokeless tobacco is taxed at a rate of 10 percent of the wholesale cost price.

The tax is administered by the Georgia DOR. In FY 2015 the tax totaled \$215 million. The proceeds of the tax are deposited into the State General Fund.

<u>8.00100</u>	Exemption for purchases for use exclusively by patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing					
	Home					
	Statute	§48-11-2				
	Year Enacted	1955				
	Year Effective	Latest Modification 2003				
	Data Source	Georgia Department of Veteran Services				
	Estimate Reliability	Class B				
	Data Reliability	Class C				
	Note					
	Description: Exemption f	or purchases for use exclusively by patients at the Georgia				
	War Veteran	s Home and the Georgia War Veterans Nursing Home.				
		State Fiscal Years (\$ in Millions)				
		<u>2016 2017 2018</u>				
	State Tax Expenditure (m) Denotes a value of less than \$1 m	(m) (m) (m)				

Tobacco Products excise tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
8.00200	§48-11-3	De minimis amount brought into the state by one person
8.00300	§48-11-3	Cigars and cigarettes stored in a public warehouse
8.00400	§48-11-3	Certain cigars and cigarettes held by licensed dealers

9. Financial Institutions Special State Occupation Tax

This is a special state occupation tax imposed on the adjusted gross receipts of each depository financial institution that does business or owns property in the state. The state tax rate is levied at a rate of 0.25 percent. In addition to the state tax, counties and municipalities may levy a rate not to exceed 0.25 percent of gross receipts. Any amount paid under the special state occupation tax by a financial institution reduces the institution's state income tax liability by an equal amount.

The tax is administered by the Georgia DOR. The revenues from this tax in FY 2015 equaled \$17 million. The proceeds of the tax are deposited into the State General Fund.

<u>9.00100</u>	Deduction for interest paid					
	Statute	§48-6-95				
	Year Enacted	1975				
	Year Effective	1975				
	Data Source	FDIC – Statistics on Depository Institutions				
	Estimate Reliability	Class B				
	Data Reliability	Class A				
	Note					
	Description: Financial inst	stitutions are allowed to deduct from gross receipts interest pai				
	on all liabiliti	es.				
		State Fiscal Years (\$ in Millions)				
		<u>2016</u> 2017 <u>2018</u>				
	State Tax Expenditure (m) Denotes a value of less than \$1 n	aillion 2 2 2				

Financial institutions tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
9.00200	§48-6-95	Deductions for income from authorized activities of a domestic international
		banking facility
9.00300	§48-6-95	Deduction for income from banking business with persons or entities outside
		the U.S.

10. Special Assessment of Forest Land Conservation Use Property

Real property devoted to qualified conservation use is assessed at 40 percent of its current use value. This tax treatment is designed to reduce the property tax burden on landowners in an effort to discourage the conversion of land to residential or commercial use. The property must be maintained in a qualifying conservation use for a period of 10 years. Because the state offsets the loss of local government property tax revenue stemming from this exemption, this exemption represents a reduction in state tax revenues.

<u>10.00000</u>	Special assessment of fores	st land conservation use p	roperty		
	Statute	§48-5A-2	_		
	Year Enacted	2008			
	Year Effective	2008			
	Data Source	Office of Planning and	Budget; and	the Georgia DOR	
	Estimate Reliability	Class A	0	C	
	Data Reliability	Class A			
	Note				
		available by the Georgia is and awarded to countie school districts for purpos	s, municipal	lities and county or	
	Forest Land Conservation Use Property program.				
	State Fiscal Years (\$ in Millions)			n Millions)	
		<u>2016</u>	2017	<u>2018</u>	
	State Tax Expenditure	29	33	33	
	(m) Denotes a value of less than \$1 n	nillion			

11. Alternative Ad Valorem Tax on Motor Vehicles

As of March 1, 2013 motor vehicles titled in Georgia are subject to a title ad valorem fee, referred to as the Motor Vehicle Title Fee or the TAVT. This legislation was passed in the 2012 session of the General Assembly and was substantially amended in the 2013 session. As part of the legislation, sales and use tax on the sale of motor vehicles was eliminated for purchases or leases occurring on or after March 1, 2013.

The tax base for new vehicles is equal to the greater of the retail selling price and the average of the current fair market value and the wholesale value as determined by the Georgia DOR. The tax base for used vehicles is equal to the average of the current fair market value and the wholesale value as determined by the Georgia DOR less any reductions for the trade-in value of another vehicle and any dealer rebates or cash discounts.

The title fee rate in CY 2013 was 6.5 percent and increased to 6.75 percent in CY 2014 and to 7 percent in CY 2015. The revenue from the tax is shared between the state and local governments at a specified annual rate. The state (local) share of the tax was 57 (43) percent for CY 2013 and 55 (45) percent for CY 2014 and CY 2015. For years after CY 2015, the local share is annually reduced (increased) in the event that the receipts to the local government from the proceeds of the tax exceed (fall short of) the target collection amount of the preceding year by more than 1 percent. Because the local governments exceeded the target collection amount for CY 2015, the state (local) share for CY 2016 has been adjusted to equal 59.45 (40.55) percent.

The tax is administered by the Georgia DOR but initial proceeds remitted by taxpayers are collected at the local level. All proceeds from the state portion of the TAVT are deposited into the State General Fund. The TAVT generated \$846 million in state receipts in FY 2015 and \$702 million in local government receipts.

<u>11.001</u>	Reduced rate for related fa	mily transfers				
	Statute	§48-5C-1(d)(1))-(2)			
	Year Enacted	2012				
	Year Effective	2013				
	Data Source	DOR data for 2	2015			
	Estimate Reliability	Class A				
	Data Reliability	Class A				
	Note					
	Description:					
	A reduced ra	ate of 0.25 percei	nt applies to	o transfers	for a vehicle	
	transferred b	etween immedia	te family n	nembers o	r a transfer oc	curring
	as a result of	f the death of an	immediate	family me	ember.	-
	State Fiscal Years (\$ in Millions)					
			2016	2017	<u>2018</u>	
	State Tax Expenditure		7	7	7	
	Local Tax Expenditure (m) Denotes a value of less than \$1 m	nillion	5	6	7	

<u>11.002</u>	connected U.S. Depar	$\frac{ion}{2012}$ $\frac{348-5C-1(d)(7)}{2012}$ $\frac{2013}{2013}$ DOR data for 2015 Class A Class A Class A a from the title fee of the sale of a vehicle to a service- disabled veteran when the veteran received a grant from the rtment of Veterans Affairs to purchase and specifically vehicle to his or her disability. State Fiscal Years (\$ in Millions) $\frac{2016}{2017}$ $\frac{2017}{2018}$
	State Tax Expenditure Local Tax Expenditure	(m) (m) (m) (m) (m) (m)
	(m) Denotes a value of less than \$1	million
<u>11.003</u>	percent of	$\frac{\$48-5C-1(d)(11)(A)}{2012}$ 2012 2013 DOR data for 2015 Class A Class A class A dicles are subject to a reduced state title fee rate of 0.625 the fair market value and a local title fee rate of 0.625 the fair market value. State Fiscal Years (\$ in Millions) $\frac{2016}{73} \frac{2017}{80} \frac{2018}{75}$ 50 56 63
<u>11.004</u>	Reduced rate for vehicles Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Vehicles m reduced sta	$\frac{1963 \text{ through } 1985}{848-5C-1(d)(17)}$ 2012 2013 DOR data for 2015 Class B class B nanufactured in years 1963 through 1985 are subject to a ate title fee rate of 0.5 percent and reduced local title fee percent of the fair market value of the vehicle. State Fiscal Years (\$ in Millions) $\frac{2016}{(m)} \frac{2017}{(m)} \frac{2018}{(m)}$ $(m) (m) (m)$

<u>11.005</u>	Reduced rate for salvage v Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Salvage veh	§48-5C-1(b)(2012 2013 DOR data for Class A Class A	r 2015 et to a state ti	tle fee rate	e of 1 percent and are
	not subject		State Fiscal	Vears (\$ i	n Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		<u>2010</u> 31	33	31
	Local Tax Expenditure (m) Denotes a value of less than \$1 m	nillion	30	33	37
<u>11.006</u>	Dealer loaner vehicle exer	nntion			
11.000	Statute	§48-5C-1(d)	(12)		
	Year Enacted	2012	12)		
	Year Effective	2013			
	Data Source	DOR data for	r 2015		
	Estimate Reliability	Class B			
	Data Reliability	Class A			
	Note				
	Description: Dealer loan	er vehicles are e	exempt from	the state a	and local title fee for
	a period of 3	366 days.			
			State Fiscal	Years (\$ i	n Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		7	6	4
	Local Tax Expenditure	••••	5	5	4
	(m) Denotes a value of less than \$1 m	nillion			
11.007	Reduced rate for donated	vehicles			
11.007	Statute	§48-5C-1(d)((13)		
	Year Enacted	2012			
	Year Effective	2013			
	Data Source	DOR data for	r 2015		
	Estimate Reliability	Class A			
	Data Reliability	Class A			
	Note				
	Description: Vehicles do				
		-	-		ced state title fee
	-	cent of the fair	market value	e of the ve	hicle. No local title
	fee applies.		Q (F' 1)	V (4)	N ('11')
			State Fiscal		,
	Quarter Theorem 11's		<u>2016</u>	<u>2017</u>	$\frac{2018}{(m)}$
	State Tax Expenditure		(m)	(m)	(m)
	Local Tax Expenditure (m) Denotes a value of less than \$1 m	nillion	(m)	(m)	(m)
	, , , , , , , , , , , , , , , , , , ,	-			

<u>11.008</u>	Extended payment period Statute Year Enacted Year Effective Data Source Estimate Reliability	for out-of-state ve §48-5C-1(d)(3) 2012 2013 DOR data for 20 Class B			
	Data Reliability	Class B			
	Note	• . • • • • •		C	
	Description: Vehicles reg to pay the ti	tle fee in two equa	al installm	ents over a	a 12-month period. a Millions)
			<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		2	0	-1
	Local Tax Expenditure		0	0	2
	(m) Denotes a value of less than \$1 n	nillion			
11.009	Trade-in exemption (inclu	ding rebates and c	ash discou	unts)	
	Statute	§48-5C-1(a)(1)			
	Year Enacted	2012			
	Year Effective	2013			
	Data Source	DOR data for 2	015		
	Estimate Reliability	Class A			
	Data Reliability	Class A			
	Note	. 11 1		1 .1	
	Description: Both the sta		-		
	a venicle ne or cash disc	t of the trade-in va	alue of and	other moto	r venicie, redates
	or cash disc		ata Fiscal	Voors (\$ ir	n Millions)
		56	<u>2016</u>	<u>2017</u>	<u>2018</u>
	State Tax Expenditure		<u>2010</u> 395	434	407
	Local Tax Expenditure		278	308	348
	(m) Denotes a value of less than \$1 n	nillion	270	200	510
<u>11.010</u>	Special assessment for use				
	Statute	§48-5C-1(a)(1)((C)		
	Year Enacted	2012			
	Year Effective	2013	015		
	Data Source	DOR data for 20	015		
	Estimate Reliability	Class B Class C			
	Data Reliability Note	Class C			
	Description: Under certai	in conditions used	d vehicles	may he ya	lued based on bill of
	-	ter reading, and va		•	
	sure, subine	•			n Millions)
		. Su	2016	2017	2018
	State Tax Expenditure		21	22	$\frac{1010}{20}$
	Local Tax Expenditure		16	16	19
	(m) Denotes a value of less than \$1 n	nillion			

	Special assessment for a Statute Year Enacted	§48-5C-1(a)(1)(D)
	Year Effective	2012
	Data Source	2013 DOR data for 2015
	Estimate Reliability	Class B
	Data Reliability	Class B
	Note	Class D
		fee is applied to the greater of the retail selling price or the
	—	of the current fair market value and the current wholesale
		State Fiscal Years (\$ in Millions)
		<u>2016 2017 2018</u>
	State Tax Expenditure	-43 -44 -41
	Local Tax Expenditure	-32 -34 -38
	(m) Denotes a value of less than \$	\$1 million
<u>11.012</u>	Buy here pay here trans	actions
	Statute	§48-5C-1(b)(1)(B)(xv)
	Year Enacted	2013
	Year Effective	2014
	Data Source	DOR data for 2015
	Estimate Reliability	Class A
	Data Reliability	Class A
	Note	
		anced used car transactions are subject to a title fee rate that
	is two and	d a half percentage points below the standard title fee rate
		State Fiscal Years (\$ in Millions)
		$\frac{2016}{6}$ $\frac{2017}{7}$ $\frac{2018}{7}$
	State Tax Expenditure	6 7 7
	State Tax Expenditure Local Tax Expenditure (m) Denotes a value of less than \$	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$
11 013	Local Tax Expenditure (m) Denotes a value of less than \$	6 7 7 5 6 7 \$1 million
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ Exemption from TAVT	6 7 7 5 6 7 \$1 million 5 6 ' for leased vehicles qualifying for Manufacturing Headquarters
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ Exemption from TAVT Statute	6 7 7 5 6 7 \$1 million C for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ Exemption from TAVT Statute Year Enacted	6 7 7 5 6 7 \$1 million Y for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective	6 7 7 5 6 7 \$1 million Y for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source	6 7 7 5 6 7 \$1 million Y for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability	6 7 7 5 6 7 \$1 million * for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015 Class A
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than S <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability	6 7 7 5 6 7 \$1 million Y for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note	6 7 7 5 6 7 \$1 million * for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015 Class A
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description:	6 7 7 5 6 7 \$1 million Y for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015 Class A Class A
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Creates th	6 7 7 5 6 7 \$1 million ************************************
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Creates th	6 7 7 5 6 7 \$1 million Y for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015 Class A Class A
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Creates th	6 7 7 5 6 7 \$1 million * for leased vehicles qualifying for Manufacturing Headquarters 48-5C-1 2015 2015 DOR data for 2015 Class A Class A class A he plate category of "Manufacturing HQ" and included in the d qualifications of that plate is an exemption from the TAVT.
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Creates th	6 7 7 5 6 7 \$1 million ************************************
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Creates th rights and	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$
<u>11.013</u>	Local Tax Expenditure (m) Denotes a value of less than \$ <u>Exemption from TAVT</u> Statute Year Enacted Year Effective Data Source Estimate Reliability Data Reliability Note Description: Creates th rights and State Tax Expenditure	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$

12. Special Excise Tax on Consumer Fireworks

An excise tax of 5 percent is levied in addition to any state and local taxes imposed by law. This provision became effective for fiscal years beginning on July 1, 2015. The tax is administered by the Georgia DOR. The proceeds from this excise tax are deposited into the State General Fund.

13. State Hotel-Motel Tax

An excise tax of \$5.00 per day is levied on each room rented or leased. This provision became effective on July 1, 2015. The tax is administered by the Georgia DOR. Although collections from this tax are deposited in to the State General Fund, they must be appropriated exclusively for transportation purposes.

Appendix of Tables

Expenditure	Summary	Tax	Expiration Date
1.6.024	Teleworking Credit	State	12/31/2011
		Individual	
		Income Tax	
1.6.031/	Low- & Zero-Emission Vehicle Credit	Total State	6/30/2015
2.6.020		Credit	
1.6.033/	Clean Energy Property and Wood Residuals Credit	Total State	12/31/2014
2.6.022		Credit	
2.6.013	Teleworking Credit	Corporate	12/31/201
		Income Tax	
2.6.033	Cigarette export tax credit	Corporate	6/30/2010
		Income Tax	
4.02500	Sale of seed, fertilizer, fungicide, and certain other	Sales and	1/1/2013
	agricultural chemicals to farmers, and feed for	Use Tax	
	livestock, fish, or poultry purchased by persons engaged		
	in animal husbandry		
4.02600	Sale of machinery used exclusively for irrigation of	Sales and	1/1/2013
	crops to persons primarily engaged in producing farm	Use Tax	
	crops for sale		
4.02700	Sales of sugar for use as food to honey bee producers	Sales and	1/1/2013
		Use Tax	
4.02800	Sale of cattle, hogs, sheep, horses, poultry, or bees when	Sales and	1/1/2013
	sold for breeding purposes	Use Tax	
4.02900	Sale of certain types of agricultural machinery	Sales and	1/1/2013
		Use Tax	
4.02910	Off-road equipment and related attachments used	Sales and	1/1/2013
	exclusively in site preparation, planting, cultivating, or	Use Tax	
	harvesting of timber by persons primarily engaged in		
	growing or harvesting timber		
4.03310	Partial sales tax exemption for jet fuel sold to or used by	Sales and	1/1/2013
	a qualifying airline at a qualifying airport	Use Tax	
4.03400	Certain machinery used in the manufacturing of	Sales and	1/1/2013
	tangible personal property	Use Tax	
4.03430	The sale or use of repair or replacement parts,	Sales and	1/1/2013
	machinery clothing, molds, dies, waxes or tooling for	Use Tax	
	machinery		
4.03440	Sale of tangible personal property to or used in or for	Sales and	6/30/2012
	the construction of a new alternative fuel facility	Use Tax	
	primarily dedicated to the production and processing of		
	ethanol, biodiesel, butanol or their by-products		
4.03500	Certain materials used in industrial packaging	Sales and	1/1/2013
		Use Tax	

Table 1: Summary of Expired Provisions

4.03700	Machinery and equipment used in combating air and water pollution and any industrial material used in a	Sales and Use Tax	12/31/2012
	burning or recycling process		
4.04900	Liquefied gases and other fuels used in poultry or pullet	Sales and	1/1/2013
	houses or structures	Use Tax	
4.04910	Liquefied petroleum gas or other fuel used in a structure	Sales and	6/30/2010
	where swine are raised	Use Tax	
4.05800	Graduated exemption for the sale of overhead materials	Sales and	1/1/2011
	used in government contracts	Use Tax	
4.06400	Sale of electricity or fuels used exclusively for the	Sales and	1/1/2013
	operation of an irrigation system on a farm for crop irrigation	Use Tax	
4.07010	Partial exemption for certain sales of natural or artificial	Sales and	12/31/2010
	gas, fuel oil, propane, petroleum coke and coal used	Use Tax	
	directly or indirectly in the manufacture or processing		
	of tangible personal property primarily for resale		
4.07300	Sale of certain production equipment to film producers	Sales and	1/1/2013
	and film production companies	Use Tax	
4.07400	Sale or use of digital broadcast equipment sold to,	Sales and	11/1/2008
	leased to, or used by a federally licensed commercial or	Use Tax	
	public radio or television broadcast station, a cable		
	network, or a cable distributor		
4.07500	Sales tax holiday for back to school items	Sales and	8/1/2015
	~	Use Tax	
4.07700	Liquefied gases and other fuels used in structures where	Sales and	1/1/2013
	plants, floral products, seedlings, and nursery stock are grown for sale	Use Tax	1, 1, 2010
4.07800	Materials used to construct a new symphony hall	Sales and	9/1/2011
	costing in excess of \$200 million that is owned and	Use Tax	<i>)</i> /1/2011
	operated by a nonprofit organization	Obe Tux	
4.07900	Ice used to chill poultry or vegetables during processing	Sales and	1/1/2013
1.07900	or shipment	Use Tax	1/1/2013
4.08200	Sales tax holiday for water-efficient and energy-	Sales and	10/4/2015
4.00200	efficient purchases	Use Tax	10/4/2013
4.08800	Sale of tangible personal property used in the	Sales and	7/30/2015
4.00000	construction of a qualified civil rights museum	Use Tax	7/30/2013
4.08900	The sale of an airplane flight simulation training device.	Sales and	6/30/2011
4.00700	The sale of an anplane finght simulation training device.	Use Tax	0/30/2011
4.09000	The sale of electricity to a manufacturer located in this	Sales and	1/1/2013
4.09000	state used directly in the manufacture of a product.	Use Tax	1/1/2013
4.09200	Sale to an organization defined by the Internal Revenue	Sales and	12/31/2013
4.09200	.	Use Tax	12/31/2013
	Service as an instrumentality of the states relating to the	Use Tax	
	holding of an annual meeting in this state for the period		
	commencing July 1, 2012, and ending on December 31, 2013		
6.00200	2013 Solo of fuel to mass transit unbiglas	Motor Eral	6/20/2015
6.00200	Sale of fuel to mass transit vehicles	Motor Fuel	6/30/2015
<u>< 00200</u>		Tax Matan Frasl	C/20/2017
6.00300	Sale of fuel to campus transportation vehicles	Motor Fuel	6/30/2015
		Tax	

6.00600	Motor fuel tax exemption for public school buses	Motor Fuel	6/30/2015
		Tax	

Expenditure	Summary	State FY 2016	State FY 2017	State FY 2018
Sales Tax Exer	nption for a Business Input ⁴			
4.01700	Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce	17	18	19
4.02500	Fares of for-hire vehicles	Estimat	e not availat time	ole at this
4.03410	Machinery and equipment used to handle, move, or store tangible personal property in certain distribution facilities	Estimat	e not availat time	ble at this
4.03420	Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts	(m)	(m)	(m)
4.03910	Cargo containers and related chassis used for storage or shipping by persons engaged in international shipment of tangible personal property	Estimat	e not availab time	ole at this
4.04500	The sale or use of paper stock when used to print catalogs for distribution outside Georgia.	Estimate not available at this time		
4.04800	Sale of crab bait to licensed commercial fishermen	(m)	(m)	(m)
4.06000	Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less	(m)	(m)	(m)
4.06500	Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen	(m)	(m)	(m)
4.06800	Sale of certain computer equipment when the total qualifying purchases by a high technology company exceed \$15 million	Estimat	e not availat time	ble at this
4.06900	Sales of machinery and equipment and material incorporated and used in a clean room of Class 100 or less	(m)	(m)	(m)
4.07000	Sale of natural gas used directly in the manufacture of electricity	45	49	56
4.08100	The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline	4	5	5
4.08300	Sale of biomass materials used to produce electricity or steam intended for sale	1	2	2
4.09400	The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale	Estimat	e not availab time	ole at this

⁴ Sales tax exemptions which are defined primarily as an exemption for a profit making business.

Expenditure	Summary	State FY 2016	State FY 2017	State FY 2018
4.3.2	Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing	3,005	3,145	3,294
4.3.3	Sale and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment	183	192	201
Sales Tax Exer	nption for a Specific Item ⁵			
4.00300	Federal retailer's excise tax if separately itemized to the consumer and Georgia motor fuel tax imposed on the sale of motor fuel	Estimate	e not availat time	ble at this
4.00400	Sales of transportation furnished by a county or municipal public transit system or public transit authorities	9	10	10
4.00500	Sales of transportation furnished by an approved and authorized urban transit system	Estima	ate Combine 4.00400	ed With
4.01200	School lunches sold and served to pupils and employees of public schools	7	7	7
4.01300	School lunches sold and served to pupils and employees of approved private schools	1	(m)	(m)
4.01800	Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation	Estimate not available at this time		
4.02000	Water delivered through water mains, lines, or pipes	63	65	68
4.02200	Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made		enditure esti 3, 4.50010, -	
4.02300	Repair services when a separate charge is made to the customer	-	enditure esti 3, 4.50010, -	
4.02400	Rental of videotape or film to persons charging admission to view the tape or film	7	7	7
4.03300	Common or common and contract carriers	Estimate	e not availat time	ole at this
4.04200	Use or lease of tangible personal property when the lessor and lessee are under 100 percent common ownership and where the person who furnishes, leases, or rents the property has paid sales or use tax on the property	Estimate	e not availat time	ole at this
4.04300	Revenues from coin-operated amusement machines for which individual permits are required	Estimate	e not availat time	ble at this

⁵ Sales tax exemptions which are defined primarily by the item being purchased and not defined, or only generally defined, by the seller or purchaser.

Expenditure	Summary	State FY 2016	State FY 2017	State FY 2018	
4.04700	Sale of drugs dispensed by prescription, prescription glasses, contact lenses, contact lens	397	422	453	
	samples and sales or use of certain controlled substances or dangerous drugs				
4.05000	Sales of insulin syringes and blood glucose level measuring strips dispensed without a prescription	25	25 27		
4.05100	Sale of oxygen when prescribed by a licensed physician	1	1	1	
4.05200	Sale or use of hearing aids	5	6	6	
4.05400	Sale or use of any durable medical equipment or prosthetic device prescribed by a physician	34	35	36	
4.05500	Sale of Georgia lottery tickets	159	164	168	
4.05700	Food purchased for off-premises consumption	489	502	513	
4.06100	Advertising inserts that are used in newspapers for resale	Estimat	e not availab time	le at this	
4.06200	Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer	3 3		3	
4.06600	Sale of gold, silver, or platinum bullion	3	3	3	
4.06700	Sale of coins or currency	1	1	1	
4.07500	Sales tax holiday for back to school items (expired July 31, 2016)	42	0	0	
4.08200	Sales tax holiday for water-efficient and energy- efficient purchases (expired October 2, 2016)	1	0	0	
4.09100	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave.	Estimate not available at this time			
4.90000	Sales tax exemption for casual sales	2	2	2	
Sales Tax Exe	mption for a Specific Purchaser ⁶				
4.00100	Sales to Federal Government, State of Georgia or a county or municipality in Georgia or any agency of such governments	Estimate not available at this time			
4.00600	Sales to any Hospital Authority created by Georgia law	Estimate Combined with 4.007			
4.00610	Sales to any Housing Authority created by Georgia law	2	2	2	
4.00620	Sales to local government authorities created on or after January 1, 1980 for the principal purpose of constructing, owning, or operating a coliseum and related facilities	2	2	1	
4.00630	Sales to any agricultural commission created by the Department of Agriculture	(m)	(m)	(m)	

⁶ Sales tax exemptions which are defined primarily by the purchaser and not defined, or only generally defined, by the seller or the item being purchased.

Expenditure	Summary	State FY 2016	State FY 2017	State FY 2018	
4.00700	Sales of tangible personal property and services to an approved nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function.	98	103	108	
4.00705	Sales of tangible personal property to a non- profit health center established and receiving funds pursuant to the U.S. Public Health Service Act	1	1	1	
4.00710	Sales of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities	2	2	2	
4.00720	Sales to Georgia Society of the Daughters of the American Revolution	(m)	(m)	(m)	
4.00730	Sales of tangible property and services to a nonprofit volunteer health clinic primarily treating patients with incomes below 200 percent of the poverty level	1	1	1	
4.00800	Sales of tangible personal property and services to the University System of Georgia and its educational units	39	41	43	
4.00900	Sale of tangible personal property and services used exclusively in the educational function of an approved private college or university located in Georgia in which the credits are accepted by the University System of Georgia	Estimate combined with 4.0080			
4.01000	Sales of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school	3	3	3	
4.01100	Sale of tangible personal property or services to, and the purchase of tangible personal property or services by, any educational or cultural institute	(m)	(m)	(m)	
4.01900	All tangible personal property purchased outside this state by a nonresident when the property is brought into Georgia upon the nonresident becoming a resident	Estimate not available at this time			
4.02100	Sales, transfers or exchanges of tangible personal property resulting from business reorganization when the owners, partners, or stockholders maintain the same proportionate interest or share in the newly formed business	Estimate not available at this time			
4.03100	Sale of tangible personal property manufactured or assembled in Georgia for export when delivery is taken outside of Georgia	Estimat	e not availab time	ole at this	

Table 2:	Sales an	d use	tax	expenditures	bv	type
	Duites un	a abe	ULL2X	capenatures	~ J	U PC

Expenditure	Summary	State FY 2016	State FY 2017	State FY 2018	
4.03600	Machinery and equipment used in a facility for the primary purpose of reducing or eliminating air and water pollution	(m)	(m)	(m)	
4.03610	Machinery and equipment used for water conservation and incorporated into a qualified water conservation facility.	Estimate not available at time			
4.04000	Sale of major components or repair parts installed in military aircraft, vehicles, or missiles	46	46 48		
4.04100	Sale of tangible personal property and services to a nonprofit child-caring institution, child-placing agency, or maternity home	1	1	1	
4.04600	Sale of tangible personal property or taxable services to nonprofit blood banks	1	1	1	
4.07100	Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries	(m)	(m)	(m)	
4.07600	Exemption for personal property used in the renovation or expansion of an aquarium	(m)	(m)	0	
4.08700	Sales of tangible personal property used to renovate or expand a zoological institution (expires June 30, 2018)	0 (m)		(m)	
4.09300	Sale of tangible personal property used for and in the construction of a competitive project of regional significance, for the period commencing January 1, 2012, until June 30, 2019	9	9	9	
4.09600	Exemption for sales or use of construction materials used for or in the construction of buildings at a private college (expired July 1, 2016)	(m)	0	0	
4.09800	Sales of tangible personal property and services to a qualified job training organization	1	1	1	
Sales Tax Exer	mption for a Specific Purchaser of a Specific Item ⁷				
4.01400	Sales of art and other artifacts for display or exhibition to museums	(m)	(m)	(m)	
4.01510	Sales of pipe organs or steeple bells to any church qualifying as a nonprofit	(m)	(m)	(m)	
4.03000	Vehicles purchased by service-connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase and specially adapted the vehicle	(m)	(m)	(m)	
4.03200	Aircraft, watercraft, motor vehicles, and other transportation equipment manufactured or assembled in this State for exclusive use outside Georgia	Estimate	e not availab time	le at this	

⁷ Sales tax exemptions which are specifically defined by the purchaser as well as the item being purchased.

Expenditure	Summary	State FY 2016	State FY 2017	State FY 2018
4.04400	Sale of motor vehicles to nonresident purchasers	Estimate	e not availab time	le at this
	when vehicles are immediately removed from Georgia and titled in another state.		time	
4.05300	Transactions where food stamps or WIC coupons	116	115	115
1.05500	are used as the method of payment of payment	110	115	110
4.05710	Sales of food and beverages to a qualified food bank (expires June 30, 2021)	1	1	1
4.06300	Funeral merchandise when paid with funds from the Georgia Crime Victims' Emergency Fund	(m)	(m)	(m)
4.07200	Sale of prescribed mobility enhancing equipment	2	3	3
4.08600	Sales of engines, parts, equipment and other	17	17	17
4.00000	tangible personal property used in the	17	17	17
	maintenance or repair of certain aircraft			
4.09700	Sales of admission to a nonrecurring major	0	1	3
	sporting event	, , , , , , , , , , , , , , , , , , ,		-
Sales Tax Exer	nption for a Specific Seller ⁸			
4.00200	Tangible personal property furnished by the	Estimate not available at this		
	Federal Government or any county or		time	
	municipality used by a contractor in the			
	installation, repair, or extension of any public			
	water, gas, or sewer system.			
4.01500	Specific fundraising sales by any religious	(m)	(m)	(m)
	institution lasting no more than 30 days in a			
	calendar year and sales of religious paper when			
	the paper is owned and operated by the religious			
	institution			
4.03800	Sale of tangible personal property and fees and	(m)	(m)	(m)
	charges for services by the Rock Eagle 4-H			
	center			
4.03900	Certain sales by a public or private school of	2	2	2
	tangible personal property, concessions, and			
4.05.000	tickets for admission to school functions			
4.05600	Sale by any qualified nonprofit parent-teacher organization	(m)	(m)	(m)
4.05720	Exemption for prepared food and food	3	3	3
	ingredients that are donated to a qualified			
	nonprofit agency and used for hunger relief			
	purposes			
4.05730	Exemption for food and food ingredients that are	(m)	(m)	(m)
	donated following a natural disaster and used for			
	disaster relief			
4.05900	Sale of eligible food and beverages by any Girl	1	1	1
	or Boy Scout council			

⁸ Sales tax exemptions which are defined primarily by the seller and not defined, or only generally defined, by the purchaser of the item being purchased.

	Tuble 21 Sules and use tax experiation of type			
		State FY	State FY	State FY
Expenditure	Summary	2016	2017	2018
4.70000	Compensation of dealers for reporting and paying tax	65	68	70

Tables 3-8: Distributional tables of selected provisions

Tables 3 through 8 provide information on the distribution across Georgia AGI for several exemptions and deductions from the state individual income tax. Due to a lack of data and for reasons of confidentiality, these tables cannot be produced for other provisions. The data used to produce the tables is from the state individual income tax files for 2014. It has not been adjusted for inflation nor does it reflect any legislative changes that may have occurred since 2014. Column 1 of each table provides the categories of Georgia AGI. Column 2 (Number of Returns) provides the number of returns for each AGI category. Column 3 (Average Value) gives the average value of the tax exemption or deduction taken by filers in each AGI category. Column 4 (Total) provides the total value of the deduction or exemption associated with each AGI category and column 5 (Percent of Total) provides the percent of the total value of the deduction or exemption that falls into that AGI category.

Table 3: Total Personal Exemptions				
Georgia AGI - 2014	Number of	Average Value	Total	Percent of
	Returns			Total
GA AGI≤0	333,334	\$5,014	\$1,671,268,900	6.21%
0 <ga agi≤\$25,000<="" td=""><td>1,554,879</td><td>\$5,602</td><td>\$8,710,576,000</td><td>32.35%</td></ga>	1,554,879	\$5,602	\$8,710,576,000	32.35%
\$25,000 <ga agi≤\$50,000<="" td=""><td>873,334</td><td>\$6,902</td><td>\$6,027,943,500</td><td>22.38%</td></ga>	873,334	\$6,902	\$6,027,943,500	22.38%
\$50,000 <ga agi≤\$100,000<="" td=""><td>694,204</td><td>\$8,026</td><td>\$5,571,819,100</td><td>20.69%</td></ga>	694,204	\$8,026	\$5,571,819,100	20.69%
\$100,000 <ga agi≤\$500,000<="" td=""><td>467,455</td><td>\$9,990</td><td>\$4,670,054,600</td><td>17.34%</td></ga>	467,455	\$9,990	\$4,670,054,600	17.34%
\$500,000 <ga agi≤\$1,000,000<="" td=""><td>18,036</td><td>\$10,701</td><td>\$192,996,200</td><td>0.72%</td></ga>	18,036	\$10,701	\$192,996,200	0.72%
GA AGI>\$1,000,000	8,259	\$10,322	\$85,247,500	0.32%
Total	3,949,501		\$26,929,905,800	100.00%
The percent of total column may not sum to 100 percent due to rounding.				

Table 4: Retirement Exemptions				
Georgia AGI - 2014	Number of	Average Value	Total	Percent of
	Returns			Total
GA AGI≤0	336,757	\$28,746	\$9,680,435,999	45.1%
0 <ga agi≤\$25,000<="" td=""><td>182,505</td><td>\$26,406</td><td>\$4,819,245,097</td><td>22.5%</td></ga>	182,505	\$26,406	\$4,819,245,097	22.5%
\$25,000 <ga agi≤\$50,000<="" td=""><td>87,311</td><td>\$26,006</td><td>\$2,270,586,775</td><td>10.6%</td></ga>	87,311	\$26,006	\$2,270,586,775	10.6%
\$50,000 <ga agi≤\$100,000<="" td=""><td>78,579</td><td>\$28,098</td><td>\$2,207,931,002</td><td>10.3%</td></ga>	78,579	\$28,098	\$2,207,931,002	10.3%
\$100,000 <ga agi≤\$500,000<="" td=""><td>54,931</td><td>\$38,784</td><td>\$2,130,467,830</td><td>9.9%</td></ga>	54,931	\$38,784	\$2,130,467,830	9.9%
\$500,000 <ga agi≤\$1,000,000<="" td=""><td>3,302</td><td>\$62,230</td><td>\$205,482,063</td><td>1.0%</td></ga>	3,302	\$62,230	\$205,482,063	1.0%
GA AGI>\$1,000,000	1,961	\$73,295	\$143,731,169	0.7%
Total	745,346		\$21,457,879,935	100.0%
The percent of total column may not sum to 100 percent due to rounding.				

Table 5: Georgia Higher Education Savings Deduction				
Georgia AGI - 2014	Number of	Average Value	Total	Percent of
	Returns			Total
GA AGI≤0	1,762	\$2,969	\$5,231,695	5.22%
0 <ga agi≤\$25,000<="" td=""><td>1,429</td><td>\$2,357</td><td>\$3,368,507</td><td>3.36%</td></ga>	1,429	\$2,357	\$3,368,507	3.36%
\$25,000 <ga agi≤\$50,000<="" td=""><td>1,932</td><td>\$2,013</td><td>\$3,889,672</td><td>3.88%</td></ga>	1,932	\$2,013	\$3,889,672	3.88%
\$50,000 <ga agi≤\$100,000<="" td=""><td>6,426</td><td>\$1,942</td><td>\$12,477,288</td><td>12.45%</td></ga>	6,426	\$1,942	\$12,477,288	12.45%
\$100,000 <ga agi≤\$500,000<="" td=""><td>22,925</td><td>\$2,954</td><td>\$67,718,451</td><td>67.58%</td></ga>	22,925	\$2,954	\$67,718,451	67.58%
\$500,000 <ga agi≤\$1,000,000<="" td=""><td>1,177</td><td>\$4,602</td><td>\$5,416,263</td><td>5.41%</td></ga>	1,177	\$4,602	\$5,416,263	5.41%
GA AGI>\$1,000,000	412	\$5,106	\$2,103,679	2.10%
Total	36,063		\$100,205,555	100.00%
The percent of total column may not sum to 100 percent due to rounding.				

Table 6: Interest on U.S. Obligations				
Georgia AGI - 2014	Number of	Average Value	Total	Percent of
	Returns			Total
GA AGI≤0	19,087	\$15,475	\$295,372,432	82.89%
0 <ga agi≤\$25,000<="" td=""><td>7,696</td><td>\$1,958</td><td>\$15,068,045</td><td>4.23%</td></ga>	7,696	\$1,958	\$15,068,045	4.23%
\$25,000 <ga agi≤\$50,000<="" td=""><td>4,628</td><td>\$1,627</td><td>\$7,528,270</td><td>2.11%</td></ga>	4,628	\$1,627	\$7,528,270	2.11%
\$50,000 <ga agi≤\$100,000<="" td=""><td>6,915</td><td>\$1,536</td><td>\$10,619,178</td><td>2.98%</td></ga>	6,915	\$1,536	\$10,619,178	2.98%
\$100,000 <ga agi≤\$500,000<="" td=""><td>10,715</td><td>\$1,606</td><td>\$17,203,408</td><td>4.83%</td></ga>	10,715	\$1,606	\$17,203,408	4.83%
\$500,000 <ga agi≤\$1,000,000<="" td=""><td>1,272</td><td>\$2,042</td><td>\$2,597,259</td><td>0.73%</td></ga>	1,272	\$2,042	\$2,597,259	0.73%
GA AGI>\$1,000,000	1,277	\$6,241	\$7,969,253	2.24%
Total	51,590		\$356,357,845	100.00%
The percent of total column may not sum to 100 percent due to rounding.				

Table 7: Blind and Age 65 Deduction				
Georgia AGI - 2014	Number of	Average Value	Total	Percent of
	Returns			Total
GA AGI≤0	192,549	\$1,838	\$353,823,600	58.63%
0 <ga agi≤\$25,000<="" td=""><td>92,974</td><td>\$1,771</td><td>\$164,700,900</td><td>27.29%</td></ga>	92,974	\$1,771	\$164,700,900	27.29%
\$25,000 <ga agi≤\$50,000<="" td=""><td>29,844</td><td>\$1,717</td><td>\$51,246,000</td><td>8.49%</td></ga>	29,844	\$1,717	\$51,246,000	8.49%
\$50,000 <ga agi≤\$100,000<="" td=""><td>15,801</td><td>\$1,731</td><td>\$27,344,200</td><td>4.53%</td></ga>	15,801	\$1,731	\$27,344,200	4.53%
\$100,000 <ga agi≤\$500,000<="" td=""><td>3,355</td><td>\$1,837</td><td>\$6,162,000</td><td>1.02%</td></ga>	3,355	\$1,837	\$6,162,000	1.02%
\$500,000 <ga agi≤\$1,000,000<="" td=""><td>88</td><td>\$1,876</td><td>\$165,100</td><td>0.03%</td></ga>	88	\$1,876	\$165,100	0.03%
GA AGI>\$1,000,000	40	\$2,048	\$81,900	0.01%
Total	334,651		\$603,523,700	100.00%
The percent of total column may not sum to 100 percent due to rounding.				

Table 8: Standard Deduction				
Georgia AGI - 2014	Number of	Average Value	Total	Percent of
	Returns			Total
GA AGI≤0	237,658	\$2,577	\$612,469,100	9.62%
0 <ga agi≤\$25,000<="" td=""><td>1,415,017</td><td>\$2,377</td><td>\$3,363,351,100</td><td>52.82%</td></ga>	1,415,017	\$2,377	\$3,363,351,100	52.82%
\$25,000 <ga agi≤\$50,000<="" td=""><td>610,045</td><td>\$2,495</td><td>\$1,522,051,200</td><td>23.90%</td></ga>	610,045	\$2,495	\$1,522,051,200	23.90%
\$50,000 <ga agi≤\$100,000<="" td=""><td>275,424</td><td>\$2,724</td><td>\$750,197,300</td><td>11.78%</td></ga>	275,424	\$2,724	\$750,197,300	11.78%
\$100,000 <ga agi≤\$500,000<="" td=""><td>40,765</td><td>\$2,902</td><td>\$118,290,000</td><td>1.86%</td></ga>	40,765	\$2,902	\$118,290,000	1.86%
\$500,000 <ga agi≤\$1,000,000<="" td=""><td>256</td><td>\$2,706</td><td>\$692,700</td><td>0.01%</td></ga>	256	\$2,706	\$692,700	0.01%
GA AGI>\$1,000,000	170	\$2,847	\$484,000	0.01%
Total	2,579,335		6,367,535,400	100.00%
The percent of total column may not sum to 100 percent due to rounding.				