

# Georgia Tax Expenditure Report for FY 2025

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## Table of Contents

Introduction.....	3
Summary of State Tax Expenditures .....	9
1. Individual Income Tax .....	58
1.1 Federal Exclusions .....	60
1.2 Federal Deductions .....	69
1.3 Special Federal Conformity Provisions .....	75
1.4 Georgia Exemptions.....	78
1.5 Georgia Deductions .....	83
1.6 Georgia Credits .....	84
2. Corporate Income Tax .....	106
2.1 Federal Corporate Exclusions .....	107
2.2 Federal Corporate Deductions .....	109
2.3 Special Federal Corporate Conformity Provisions .....	114
2.4 Corporate Apportionment .....	117
2.5 Georgia Deductions and Exclusions .....	119
2.6 Georgia Credits .....	120
3. Corporate Net Worth Tax .....	137
4. Sales and Use Tax .....	138
4.0-4.3 Sales and Use Tax Exemptions.....	139
4.5 Sales and Use Tax for Services.....	167
4.7 Vendor Compensation .....	170
4.9 Casual Sales .....	171
5. Insurance Premium Tax .....	174
6. Motor Fuel Tax .....	178
7. Alcoholic Beverage Tax .....	179
8. Tobacco Products Excise Tax .....	181
9. Financial Institutions Special State Occupation Tax .....	182
10. Special Assessment of Forest Land Conservation Use Property .....	183
11. Alternative Ad Valorem Tax on Motor Vehicles.....	184
12. Special Excise Tax on Consumer Fireworks .....	190
13. State Hotel-Motel Tax.....	191
14. For-Hire Ground Transport Excise Tax .....	192
Appendix of Tables.....	193
Table 1: Summary of Recently Expired Provisions.....	193
Table 2: Sales and Use Tax Expenditures by Type.....	195
Tables 3-9: Distributional Tables of Selected Provisions .....	202

## **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 can 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 taxable transactions, such as the reduced title ad valorem tax for rental vehicles and certain vehicle title transfers.

## **Tax Expenditure Report**

Preparation of a tax expenditure report is required by the Official Code of Georgia Annotated §45-12-75. 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, tax expenditures are often 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 is 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 5.75 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 low-income 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 individual 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 single-factor 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 double-weighted 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, which are listed in this report as tax expenditures but are not activities that would 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 tax is embedded in the price of the final good. 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 in the appendix the 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 particular provision by itself, without consideration of potential interactions with other provisions. 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 proposed to be 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 a preliminary 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) 2019. Therefore, even in cases in which the Georgia DOR data is used as the primary data source, the tax expenditure costs 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.

<b>Class of Estimate/Class of Data</b>	<b>Description of Estimate Reliability</b>	<b>Examples of Data Sources by Reliability Status</b>
Class A	Based on data specifically related to the tax expenditure provision and to Georgia taxpayers	Data from Department of Revenue, Bureau of Labor Statistics Consumer Expenditure Survey, Bureau of Economic Analysis, U.S. Census Bureau datasets
Class B	Based on national data which has been modified to represent Georgia and the specific tax activity covered by the expenditure	Industry surveys and trade magazines, most proprietary information
Class C	Represents best available estimate at this time	Newspaper articles, 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, prepared for FY 2025, presents estimates for FY 2023-FY 2025. The report for FY 2024 provided estimates for FY 2022-FY 2024. 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 estimates presented in the FY 2025 report differ significantly from those 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 values for FY 2023-25 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 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.

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
<b>Federal Income Tax Provisions<sup>1</sup></b>						
1.1.001	Exclusion of employee meals and lodging	Federal Individual Income Tax	Exclusion	50	53	55
1.1.002	Exclusion of housing allowances for ministers	Federal Individual Income Tax	Exclusion	7	8	8
1.1.003	Exclusion of employer-provided child care	Federal Individual Income Tax	Exclusion	22	19	20
1.1.004	Exclusion of employee awards	Federal Individual Income Tax	Exclusion	4	4	4
1.1.005	Exclusion of employer contributions and earnings to pension plans including Keoghs, defined benefit and defined contribution plans	Federal Individual Income Tax	Exclusion	2,540	2,879	3,302
1.1.006	Exclusion of employer contributions for health care, health insurance premiums and long-term care insurance premiums	Federal Individual Income Tax	Exclusion	1,450	1,505	1,580
1.1.007	Exclusion of employer-paid accident and disability premiums	Federal Individual Income Tax	Exclusion	33	34	35

<sup>1</sup> These are Internal Revenue Code (IRC) provisions adopted by Georgia as part of its personal and corporate income tax.

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.1.008	Exclusion of employer contributions for premiums on group-term life insurance	Federal Individual Income Tax	Exclusion	30	32	34
1.1.009	Exclusion of employer-paid transportation benefits and employer-provided transit and vanpool benefits	Federal Individual Income Tax	Exclusion	57	60	62
1.1.011	Exclusion of employer-provided adoption assistance	Federal Individual Income Tax	Exclusion	3	3	3
1.1.012	Exclusion of employer-provided education benefits (including education assistance and tuition reduction benefits)	Federal Individual Income Tax	Exclusion	15	16	16
1.1.013	Exclusion of miscellaneous fringe benefits	Federal Individual Income Tax	Exclusion	74	77	80
1.1.014	Exclusion of foreign earned income (including housing and salary)	Federal Individual Income Tax	Exclusion	46	48	51
1.1.015	Exclusion of certain allowances for federal employees abroad	Federal Individual Income Tax	Exclusion	10	10	11

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.1.016	Exclusion of benefits and allowances to armed forces personnel (includes expenditure for military disability benefits)	Federal Individual Income Tax	Exclusion	84	88	93
1.1.017	Exclusion of medical care and Tricare medical insurance for military dependents, retirees, and retiree dependents	Federal Individual Income Tax	Exclusion	44	47	50
1.1.018	Exclusion of veterans' benefits (includes veterans disability compensation, pensions, and readjustment benefits)	Federal Individual Income Tax	Exclusion	113	115	120
1.1.019	Exclusion of income attributable to the discharge of certain student loan debt and National Health Service Corp and certain state educational loan repayments	Federal Individual Income Tax	Exclusion	17	9	2

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.1.020	Exclusion of workers' compensation benefits (includes disability and survivor benefits and medical benefits, and exclusion of damages on account of personal physical injuries or physical sickness)	Federal Individual Income Tax	Exclusion	66	67	70
1.1.021	Exclusion of special benefits for disabled coal miners	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.022	Exclusion of untaxed Social Security and railroad retirement benefits	Federal Individual Income Tax	Exclusion	291	308	333
1.1.024	Exclusion of certain foster care payments	Federal Individual Income Tax	Exclusion	3	3	3
1.1.026	Exclusion of scholarship and fellowship income	Federal Individual Income Tax	Exclusion	31	32	33
1.1.027	Exclusion of earnings of Coverdell education savings accounts and interest on educational savings bonds	Federal Individual Income Tax	Exclusion	1	1	1

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.1.028	Exclusion of earnings of qualified tuition programs (including prepaid tuition programs and savings account programs)	Federal Individual Income Tax	Exclusion	23	27	31
1.1.029	Exclusion for certain agricultural cost-sharing payments	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.030	Exclusion of cancellation of indebtedness income for farmers	Federal Individual Income Tax	Exclusion	(m)	(m)	1
1.1.031	Exclusion of interest on state and local government private activity bonds	Federal Individual Income Tax	Exclusion	2	2	2
1.1.032	Exclusion of capital gains on sales of principal residences	Federal Individual Income Tax	Exclusion	340	331	337
1.1.033	Exclusion of capital gains at death	Federal Individual Income Tax	Exclusion	297	306	313
1.1.034	Carryover basis of capital gains on gifts	Federal Individual Income Tax	Exclusion	10	16	35
1.1.035	Permanent exemption from imputed interest rules	Federal Individual Income Tax	Exclusion	5	5	6
1.1.036	Exclusion of combat pay	Federal Individual Income Tax	Exclusion	11	12	13

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.1.037	Exclusion of energy conservation subsidies provided by public utilities	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.039	Exclusion of gain for certain small business stock	Federal Individual Income Tax	Exclusion	9	11	12
1.1.040	Exclusion of interest on public purpose state and local government bonds	Federal Individual Income Tax	Exclusion	1	1	1
1.1.041	Exclusion of income earned by voluntary employees' beneficiary associations	Federal Individual Income Tax	Exclusion	4	7	11
1.1.042	Exclusion of survivor annuities paid to families of public safety officers killed in the line of duty	Federal Individual Income Tax	Exclusion	0	0	0
1.1.043	Exclusion of disaster mitigation payments	Federal Individual Income Tax	Exclusion	1	1	1
1.1.044	Deduction for Non-Itemizers of Charitable Contributions	Federal Individual Income Tax	Exclusion	Estimate included in 1.2.021		
1.1.045	Exclusion of income attributable to the discharge of principal residence acquisition indebtedness	Federal Individual Income Tax	Exclusion	1	1	1

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.2.001	Accelerated depreciation (MACRS)	Federal Individual Income Tax	Deduction	43	40	37
1.2.002	Deduction for expenditures on energy-efficient commercial building property	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.003	Expensing of exploration and development costs: nonfuel minerals	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.004	Amortization of business start-up costs	Federal Individual Income Tax	Deduction	2	2	2
1.2.005	Expensing of research and experimental expenses	Federal Individual Income Tax	Deduction	(m)	0	0
1.2.006	Expensing of magazine circulation expenditures	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.007	Deductions of oil and gas exploration and development costs	Federal Individual Income Tax	Deduction	0	0	0
1.2.008	Special treatment for expenses related to timber production	Federal Individual Income Tax	Deduction	3	3	3
1.2.009	Expensing under IRC Section 179 of depreciable business property	Federal Individual Income Tax	Deduction	28	46	56



## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State	State	State
				FY 2023	FY 2024	FY 2025
<i>(in Millions)</i>						
1.2.010	Exceptions for publicly traded partnerships with qualified income derived from certain energy-related activities	Federal Individual Income Tax	Deduction	3	4	4
1.2.011	Treatment of income from exploration and mining of natural resources as qualifying income under the publicly traded partnerships rules	Federal Individual Income Tax	Deduction	1	1	1
1.2.012	Various agricultural expensing provisions	Federal Individual Income Tax	Deduction	2	2	1
1.2.014	Expensing to remove architectural and transportation barriers to the handicapped and elderly	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.015	Inventory methods and valuation, (including last-in first-out, lower of cost or market, specific identification for homogenous products)	Federal Individual Income Tax	Deduction	2	2	2
1.2.017	Health Savings Accounts	Federal Individual Income Tax	Deduction	70	75	80
1.2.018	Deduction of property taxes on real property	Federal Individual Income Tax	Deduction	118	122	195

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.2.020	Deduction of mortgage interest on owner-occupied residences	Federal Individual Income Tax	Deduction	202	216	271
1.2.021	Deduction of charitable contributions for health, education, and other purposes	Federal Individual Income Tax	Deduction	461	483	537
1.2.022	Deduction of casualty and theft losses	Federal Individual Income Tax	Deduction	1	1	1
1.2.023	Deduction of overnight expenses for National Guard and Reserve members	Federal Individual Income Tax	Deduction	3	3	3
1.2.025	Deduction of interest on student loans	Federal Individual Income Tax	Deduction	11	17	18
1.2.027	Deduction for teacher classroom expenses	Federal Individual Income Tax	Deduction	2	2	2
1.2.028	Deduction of health insurance premiums and long-term care insurance premiums by the self-employed	Federal Individual Income Tax	Deduction	39	41	45
1.2.029	Deduction of medical and dental expenses and long-term care expenses	Federal Individual Income Tax	Deduction	79	85	102
1.2.030	Net exclusion of pension contributions and earnings: traditional and Roth IRAs	Federal Individual Income Tax	Deduction	163	172	188

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.2.031	Limit on NOL deduction <sup>2</sup>	Federal Individual Income Tax	Deduction	-1	-1	-1
1.2.032	7-year recovery period for motorsport entertainment complexes	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
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)
1.3.003	Two-year carryback for net operating losses attributable to farming	Federal Individual Income Tax	Special Rule	1	1	1
1.3.004	Special rules for mining reclamation reserves	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)
1.3.005	Cash accounting, for certain businesses	Federal Individual Income Tax	Special Rule	18	18	18
1.3.006	Deferral of gain on non-dealer installment sales	Federal Individual Income Tax	Special Rule	7	7	7
1.3.007	Completed contract rules	Federal Individual Income Tax	Special Rule	1	1	1

<sup>2</sup> Negative values denote a tax expenditure that is estimated to increase state revenues.

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.3.008	Special treatment of employee stock ownership plans (ESOPs) (includes deferral of tax on certain employee stock plans)	Federal Individual Income Tax	Deferral	24	26	28
1.3.009	Various agricultural expensing provisions	Federal Individual Income Tax	Special Rule	1	1	1
1.3.010	Qualified Opportunity Zones	Federal Individual Income Tax	Special Rule	32	33	12
1.3.011	Expensing rules for certain productions	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)
<b>Georgia Individual Income Tax Provisions</b>						
1.4.001	Personal Exemption	State Individual Income Tax	Exemption	1,399	971	438
1.4.002	Retirement Income	State Individual Income Tax	Exemption	1,390	1,438	1,453
1.4.003	Exclusion of federally taxable Social Security benefits	State Individual Income Tax	Exemption	463	442	411
1.4.004	Georgia Higher Education Savings Plan Contributions	State Individual Income Tax	Exemption	20	20	20
1.4.005	Interest on U.S. obligations	State Individual Income Tax	Exemption	36	46	42
1.4.006	Certain military income	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.007	Organ donation expenses	State Individual Income Tax	Exemption	(m)	(m)	(m)

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.4.008	Aged 65/Blind deduction	State Individual Income Tax	Exemption	25	14	0
1.4.009	Certain dependent's unearned income	State Individual Income Tax	Exemption	(m)	(m)	(m)
1.4.010	Premiums for high-deductible health plans	State Individual Income Tax	Exemption	7	8	8
1.4.011	Exclusion of qualified insurance benefits for firefighters	State Individual Income Tax	Exemption	Estimate not available at this 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 not available at this time		
1.4.013	Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.014	Income from any fund, program or system which is exempted by federal law or treaty.	State Individual Income Tax	Exemption	Estimate not available at this time		

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.4.015	Certain income in which the Sub-S election is not recognized by Georgia or another state in order to avoid double taxation.	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.016	Adjustment for certain teachers retired from the Teachers Retirement System of Georgia	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.017	Amount claimed by certain employers in food and beverage establishments	State Individual Income Tax	Deduction	Estimate not available at this time		
1.4.018	Adjustment of certain payments to minority subcontractors	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.019	Adjustments to federal AGI for certain Georgia resident partners	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.020	Exemption for certain disaster relief firms	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.021	Exclusion of Military Survivor Benefits	State Individual Income Tax	Exclusion	(m)	(m)	(m)
1.4.022	Exclusion from the income tax for disability payments for disabled first responders	State Individual Income Tax	Exclusion	(m)	(m)	(m)
1.4.023	USDA Disaster Relief Payments Exemption	State Individual Income Tax	Exclusion	6	0	0

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.5.001	Standard Deduction	State Individual Income Tax	Deduction	1,126	1,955	2,949
1.5.002	Deduction of qualified insurance premiums for former firefighters	State Individual Income Tax	Deduction	Estimate not available at this time		
1.6.001	Rural Physician Credit	State Individual Income Tax	Credit	1	1	1
1.6.002	Disabled person's home purchase or retrofit credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.004	Disaster Assistance Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.005	Qualified Caregiving Expense Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.006	Tax credit for life insurance for Georgia National Guard and Air National Guard	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.007	Child and Dependent Care Credit	State Individual Income Tax	Credit	42	43	44
1.6.008	Adoption of Foster Child Credit	State Individual Income Tax	Credit	9	9	10
1.6.009	Low-Income Credit	State Individual Income Tax	Credit	8	8	8
1.6.010	Credit for taxes paid to another state	State Individual Income Tax	Credit	351	346	354
1.6.011	Credit for Community Based Faculty Preceptors	State Individual Income Tax	Credit	3	3	6
1.6.012	Georgia Job Tax Credit	Total State Credit	Credit	217	230	239

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State	State	State
				FY 2023	FY 2024	FY 2025
				<i>(in Millions)</i>		
1.6.013	Quality Jobs Tax Credit	Total State Credit	Credit	103	107	111
1.6.014	New Facilities Jobs Credit	Total State Credit	Credit	Estimate combined with 1.6.012		
1.6.015	New Manufacturing Facilities Property Credit	Total State Credit	Credit	0	0	0
1.6.016	Manufacturer's Investment Tax Credit	Total State Credit	Credit	54	60	66
1.6.017	Optional Investment Tax Credit	Total State Credit	Credit	2	2	3
1.6.018	Port Activity Tax Credit	Total State Credit	Credit	6	6	6
1.6.019	Alternate Port Activity Tax Credit	Total State Credit	Credit	Estimate combined with 1.6.018		
1.6.020	Film Tax Credit	Total State Credit	Credit	673	763	1,021
1.6.021	Research Tax Credit	Total State Credit	Credit	233	260	290
1.6.022	Seed-Capital Fund Credit	Total State Credit	Credit	(m)	(m)	1
1.6.023	Qualified Health Insurance Expense 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	19	20	20
1.6.028	Low-Income Housing Credit	Total State Credit	Credit	344	377	415
1.6.029	Historic Rehabilitation Credit	Total State Credit	Credit	30	26	29



## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.6.031	Low/Zero-Emission Vehicle Charger Credit	Total State Credit	Credit	(m)	(m)	(m)
1.6.032	Land Conservation Credit	Total State Credit	Credit	2	3	4
1.6.035	Employer's Credit for Approved Employee Retraining	Total State Credit	Credit	56	59	62
1.6.036	Qualified Education Expense Credit	Total State Credit	Credit	100	108	112
1.6.037	Qualified Investor Tax Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.038	Energy-efficient or water-efficient equipment credit	Total State Credit	Credit	0	0	0
1.6.041	Tax credit for existing business enterprises undergoing qualified business expansion	Total State Credit	Credit	Estimate combined with 1.6.013		
1.6.043	Bank Tax Credit	Total State Credit	Credit	64	66	66
1.6.044	Employer tax credit for hiring qualified parolees	Total State Credit	Credit	(m)	0	0
1.6.045	Income Tax Credit for Contributions to Rural Health Care Organizations	Total State Credit	Credit	65	73	46
1.6.046	Revitalization Zone Tax Credit	Total State Credit	Credit	(m)	(m)	1
1.6.047	Georgia Musical Investment Tax Credit	Total State Credit	Credit	(m)	(m)	(m)

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
1.6.048	Public Education Innovation Fund Tax Credit	Total State Credit	Credit	1	(m)	(m)
1.6.049	Agribusiness Tax Credit	Total State Credit	Credit	14	13	12
1.6.050	Railroad Track Maintenance Tax Credit	Total State Credit	Credit	6	9	9
1.6.051	Reforestation credit for losses incurred on commercial timberland due to hurricane damage	Total State Credit	Credit	7	5	4
1.6.052	Qualified Post-Production Expenditures Credits	Total State Credit	Credit	5	5	5
1.6.053	Personal protective equipment manufacturer job tax credit	Total State Credit	Credit	(m)	(m)	(m)
1.6.054	Medical equipment, medical supplies, pharmaceuticals, and medicine manufacturers job tax credit	Total State Credit	Credit	0	3	4
1.6.055	Teacher Recruitment and Retention Credit	Total State Credit	Credit	(m)	(m)	1
1.6.056	Qualified Foster Child Donation Credit	Total State Credit	Credit	0	14	18
1.6.057	Qualified Law Enforcement Donation Credit	Total State Credit	Credit	0	51	69

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State	State	State
				FY 2023	FY 2024	FY 2025
<b>Federal Corporate Income Tax Provisions</b>						
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	1	1	1
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)
2.1.006	Exclusion of gain or loss on sale or exchange for brownfield property	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)

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State	State	State
				FY 2023	FY 2024	FY 2025
				<i>(in Millions)</i>		
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	226	230	227
2.1.011	Exclusion of employee meals and lodging	Federal Corporate Income Tax	Deduction	-8	-9	-10
2.1.012	Exclusion of employer-paid transportation benefits and employer-provided transit and vanpool benefits	Federal Corporate Income Tax	Exclusion	-22	-23	-23
2.2.001	Accelerated depreciation (MACRS)	Federal Corporate Income Tax	Deduction	8	8	7
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	1	0	0

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
2.2.006	Expensing of magazine circulation expenditures	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.007	Deductions of oil and gas exploration and development costs	Federal Corporate Income Tax	Deduction	0	0	0
2.2.008	Special treatment of expenses related to timber production	Federal Corporate Income Tax	Deduction	3	3	3
2.2.009	Deduction of charitable contributions for health, education, and other purposes	Federal Corporate Income Tax	Deduction	32	33	35
2.2.011	Expensing under IRC Section 179 of depreciable business property	Federal Corporate Income Tax	Deduction	4	6	7
2.2.012	Amortization of air pollution control facilities	Federal Corporate Income Tax	Deduction	2	2	2
2.2.014	Various agricultural expensing provisions	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.015	Community and regional development incentives	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.016	Expensing to remove architectural and transportation barriers to the handicapped and elderly	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.017	Inventory methods and valuation	Federal Corporate Income Tax	Deduction	8	9	9

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
2.2.018	Limits on deductible compensation and disallowance of deduction for excess parachute payments	Federal Corporate Income Tax	Exemption	-23	-23	-24
2.2.019	Deduction for foreign-derived intangible income	Federal Corporate Income Tax	Deduction	35	37	36
2.2.020	Limitation on deduction of FDIC premium	Federal Corporate Income Tax	Deduction	-10	-10	-10
2.2.021	Limitation on NOL deduction	Federal Corporate Income Tax	Deduction	-6	-6	-7
2.2.022	7-year recovery period for motorsport entertainment complexes	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.023	Employer credit for qualified wages in connection with qualified disasters	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.3.001	Deferral of gain on like-kind exchanges	Federal Corporate Income Tax	Deferral	4	4	4
2.3.002	Special rules for magazine, paperback book, and record returns	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.003	Two-year carryback for net operating losses attributable to farming	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
2.3.004	Special rules for mining reclamation reserves	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.005	Cash accounting, for certain businesses	Federal Corporate Income Tax	Special Rule	4	4	4
2.3.006	Deferral of gain on non-dealer installment sales	Federal Corporate Income Tax	Special Rule	21	22	23
2.3.007	Completed contract rules	Federal Corporate Income Tax	Special Rule	5	5	5
2.3.008	Special treatment of employee stock ownership plans (ESOPs) (includes deferral of tax on certain employee stock plans)	Federal Corporate Income Tax	Deferral	6	7	7
2.3.009	Deferral of capital construction costs of shipping companies	Federal Corporate Income Tax	Deferral	(m)	(m)	(m)
2.3.010	Qualified Opportunity Zones	Federal Corporate Income Tax	Special Rule	7	7	(m)
2.3.011	Expensing rules for certain productions	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.012	Special rules for interest-charge domestic international sales corporations (IC-DISC)	Federal Corporate Income Tax	Credit	10	10	8
<b>Georgia Corporate Income Tax Provisions</b>						
2.4.001	Single-Factor Apportionment	Corporate Income Tax	Apportionment	Estimate not available at this time		

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State	State	State
				FY 2023	FY 2024	FY 2025
<i>(in Millions)</i>						
2.4.002	Throwback Rule	Corporate Income Tax	Apportionment	Estimate not available at this time		
2.4.003	Corporate Receipts Sourcing	Corporate Income Tax	Apportionment	Estimate not available at this time		
2.5.001	Interest on obligations of United States	Corporate Income Tax	Deduction	Estimate not available at this time		
2.5.002	Exception to intangible expenses and related interest cost	Corporate Income Tax	Deduction	Estimate not available at this time		
2.5.003	Exclusion of global intangible low-taxed income (GILTI)	Corporate Income Tax	Exclusion	205	222	240
2.6.001	Georgia Job Tax Credit	Total State Credit	Credit	217	230	239
2.6.002	Quality Jobs Tax Credit	Total State Credit	Credit	103	107	111
2.6.003	New Facilities Jobs Credit	Total State Credit	Credit	Estimate combined with 2.6.001		
2.6.004	New Manufacturing Facilities Property Credit	Total State Credit	Credit	0	0	0
2.6.005	Manufacturer's Investment Tax Credit	Total State Credit	Credit	54	60	66
2.6.006	Optional Investment Tax Credit	Total State Credit	Credit	2	2	3
2.6.007	Port Activity Tax Credit	Total State Credit	Credit	6	6	6
2.6.008	Alternative Port Activity Tax Credit	Total State Credit	Credit	Estimate Combined with 2.6.007		
2.6.009	Film Tax Credit	Total State Credit	Credit	673	763	1,021
2.6.010	Research Tax Credit	Total State Credit	Credit	233	260	290
2.6.011	Seed-Capital Fund Credit	Total State Credit	Credit	(m)	(m)	1



### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
2.6.012	Qualified Health Insurance Expense 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	19	20	20
2.6.017	Low-Income Housing Credit	Total State Credit	Credit	344	377	415
2.6.018	Historic Rehabilitation Credit	Total State Credit	Credit	30	26	29
2.6.020	Low- and Zero-emission Vehicle and Charger Credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.021	Land Conservation Credit	Total State Credit	Credit	2	3	4
2.6.024	Employer’s Credit for Approved Employee Retraining	Total State Credit	Credit	56	59	62
2.6.025	Qualified Education Expense Credit	Total State Credit	Credit	100	108	112
2.6.027	Energy-Efficient or Water-Efficient Equipment Credit	Total State Credit	Credit	0	0	0

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
2.6.030	Tax credit for existing business enterprises undergoing qualified business expansion	Total State Credit	Credit	Estimate combined with 2.6.002		
2.6.032	Bank Tax Credit	Total State Credit	Credit	64	66	66
2.6.033	Employer tax credit for hiring qualified parolees	Total State Credit	Credit	(m)	0	0
2.6.034	Income Tax Credit for Contributions to Rural Health Care Organizations	Total State Credit	Credit	65	73	46
2.6.035	Revitalization Zone Tax Credit	Total State Credit	Credit	(m)	(m)	1
2.6.036	Georgia Musical Investment Tax Credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.037	Public Education Innovation Fund Tax Credit	Total State Credit	Credit	1	(m)	(m)
2.6.038	Agribusiness Tax Credit	Total State Credit	Credit	14	13	12
2.6.039	Railroad Track Maintenance Tax Credit	Total State Credit	Credit	6	9	9
2.6.040	Reforestation credit for losses incurred on commercial timberland due to hurricane damage	Total State Credit	Credit	7	5	4
2.6.041	Qualified Post-Production Expenditures Credits	Total State Credit	Credit	5	5	5

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
2.6.042	Personal protective equipment manufacturer job tax credit	Total State Credit	Credit	(m)	(m)	(m)
2.6.043	Medical equipment, medical supplies, pharmaceuticals, and medicine manufacturers job tax credit	Total State Credit	Credit	0	3	4
2.6.044	Qualified Foster Child Donation Credit	Total State Credit	Credit	0	14	18
2.6.045	Qualified Law Enforcement Donation Credit	Total State Credit	Credit	0	51	69
<b>Corporate Net Worth Tax</b>						
3.001	Exemption for nonprofit corporations	Net Worth Tax	Exemption	Estimate not available at this time		
3.002	Exemption for insurance companies separately taxed	Net Worth Tax	Exemption	Estimate not available at this time		
3.003	Exemption for corporations with net worth of \$100,000 or less	Net Worth Tax	Exemption	6	6	6
<b>Sales and Use Tax</b>						
4.00100	Sales to Federal Government, State of Georgia or a county or municipality in Georgia or any agency of such governments	Sales and Use Tax	Exemption	Estimate not available at this time		

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State	State	State
				FY 2023	FY 2024	FY 2025
<i>(in Millions)</i>						
4.00200	Tangible personal property furnished by the federal government, or by any county or municipality, and used by a contractor in the installation, repair, or extension of any public water, gas, or sewer system	Sales and Use Tax	Exemption	Estimate not available at this time		
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	Sales and Use Tax	Exemption	Estimate not available at this time		
4.00400	Sale of transportation furnished by a county or municipal public transit system or public transit authorities	Sales and Use Tax	Exemption	7	7	7
4.00500	Sale of transportation furnished by an approved and authorized urban transit system	Sales and Use Tax	Exemption	Estimate combined with 4.00400		
4.00600	Sales to any Hospital Authority created by Georgia law	Sales and Use Tax	Exemption	Estimate combined with 4.00700		

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
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	(m)	(m)	(m)
4.00630	Sales to any agricultural commission created by the Department of Agriculture	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.00700	Sale 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	129	135	142

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.00705	Sale 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	4	4	4
4.00710	Sale of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities	Sales and Use Tax	Exemption	1	1	1
4.00720	Sales to Georgia Society of the Daughters of the American Revolution	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.00730	Sale of tangible property and services to a nonprofit volunteer health clinic primarily treating patients with incomes below 200 percent of the poverty level	Sales and Use Tax	Exemption	2	2	2

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.00800	Sale of tangible personal property and services to the University System of Georgia and its educational units	Sales and Use Tax	Exemption	52	53	54
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	Sales and Use Tax	Exemption	Estimate not available at this time		
4.01000	Sale of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school	Sales and Use Tax	Exemption	7	7	7

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
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	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.01200	School lunches sold and served to pupils and employees of public schools	Sales and Use Tax	Exemption	3	3	3
4.01300	School lunches sold and served to pupils and employees of approved private schools	Sales and Use Tax	Exemption	1	1	1
4.01400	Sale of art and other artifacts for display or exhibition to museums	Sales and Use Tax	Exemption	1	1	1
4.01500	Specific fundraising sales 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	Sales and Use Tax	Exemption	1	1	1



## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.01510	Sale of pipe organs or steeple bells to any church qualifying as a nonprofit	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.01700	Sale of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce	Sales and Use Tax	Exemption	9	9	10
4.01800	Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation	Sales and Use Tax	Exemption	Estimate not available at this time		
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 not available at this time		
4.02000	Water delivered through water mains, lines, or pipes	Sales and Use Tax	Exemption	34	37	35

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
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 not available at this time		
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	See expenditure estimates for 4.5050		
4.02300	Repair services when a separate charge is made to the customer	Sales and Use Tax	Exemption	See expenditure estimates for 4.5110		
4.02400	Rental of videotape or film to persons charging admission to view the tape or film	Sales and Use Tax	Exemption	7	10	11

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.03000	Vehicles purchased by service-connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase a specially adapted the vehicle	Sales and Use Tax	Exemption	(m)	(m)	(m)
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 not available at this time		
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 not available at this time		
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 not available at this time		

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
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)
4.03610	Machinery and equipment used for water conservation and incorporated into a qualified water conservation facility	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03800	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	3	3	3

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
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 not available at this time		
4.04000	Sale of major components or repair parts installed in military aircraft, vehicles, or missiles	Sales and Use Tax	Exemption	29	27	22
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
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	Sales and Use Tax	Exemption	Estimate not available at this time		

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.04300	Revenues from coin-operated amusement machines for which individual permits are required	Sales and Use Tax	Exemption	59	65	73
4.04400	Sale of motor vehicles to nonresident purchasers when vehicles are immediately removed from Georgia and titled in another state	Sales and Use Tax	Exemption	Estimate not available at this time		
4.04500	The sale or use of paper stock when used to print catalogs for distribution outside Georgia	Sales and Use Tax	Exemption	Estimate not available at this time		
4.04600	Sale of tangible personal property or taxable services to nonprofit blood banks	Sales and Use Tax	Exemption	3	3	3
4.04700	Sale of drugs dispensed by prescription, prescription glasses, contact lenses, contact lens samples and sales or use of certain controlled substances or dangerous drugs	Sales and Use Tax	Exemption	528	548	572
4.04800	Sale of crab bait to licensed commercial fishermen	Sales and Use Tax	Exemption	(m)	(m)	(m)

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.05000	Sale of insulin syringes and blood glucose level measuring strips dispensed without a prescription	Sales and Use Tax	Exemption	13	14	15
4.05100	Sale of oxygen when prescribed by a licensed physician	Sales and Use Tax	Exemption	1	1	1
4.05200	Sale or use of hearing aids	Sales and Use Tax	Exemption	11	12	13
4.05300	Transactions in which food stamps or WIC coupons are used as the method of payment	Sales and Use Tax	Exemption	144	136	138
4.05400	Sale or use of any durable medical equipment or prosthetic device prescribed by a physician	Sales and Use Tax	Exemption	58	60	63
4.05500	Sale of Georgia lottery tickets	Sales and Use Tax	Exemption	243	255	268
4.05600	Sale by any qualified nonprofit parent teacher organization	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.05700	Food purchased for off-premises consumption	Sales and Use Tax	Exemption	873	922	956
4.05710	Sale of food and beverages to a qualified food bank	Sales and Use Tax	Exemption	(m)	(m)	(m)

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
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	2	2	2
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	2	2	2
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 available at this time		
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	4	4



### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.06300	Funeral merchandise when paid with funds from the Georgia Crime Victims Emergency Fund	Sales and Use Tax	Exemption	(m)	(m)	(m)
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	4	4	4
4.06700	Sale of coins or currency	Sales and Use Tax	Exemption	(m)	(m)	(m)
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	80	83	85
4.06810	High-Tech Data Center Equipment Exemption	Sales and Use Tax	Exemption	13	15	17
4.06900	Sale of machinery and equipment and material incorporated and used in a clean room of Class 100 or less	Sales and Use Tax	Exemption	Estimate Combined with 4.06000		

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.07000	Sale of natural gas used directly in the manufacture of electricity	Sales and Use Tax	Exemption	142	107	88
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	1	1	1
4.07600	Exemption for personal property used in the renovation or expansion of an aquarium or zoo	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.08100	The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline	Sales and Use Tax	Exemption	6	6	7
4.08300	Sale of biomass materials used to produce electricity or steam intended for sale	Sales and Use Tax	Exemption	3	4	5

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.08600	Sale of engines, parts, equipment, and other tangible personal property used in the maintenance or repair of certain aircraft	Sales and Use Tax	Exemption	23	23	23
4.09100	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave	Sales and Use Tax	Exemption	Estimate not available at this time		
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 December 31, 2026	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 Combined with 4.3.2		

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.09700	Sale of admission to a nonrecurring major sporting event	Sales and Use Tax	Exemption	(m)	(m)	2
4.10000	Exemption for sales of tickets to a qualified fine arts performance or exhibition	Sales and Use Tax	Exemption	6	7	7
4.10100	The sale of certain written material by a nonprofit	Sales and Use Tax	Exemption	9	9	9
4.10200	Partial exemption for qualified manufactured homes	Sales and Use Tax	Exemption	3	3	3
4.10400	Exemption for poultry diagnostic and disease monitoring service nonprofit organization	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.3.2	Exemption for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing	Sales and Use Tax	Exemption	3,849	4,042	4,231

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.3.3	Sales 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	154	156	159
4.3.4	Exemption for qualified boat repairs	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.3.5	Exemption for the sale and use of jet fuel	Sales and Use Tax	Exemption	101	102	101
4.3.6	Exemption for sales within an enterprise zone	Sales and Use Tax	Exemption	Estimate not available at this time		
4.5010	Construction Services	Sales and Use Tax	Exemption	2,405	2,311	2,278
4.5020	Automotive Services by Motor Vehicle and Parts Dealers	Sales and Use Tax	Exemption	127	132	135
4.5030	Investment and Financial Advisers	Sales and Use Tax	Exemption	679	705	722
4.5040	Real Estate Services	Sales and Use Tax	Exemption	427	417	422
4.5050	Professional, Scientific and Technical Services	Sales and Use Tax	Exemption	3,042	3,076	3,053
4.5060	Administrative and Support Services	Sales and Use Tax	Exemption	1,280	1,293	1,307
4.5070	Waste Management and Remediation Services	Sales and Use Tax	Exemption	199	200	202

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
4.5080	Educational Services (excluding schools)	Sales and Use Tax	Exemption	66	67	67
4.5090	Health Care and Social Assistance Services	Sales and Use Tax	Exemption	3,401	3,448	3,539
4.5100	Promoters of Events; Agents for Entertainers	Sales and Use Tax	Exemption	15	16	16
4.5110	Repair and Maintenance Services	Sales and Use Tax	Exemption	111	112	114
4.5120	Personal and Laundry Services	Sales and Use Tax	Exemption	184	185	185
4.70000	Compensation of dealers for reporting and paying tax	Sales and Use Tax	Exemption	106	107	111
4.90000	Sales tax exemption for casual sales	Sales and Use Tax	Exemption	3	3	4
<b>Insurance Premium Tax</b>						
5.00100	Deduction of retaliatory taxes paid to other states	Insurance Premium Tax	Deduction	3	3	3
5.00200	Georgia Job Tax Credit	Total State Credit	Credit	217	230	239
5.00300	Exemption for premiums of high-deductible health plans	Insurance Premium Tax	Exemption	1	2	2
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	222	240	261

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
5.00600	Special deductions for life insurance companies	Insurance Premium Tax	Deduction	247	269	294
5.00700	Low Income Housing Credit	Total State Credit	Credit	344	377	415
5.00800	Insurance Premium Tax Exemption for multiple employer self-insured health plans	Insurance Premium Tax	Exemption	2	2	2
5.00900	Agribusiness Tax Credit	Total State Credit	Credit	14	13	12
<b>Motor Fuel Tax</b>						
6.00400	Motor fuel tax exemption for aviation fuel	Motor Fuel Tax	Exemption	1	2	2
6.00500	Motor fuel tax vendor compensation	Motor Fuel Tax	Exemption	8	17	21
<b>Alcoholic Beverage Tax</b>						
7.00100	Sales to persons outside the state for resale or consumption outside the state	Alcoholic Beverage Tax	Exemption	Estimate not available at this time		
7.00200	Sales to stores or canteens in U.S. military reservations	Alcoholic Beverage Tax	Exemption	Estimate not available at this time		
7.00300	200 gallons annually of homebrew per household	Alcoholic Beverage Tax	Exemption	1	1	1
7.00400	Sales to and use by religious organizations for sacramental purposes	Alcoholic Beverage Tax	Exemption	(m)	(m)	(m)
7.00500	Exemption for ethyl alcohol used for certain purposes	Alcoholic Beverage Tax	Exemption	Estimate not available at this time		

## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
7.00600	Malt beverages containing less than one-half of 0.5 percent alcohol by volume	Alcoholic Beverage Tax	Exemption	1	1	1
<b>Tobacco Products Excise Tax</b>						
8.00100	Exemption for purchases for use exclusively by patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing Home	Cigar and Cigarette Excise Tax	Exemption	(m)	(m)	(m)
8.00200	De minimis amount brought into the state by one person	Cigar and Cigarette Excise Tax	Exemption	Estimate not available at this time		
8.00300	Cigars and cigarettes stored in a public warehouse	Cigar and Cigarette Excise Tax	Exemption	Estimate not available at this time		
8.00400	Certain cigars and cigarettes held by licensed dealers	Cigar and Cigarette Excise Tax	Exemption	Estimate not available at this time		
<b>Financial Institutions Special State Occupation Tax</b>						
9.00100	Deduction for interest paid	Financial Institutions Business License Tax	Deduction	7	8	8
9.00200	Deduction for income from authorized activities of a domestic international banking facility	Financial Institutions Business License Tax	Deduction	Estimate not available at this time		



## Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
9.00300	Deduction for income from banking business with persons or entities outside the U.S.	Financial Institutions Business License Tax	Deduction	Estimate not available at this time		
<b>Special Assessment of Forest Land Conservation Use Property</b>						
10.00000	Special assessment of forest land conservation use property	State Grant	Credit	34	43	38
<b>Alternative Ad Valorem Tax on Motor Vehicles</b>						
11.001	Reduced rate for related family transfers	Title Fee	Rate Reduction	18	18	18
11.002	Disabled veteran exemption	Title Fee	Exemption	(m)	(m)	(m)
11.003	Reduced rate for rental vehicles	Title Fee	Rate Reduction	23	23	24
11.004	Reduced rate for vehicles manufactured in years 1963-89	Title Fee	Rate Reduction	(m)	(m)	(m)
11.005	Reduced rate for salvage vehicles	Title Fee	Rate Reduction	13	13	13
11.006	Dealer loaner vehicle exemption	Title Fee	Deferral	4	3	3
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	Rate Reduction	24	24	25
11.009	Trade-in exemption (including rebates and cash discounts)	Title Fee	Exemption	171	182	188
11.010	Special assessment for used vehicles	Title Fee	Special Rule	9	9	9
11.012	Buy here pay here transactions	Title Fee	Rate Reduction	7	7	7

### Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2023	State FY 2024	State FY 2025
				<i>(in Millions)</i>		
11.013	Exemption for leased vehicles qualifying for Manufacturing Headquarters	Title Fee	Exemption	Estimate not available at this time		
11.014	Treatment of leased vehicles	Title Fee	Special Rule	9	9	9
11.015	Treatment of vehicles involved in divorce settlement or business reorganization	Title Fee	Rate Reduction	(m)	(m)	(m)
11.016	Treatment of non-IRP Buses	Title Fee	Deferral	22	40	41
11.017	Exemption for vehicles purchased by disabled first responders	Title Fee	Exemption	(m)	(m)	(m)
<b>Special Excise Tax on Consumer Fireworks</b>						
<b>State Hotel-Motel Tax</b>						
<b>For-Hire Ground Transportation Excise Tax</b>						

## 1. Individual Income Tax

The individual income tax was first levied in Georgia in 1929 at a rate equal to one-third the federal rate of income taxation. The rate structure effective January 1, 2019, and until January 1, 2024, includes six brackets ranging from 1 percent to 5.75 percent. Prior to 2019, the rate structure had a top rate of 6 percent and had remained unchanged since 1955 when the 7 percent rate on taxable incomes over \$20,000 was eliminated. The threshold for each bracket under current law depends on the filing status of the taxpayer, i.e., single, head of household, and married filing separate or joint. Effective January 1, 2024, the bracket structure is replaced by a single rate of 5.49 percent, with scheduled reductions in the flat rate to 4.99 percent as early as January 1, 2029, if certain conditions are met. The rate reduction would be delayed if 1) the Governor's revenue estimate is less than 3 percent more than the current year's revenue estimate, 2) the prior year's net revenues were less than any of the preceding three years, or 3) the revenue shortfall reserve does not contain an amount at least equivalent to the potential reduction in income taxes resulting from the rate decrease.

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, the latter of which was increased effective January 1, 2022, from \$6,000 to \$7,100 for married filers and from \$4,600 to \$5,400 for single and head of household filers. These standard deduction amounts were \$3,000 and \$2,300 respectively prior to January 1, 2018. In addition, filers are allowed a personal exemption of \$7,400 for joint filers, \$3,700 for married filing separately, and \$2,700 for other filers as well as \$3,000 for each dependent. Effective January 1, 2024, the standard deduction is \$12,000 for individual filers and \$24,000 for joint filers; personal exemption amounts are repealed, though the \$3,000 exemption per dependent remains. A credit of \$300 for eligible itemizers will also become effective January 1, 2024.

The tax is administered by the Georgia DOR. Individual income tax collections equaled \$18.3 billion in FY 2022 and accounted for 55.3 percent of Georgia's revenues from taxation. In CY 2022, 5.5 million individual state returns were processed. While predominately paid by individuals, a significant number of business entities 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. 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 carryforwards in the case of some credits. Because of past credit carryforwards, 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 longer 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, however, the values 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 on January 1, 2021; any changes to provisions that may occur because of federal legislative action after that date are not reflected in the estimates.

The explanations of the federal conformity provisions are taken from *Tax Expenditures: Compendium of Background Material on Individual Provisions*, prepared by the Congressional Research Service for the U.S. Senate Committee on the Budget, December 2022. Estimates of the federal provisions generally rely on the U.S. Congress Joint Committee on Taxation's *Estimates of Federal Tax Expenditures for Fiscal Years 2022-2026*, published December 22, 2022.

## 1.1 Federal Exclusions

### 1.1.001    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 Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	50	53	55

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

### 1.1.002    Exclusion of housing allowances for ministers

Federal Statute    IRC Section 107 and 265

**Description:**    In general, this provision allows ministers to deduct certain housing related expenditures from their gross income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	7	8	8

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

### 1.1.003    Exclusion of employer-provided child care

Federal Statute    IRC Section 129

**Description:**    Payments by an employer, under a dependent care assistance program, for qualified dependent care assistance provided to an employee are excluded from the employee's income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	22	19	20

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

### 1.1.004    Exclusion of employee awards

Federal Statute    IRC Section 74(c) and 274(j)

**Description:**    This provision provides an exclusion for certain awards of tangible personal property given to employees for length of service or for safety achievement.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	4	4	4

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

### 1.1.005    Exclusion of employer contributions and earnings to pension plans includes Keoghs, defined benefit and defined contribution plans

Federal Statute    IRC Sections 401-407, 410-418E, and 457

**Description:**    Employer contributions to qualified pension, profit-sharing, stock-bonus, and annuity plans on behalf of an employee are not taxable to the employee. Furthermore, the employee is generally not taxed on the benefits when they are distributed.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	2,540	2,879	3,302

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

**1.1.006**     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 healthcare coverage for themselves and their dependents.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	1,450	1,505	1,580

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

**1.1.007**     Exclusion of employer-paid accident and disability premiums

Federal Statute     IRC Sections 105 and 106

**Description:**     Premiums paid by employers for employee accident and disability insurance plans are excluded from the taxable income of employees.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	33	34	35

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

**1.1.008**     Exclusion of employer contributions for premiums on group-term life insurance

Federal Statute     IRC Section 79

**Description:**     Premiums paid by the employer for qualified group-term life insurance plans for the employee are excluded from employee's taxable income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	30	32	34

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

**1.1.009**     Exclusion of employer-paid transportation benefits and employer-provided transit and vanpool benefits

Federal Statute     IRC Section 132(f)

**Description:**     Employer provided qualified transportation benefits are excluded from employee taxable income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	57	60	62

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

**1.1.011**     Exclusion of employer-provided adoption assistance

Federal Statute     IRC Section 137

**Description:**     Benefits received from a qualified employer-sponsored adoption assistance program may be excluded from taxable income for the employee.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	3	3	3

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

**1.1.012**      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)		
	2022	2023	2024
State Tax Expenditure	15	16	16

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

**1.1.013**      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)		
	2022	2023	2024
State Tax Expenditure	74	77	80

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

**1.1.014**      Exclusion of foreign earned income (including housing and salary)

Federal Statute      IRC Section 911

**Description:**      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)		
	2022	2023	2024
State Tax Expenditure	46	48	51

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

**1.1.015**      Exclusion of certain allowances for federal employees abroad

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)		
	2022	2023	2024
State Tax Expenditure	10	10	11

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

**1.1.016**     Exclusion of benefits and allowances to armed forces personnel (includes expenditure for military disability benefits)

Federal Statute     IRC 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 a tax exclusion of disability pay.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	84	88	93

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

**1.1.017**     Exclusion of medical care and Tricare medical insurance for military dependents, retirees, 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. Such benefits include medical and dental benefits..

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	44	47	50

(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)		
	2022	2023	2024
State Tax Expenditure	113	115	120

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

**1.1.019**     Exclusion of income attributable to the discharge of certain student loan debt and 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)		
	2022	2023	2024
State Tax Expenditure	17	9	2

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

**1.1.020**     Exclusion of workers' compensation benefits (includes disability and survivor benefits 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 work-related



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)		
	2022	2023	2024
State Tax Expenditure	66	67	70

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

**1.1.021**      Exclusion of special benefits for disabled coal miners

Federal Statute      IRC Section 104(a)(1)

**Description:**      Cash and medical benefits to coal mine workers or their survivors for total disability or death resulting from coal workers' pneumoconiosis (black lung disease) paid under the Black Lung Benefits Act generally are not taxable.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	(m)	(m)	(m)

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

**1.1.022**      Exclusion of untaxed Social Security and railroad retirement benefits

Federal Statute      IRC Section 86

**Description:**      In general, Social Security and railroad retirement benefits are not subject to tax.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	291	308	333

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

**1.1.024**      Exclusion of certain foster care payments

Federal Statute      IRC Section 131

**Description:**      Qualified payments are excluded from the foster care provider's gross income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	3	3	3

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

**1.1.026**      Exclusion of scholarship and fellowship income

Federal Statute      IRC Section 117

**Description:**      Scholarships and fellowships can be excluded from the gross income of students and their families provided: (1) the students are pursuing degrees and (2) the amounts are used for tuition and fees required for enrollment or for books, supplies, and equipment required for courses at a qualified institution. Amounts used for room, board and incidental expenses are not excluded from gross income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	31	32	33

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

**1.1.027**     Exclusion of earnings of Coverdell education savings accounts and interest on educational savings bonds

Federal Statute     IRC Section 530

**Description:**     Contributions to a Coverdell Education Savings Account are not deductible but the earnings grow on a tax deferred basis.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	1	1	1

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

**1.1.028**     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)		
	2022	2023	2024
State Tax Expenditure	23	27	31

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

**1.1.029**     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)		
	2022	2023	2024
State Tax Expenditure	(m)	(m)	(m)

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

**1.1.030**     Exclusion of cancellation of indebtedness income for farmers

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)		
	2022	2023	2024
State Tax Expenditure	(m)	(m)	1

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

**1.1.031**     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)		
	2022	2023	2024
State Tax Expenditure	2	2	2

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

**1.1.032**     Exclusion of capital gains on sales of principal residences

Federal Statute     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)		
	2022	2023	2024
State Tax Expenditure	340	331	337

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

**1.1.033**      Exclusion of capital gains at death

Federal Statute      IRC Sections 1001,1002,1014,1015,1023,1040,1221, and 1222

**Description:** Capital gains 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.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	297	306	313

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

**1.1.034**      Carryover basis of capital gains on gifts

Federal Statute      IRC Sections 1001,1014,1015,1023,1040,1221, and 1222

**Description:** Capital gains tax is not imposed on the increased value of an asset when ownership of the property is transferred as a gift during the owner's lifetime.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	10	16	35

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

**1.1.035**      Permanent exemption from imputed interest rules

Federal Statute      IRC Sections 163(e), 483, 1274, and 1274A

**Description:** Debt instruments for amounts not exceeding an inflation adjusted maximum that are given in exchange for real property may not have imputed to them an interest rate greater than 9 percent.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	5	5	6

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

**1.1.036**      Exclusion of combat pay

Federal Statute      IRC Section 112

**Description:** Compensation received by active members of the armed forces is excluded from gross income for any month the service member served in a combat zone or was hospitalized as a result of an injury or illness incurred while serving in a combat zone.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	11	12	13

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

**1.1.037**     Exclusion of energy conservation subsidies provided by public utilities

Federal Statute     IRC Section 136

**Description:**     In general, this provision allows customers to exclude from their gross income the value of any subsidy provided by a public utility for the purchase or of any energy conservation measure.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	(m)	(m)	(m)

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

**1.1.039**     Exclusion of gain for certain small business stock

Federal Statute     IRC Sections 1202 and 303

**Description:**     This provision allows non-corporate taxpayers to exclude from gross income 100 percent of any gain from the sale or exchange of qualified small business stock issued after September 27, 2010. When a shareholder in a closely held business dies there is no reported gain or loss on the partial redemption of stock.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	9	11	12

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

**1.1.040**     Exclusion of interest on public purpose state and local government bonds

Federal Statute     IRC Sections 103, 141 and 146

**Description:**     Interest income of qualifying governmental bonds is excluded from taxable income (expenditure estimate has been adjusted to reflect GA law that only interest on GA bonds is excluded from income).

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	1	1	1

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

**1.1.041**     Exclusion of income earned by voluntary employees' beneficiary associations

Federal Statute     IRC Sections 501(a) and 501(c)(9)

**Description:**     Provided certain requirements are met, the income earned by a voluntary employee beneficiary association (VEBA) is exempt from federal income taxes.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	4	7	11

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

**1.1.042**     Exclusion of survivor annuities paid to families of public safety officers killed in the line of duty

Federal Statute     IRC Section 101(h)

**Description:**     The surviving spouse of a public safety officer killed in the line of duty can exclude from gross income a survivor annuity payment under a governmental pension plan.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	0	0	0

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

**1.1.043**     Exclusion of disaster mitigation payments

Federal Statute     IRC Section 139

**Description:**     Payments made for disaster mitigation under the Robert T. Stafford Disaster Relief and Emergency Insurance Act or the National Flood Insurance Act is excluded from income.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	1	1	1

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

**1.1.044**     Deduction for Non-Itemizers of Charitable Contributions

Federal Statute     IRC Section 170

**Description:**     For 2020, individuals who don't itemize deductions can take up to a \$300 above-the-line deduction for cash contributions to "qualified charitable organizations." For 2021, this above-the-line deduction allowed on a joint return is \$600 (it remains at \$300 for other taxpayers).

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	Estimate included in 1.2.021		

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

**1.1.045**     Exclusion of income attributable to the discharge of principal residence acquisition indebtedness

Federal Statute     IRC Section 108

**Description:**     Income from discharge of indebtedness on qualified principal residence debt, up to a \$750 thousand limit (\$375 thousand for married individuals filing separately), is excluded from gross income for tax years beginning Jan. 1, 2021, through Dec. 31, 2025. For tax years beginning before Jan. 1, 2021, the limits were \$2 million and \$1 million, respectively.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	1	1	1

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

## 1.2 Federal Deductions

### 1.2.001 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.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	43	40	37

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

### 1.2.002 Deduction of expenditures on energy-efficient commercial building property

Federal Statute IRC Sections 179D

**Description:** This provision provides a formula-based tax deduction for all or part of the cost of energy-efficient commercial building property placed in service after December 31, 2005 and before January 1 2021, .

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 1.2.003 Expensing of exploration and development costs: nonfuel minerals

Federal Statute IRC Sections 263, 291, 616-617,56,1254

**Description:** Firms engaged in mining are permitted to expense certain exploration and development costs.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 1.2.004 Amortization of business start-up costs

Federal Statute IRC Section 195

**Description:** This provision allows a business taxpayer to deduct up to \$10,000 in qualified start-up expenditures.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	2

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

### 1.2.005 Expensing of research and experimental expenses

Federal Statute IRC Section 174 and 59(e)

**Description:** This provision allows a business taxpayer to deduct certain research expenditures that are paid or incurred in connection with the taxpayer's trade or business.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	0	0

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

**1.2.006**     Expensing of magazine circulation expenditures

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.2.007**     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 other minerals are permitted a deduction to recover their capital investment in a mineral reserve, which depreciates due to the physical and economic depletion or exhaustion as the mineral is recovered. Firms engaged in the exploration and development of oil, gas or geothermal properties have the option of expensing certain intangible drilling and development costs.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	0	0

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

**1.2.008**     Special treatment for expenses related to timber production

Federal Statute     IRC Sections 194, 263A(c)(5)

**Description:**     This provision allows expensing of production costs of growing timber. Taxpayers are also allowed different depreciation practices for qualified reforestation expenses.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3

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

**1.2.009**     Expensing under IRC Section 179 of depreciable business property

Federal Statute     IRC Section 179

**Description:**     Within certain limits, a taxpayer may elect to deduct as a current expense the cost of qualifying property in the tax year when it is placed in service.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	28	46	56

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

**1.2.010**      Exceptions for publicly traded partnerships with qualified income derived from certain energy-related activities

Federal Statute      IRC Section 7704

**Description:**      This code section allows publicly traded partnerships to be treated as a corporation for the purposes of the federal income tax under most situations.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	4	4

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

**1.2.011**      Treatment of income from exploration and mining of natural resources as qualifying income under the publicly traded partnerships rules.

Federal Statute      IRC Sections 162, 175, 180, 446, 448, 461, 464

**Description:**      This code section allows publicly traded partnerships to be treated as a corporation for the purposes of the federal income tax under most situations.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

**1.2.012**      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 cattle and breeding cattle.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	1

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

**1.2.014**      Expensing to remove architectural and transportation barriers to the handicapped and elderly

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.2.015**      Inventory methods and valuation, (including last-in first-out, lower of cost or market, specific identification for homogenous products)

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)		
	2023	2024	2025
State Tax Expenditure	2	2	2

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

### 1.2.017      Health Savings Accounts

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 Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	70	75	80

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

### 1.2.018      Deduction of property taxes on real property

Federal Statute      IRC Section 164

**Description:** Taxpayers may claim an itemized deduction for property taxes paid on owner-occupied residences. The deduction for property and state income or sales taxes in total cannot exceed \$10,000.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	118	122	195

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

### 1.2.020      Deduction of mortgage interest on owner-occupied residences

Federal Statute      IRC Section 163(h)

**Description:** A taxpayer may claim an itemized deduction for "qualified residence interest" which includes interest paid on a mortgage secured by a principal residence and a second residence.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	202	216	271

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

### 1.2.021      Deduction of charitable contributions (includes deductions for health, education, and for purposes other than health and education)

Federal Statute      IRC Sections 170 and 642(c)

**Description:** Subject to certain limitations, charitable contributions may be deducted by individuals.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	461	483	537

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

### 1.2.022      Deduction of casualty and theft losses

Federal Statute      IRC Sections 165(c)(3), 165(e), 165(h)-165(k)

**Description:** An individual may claim an itemized deduction for unreimbursed personal casualty or theft losses up to a specified limit.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

**1.2.023**     Deduction of overnight expenses for National Guard and Reserve members

Federal Statute     IRC Sections 162(p) and 62(a)(2)(E)

**Description:**     An above-the-line deduction is available for unreimbursed overnight travel, meals, and lodging expenses of National Guard and Reserve members.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3

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

**1.2.025**     Deduction of interest on student loans

Federal Statute     IRC Section 221

**Description:**     Taxpayers may deduct interest paid on qualified education loans in determining their adjusted gross income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	11	17	18

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

**1.2.027**     Deduction of teacher classroom expenses

Federal Statute     IRC Section 62

**Description:**     An eligible employee of a public or private elementary or secondary school may claim a deduction for certain unreimbursed expenses

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	2

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

**1.2.028**     Deduction of health insurance premiums and long-term care insurance premiums by the self-employed

Federal Statute     IRC Section 162(l)

**Description:**     Generally, a self-employed individual may deduct the entire amount paid for health insurance or long-term care insurance.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	39	41	45

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

**1.2.029**     Deduction of medical and dental expenses and long-term care expenses

Federal Statute     IRC Section 213

**Description:**     Most medical expenses that are paid by an individual but not reimbursed by an employer or insurance company may be deducted from taxable income to the extent they exceed 7.5 percent of adjusted gross income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	79	85	102

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

**1.2.030**      Net exclusion of pension contributions and earnings: traditional and Roth IRAs

Federal Statute      Section 219 and 408 and 408A

**Description:**      Individuals participating in a traditional or Roth IRA are allowed to deduct contributions in the case of traditional IRAs and distributions in the case of Roth IRAs. Both exemptions are phased out for higher-income individuals.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	163	172	188

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

**1.2.031**      Limit on NOL deduction

Federal Statute      Pub. L. No. 115-63

**Description:**      The deduction for net operating losses is limited to 80 percent of taxable income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	-1	-1	-1

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

**1.2.032**      7-year recovery period for motorsports entertainment complexes

Federal Statute      IRC Sections 167 and 168

**Description:**      Taxpayers are allowed to deduct the cost of certain depreciable assets from motorsports complexes over 7 years.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

## 1.3 Special Federal Conformity Provisions

### 1.3.001     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)		
	2023	2024	2025
State Tax Expenditure	27	28	29

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

### 1.3.002     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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 1.3.003     Two-year carryback for net operating losses attributable to farming

Federal Statute     IRC Section 172

**Description:**     Current law provides a two-year carryback period for losses related to farming.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

### 1.3.004     Special rules for mining reclamation reserves

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 1.3.005     Cash accounting, for certain businesses

Federal Statute     IRC 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. These are farming businesses, qualified personal service corporations, and entities that meet a gross receipts test.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	18	18	18

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

**1.3.006**      Deferral of gain on non-dealer installment sales

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)		
	2023	2024	2025
State Tax Expenditure	7	7	7

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

**1.3.007**      Completed contract rules

Federal Statute      IRC Section 460

**Description:**      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)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

**1.3.008**      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, 4975(d)(3), 4978, 4979A

**Description:**      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 Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	24	26	28

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

**1.3.009**      Various agricultural expensing provisions

Federal Statute      IRC Section 1301

**Description:**      Beginning with tax years after 1997, taxpayers have 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)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

**1.3.010**      Qualified Opportunity Zones

Federal Statute      PL 115-97; IRS 1400Z-1

**Description:**      The inclusion in gross income of capital gains reinvested in a qualified opportunity fund may be temporarily deferred and 15 percent of capital gains reinvested may be excluded if the investment is held for seven years. Capital gains from the sale or exchange of an investment in the qualified opportunity fund held for at least 10 years are excluded from gross income. A qualified opportunity fund is an investment vehicle organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property that holds at least 90 percent of its assets in qualified opportunity zone property. Qualified opportunity zone property includes any qualified opportunity zone stock, any qualified opportunity zone partnership interest, and any qualified opportunity zone business property. Certain low-income community population census tracts may be designated as qualified opportunity zones by the chief executive officer of the State (which includes the District of Columbia).

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	32	33	12

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

**1.3.011**      Expensing rules for certain productions

Federal Statute      IRC Section 181

**Description:**      A taxpayer may elect to treat the cost, up to a maximum of \$15 million (\$20 million in some areas) for any production, of any qualified film, television, or live theatrical production commencing production prior to Jan. 1, 2026, as an expense which is not chargeable to a capital account. Any cost so treated shall be allowed as a deduction.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

## 1.4 Georgia Exemptions

### 1.4.001    Personal Exemption

Statute	§48-7-26
Year Enacted	1987
Year Effective	1987
Data Source	DOR data for TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	For distributional analysis, see Table 3 in Appendix.
<b>Description:</b>	For tax years 2012 and after, the personal exemption is \$7,400 for married filing joint, \$3,700 for married filing separately, and \$2,700 for all other filers. In addition, \$3,000 is excluded from income for each dependent claimed on the tax return.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1,399	971	438

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

### 1.4.002    Retirement Income

Statute	§48-7-27(a)(5)
Year Enacted	1971
Year Effective	1971
Data Source	DOR data for TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The definition of retirement income was modified, effective tax year 2018, to include Dept. of Defense survivor benefit payments regardless of age of beneficiary. For distributional analysis of this provision, see Table 4 in Appendix.
<b>Description:</b>	For tax years beginning in 2012, individuals age 62 and above may exclude a maximum of \$35,000 and age 65 and above may exclude a maximum of \$65,000 of retirement income. This income exclusion may include a maximum of \$4,000 of earned income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1,390	1,438	1,453

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

### 1.4.003    Exclusion of federally taxable Social Security benefits

Statute	§48-7-27(a)(7)
Year Enacted	1971
Year Effective	1971
Data Source	DOR data for TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	
<b>Description:</b>	Social Security and tier 1 railroad retirement benefits are excluded from state taxable income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	463	442	411

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

**1.4.004**      Georgia Higher Education Savings Plan Contributions

Statute	§48-7-27(a)(11) and (11.1)
Year Enacted	NA
Year Effective	Taxable years beginning on or after January 1, 2002
Data Source	DOR data for TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The contribution limits were increased from \$2,000 to \$4,000 effective January 1, 2016 and again in 2019 from \$4,000 to \$8,000, effective January 1, 2020. For distributional analysis, see Table 5 in Appendix.

**Description:** An exemption from income is allowed for contributions to a qualified higher education savings plan. The exemption is limited to \$8,000 per qualified plan beneficiary starting in 2020.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	20	20	20

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

**1.4.005**      Interest on U.S. obligations

Statute	§48-7-27(b)(2)
Year Enacted	1971
Year Effective	1971
Data Source	DOR data for TY 2021
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 taxable income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	36	46	42

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

**1.4.007**      Organ donation expenses

Statute	§48-7-27(a)(13)
Year Enacted	1981
Year Effective	Taxable years beginning on or after January 1, 2005
Data Source	U.S. Dept. of Health and Human Services, Organ Procurement and Transplantation Network, and DOR data for TY 2020
Estimate Reliability	Class B
Data Reliability	Class A
Note	

**Description:** Certain unreimbursed expenses associated with the donation of organs in accordance with the National Organ Procurement Act are deductible from



federal adjusted gross income up to a maximum value of \$10,000.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.4.008**     Aged 65/Blind deduction

Statute                     §48-7-27(a)(1)  
 Year Enacted             1971  
 Year Effective            1971  
 Data Source               DOR data for TY 2021  
 Estimate Reliability     Class A  
 Data Reliability         Class A  
 Note                         For distributional analysis see Table 7 in Appendix. This exemption is set to expire January 1, 2024.

**Description:**     Taxpayers aged 65 or older are allowed an annual deduction from income of \$1,300 per taxpayer. Taxpayers who are blind are allowed an annual deduction from income of \$1,300 per taxpayer.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	25	14	0

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

**1.4.009**     Certain dependent's unearned income

Statute                     §48-7-27(a)(8)  
 Year Enacted             1971  
 Year Effective            1971  
 Data Source               DOR data for TY 2021  
 Estimate Reliability     Class A  
 Data Reliability         Class A  
 Note

**Description:**     Taxpayers can exclude unearned income of dependents that was included in the federal AGI of a parent's return.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.4.010**     Premiums for high-deductible health plans

Statute                     §48-7-27(a)(13.1)  
 Year Enacted             2008  
 Year Effective            Taxable years beginning on or after January 1, 2009  
 Data Source               DOR data for TY 2021  
 Estimate Reliability     Class A  
 Data Reliability         Class A  
 Note

**Description:**     Taxpayers are allowed to exclude 100 percent of premiums paid for certain high-deductible health plans.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	8	8

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

**1.4.021**     Exclusion of Military Survivor Benefits

Statute	§48-7-27(a)(5)
Year Enacted	2018
Year Effective	2018
Data Source	Fiscal note for HB 749 (2018) and DoD Statistical Report of the Military Retirement System
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** Income received by a surviving family member based on the service record of a deceased service member is exempt from state income tax

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.4.022**     Exclusion from the income tax for disability payments for disabled first responders

Statute	§48-7-27(a)(12.4)
Year Enacted	2019
Year Effective	2019
Data Source	Fiscal note SB 138 LC 43 1258 (2019)
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** An income tax exclusion is allowed for first responders equal to 100 percent of the payments made to and received by a disabled first responder pursuant to O.C.G.A 45-9-85. This exclusion requires that such amounts are included in the taxpayer's federal adjusted gross income and are not otherwise exempt from the tax imposed by this article under any other provision of law.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.4.023**     USDA Disaster Relief Payments Exemption

Statute	§48-7-27(a)(11.2)
Year Enacted	2020
Year Effective	Taxable years beginning on or after January 1, 2019, and ending on or before December 31, 2023
Data Source	Fiscal Note for HB 105 LC 43 1601S (2020)
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** Income received as payments from a federal disaster relief or assistance

grant program administered by this state or its instrumentalities or the United States Department of Agriculture to address agricultural losses suffered due to Hurricane Michael, to the extent such income is included in federal adjusted gross income or federal taxable income, is exempt from state income tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	0	0

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

### Georgia individual income tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
1.4.006	§48-7-27(a)(12)	Certain military income of members of the National Guard and Reserves
1.4.011	§48-7-27(a)(12.2)	Exclusion of qualified insurance benefits for firefighters
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(a)(4)(A)	Income from any fund, program or system which is exempted by federal law or treaty
1.4.015	§48-7-27(d)	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(a)(9)	Adjustment for certain teachers retired from the Teachers Retirement System of Georgia
1.4.017	§48-7-28.2	Amount of employer social security credit claimed by certain 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

## 1.5 Georgia Deductions

### 1.5.001    Standard Deduction

Statute	§48-7-27(a)(1)
Year Enacted	1971
Year Effective	1971
Data Source	DOR data for TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	For distributional analysis see Table 8 in Appendix. The allowable standard deduction amounts were increased effective January 1, 2022.

**Description:** Taxpayers who do not itemize expenses on their federal return are allowed a standard deduction of \$5,400 for single and head of household filers, \$7,100 for married joint filers, and \$3,550 for married separate filers.

State Fiscal Years (\$ in Millions)

	2023	2024	2025
State Tax Expenditure	1,126	1,955	2,949

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

### **Georgia individual income tax expenditures for which an estimate is not currently available**

Expenditure	Statute	Summary
1.5.002	§48-7-27	Deduction of qualified insurance premiums for former firefighters

## 1.6 Georgia Credits

### 1.6.001    Rural Physician Credit

Statute	§48-7-29
Year Enacted	1995
Year Effective	Taxable years beginning on or after January 1, 1996
Data Source	DOR Tax Credit data as of 2023
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** This credit is for certain physicians practicing in rural counties. The value of the credit is equal to the lessor of \$5,000 or the taxpayer's income tax liability and may be claimed for five years.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

### 1.6.002    Disabled person's home purchase or retrofit credit

Statute	§48-7-29.1
Year Enacted	1998
Year Effective	Taxable years beginning on or after January 1, 1999
Data Source	DOR Tax Credit data as of 2023
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** This credit provides a \$500 credit for the purchase of a new single-family home containing accessibility features or for the retrofit of an existing home.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 1.6.004    Disaster Assistance Credit

Statute	§48-7-29.4
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2000
Data Source	DOR Tax Credit data as of 2023 and FEMA disasters database
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** This credit is for individuals receiving disaster relief payments from the Georgia Emergency Management Agency or from the Federal Emergency Management Agency. The credit amount is the actual amount of the disaster relief assistance or \$500, whichever is less.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.6.005**      Qualified Caregiving Expense Credit

Statute	§48-7-29.2
Year Enacted	1998
Year Effective	Taxable years beginning on or after January 1, 1999
Data Source	DOR Tax Credit data as of 2023
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** This credit is for taxpayers with expenses related to the care of a qualifying family member. The value of the credit is equal to no more than 10 percent of the total amount expended for qualifying caregiving expenses. In no event shall the credit exceed \$150 or the taxpayer’s income tax liability, whichever is less.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.6.006**      Tax credit for life insurance for Georgia National Guard and Air National Guard

Statute	§48-7-29.9
Year Enacted	2005
Year Effective	Taxable years beginning on or after January 1, 2005
Data Source	DOR Tax Credit data as of 2023
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** This credit is available for active duty members of the Georgia National Guard and Air National Guard on active duty for more than 90 consecutive days and who purchase qualified life insurance through the Services’ Group Life Insurance program administered by the U.S. Department of Veterans Affairs. The credit amount is equal to the cost of the premiums of the life insurance policy.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.6.007**      Child and Dependent Care Credit

Statute	§48-7-29.10
Year Enacted	2006
Year Effective	Taxable years beginning on or after January 1, 2006
Data Source	DOR Tax Credit data as of 2023
Estimate Reliability	Class A
Data Reliability	Class A

Note

The American Recovery Plan Act temporarily increased, for TY 2021, the amount of the federal credit that is the base for this state credit. The percentage of the federal credit earning credits in Georgia remained at 30 percent.

**Description:** This credit is equal to 30 percent of the federal credit claimed for qualified

expenses related to the care of children and dependents.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	42	43	44

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

**1.6.008**      Adoption of Foster Child Credit

Statute	§48-7-29.15
Year Enacted	2008
Year Effective	Tax years beginning on or after January 1, 2008
Data Source	DOR Tax Credit data as of 2023 and fiscal note for HB 114 LC 43 1943S (2021)
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** This credit provides an annual tax credit for taxpayers adopting qualified foster children. The value of the credit is \$2,000 per child annually until the child attains the age of 18 and applies to adoptions occurring in taxable years beginning on or after January 1, 2008. For adoptions beginning January 1, 2021, the credit for the first five years is increased to \$6,000 and credits not utilized for the year of adoption may not be carried forward.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	9	9	10

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

**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 Tax Credit data as of 2023
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** This credit provides a tax credit to low-income individuals. The credit is based on the taxpayer's AGI. The maximum value of the credit is \$26 per dependent. For tax years beginning on January 1, 2010 and after, the credit is nonrefundable.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	8	8	8

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

**1.6.010**      Credit for taxes paid to another state

Statute	§48-7-28
Year Enacted	1931
Year Effective	1931
Data Source	DOR Tax Credit data as of 2023
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.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	351	346	354

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

**1.6.011**     Credit for Community-Based Faculty Preceptors

Statute                     §48-7-29.22  
Year Enacted             2019  
Year Effective             2019  
Data Source               DOR Tax Credit data as of 2023 and fiscal note for HB 287 LC 43 1215 (2019)  
  
Estimate Reliability       Class A  
Data Reliability           Class A  
Note                         Effective for tax years beginning on or after January 1, 2019, the deduction under O.C.G.A. 48-7-27 was replaced by a tax credit and definition of who qualifies changed from community- based faculty physicians to community based faculty preceptors.

**Description:** Tax credits are earned by community-based faculty preceptors that are physicians, as defined by O.C.G.A. §43-34-21, in the amount of \$500 for their first, second, and third preceptor rotations and \$1,000 for each of their fourth through tenth preceptorship rotations. Tax credits for community-based faculty preceptors that are advanced practice registered nurses or physician assistants, as defined by O.C.G.A. §43-34-21, are \$375 for their first through third preceptor rotations and \$750 for their fourth through tenth preceptor rotations. This credit expires December 31, 2026.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	6

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

**1.6.012**     Georgia Job Tax Credit

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 for TY 2021 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 and insurance premium tax sections, see 2.6.001 and 5.00200. In 2018, the qualifying areas were expanded to include counties with military bases and industrial parks that are owned and operated by a government entity.





Estimate Reliability	NA
Data Reliability	NA
Note	The same estimate is provided in the corporate income tax section, see 2.6.003.

**Description:** This provision provides for a credit of \$5,250 per year per qualified new job for up to five years, subject to recapture based on job and payroll maintenance requirements. After December 31, 2026, new jobs for any one qualified project will be limited to 4,500. 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 new 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, subject to extension under certain conditions.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 1.6.012		

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

### **1.6.015** New Manufacturing Facilities Property Credit

Statute	§48-7-40.25
Year Enacted	2003
Year Effective	Latest modifications are effective for taxable years beginning on or after July 1, 2021
Data Source	Fiscal note for HB 587 LC 43 2010S for 2021
Estimate Reliability	NA
Data Reliability	NA
Note	Utilization of this credit resulting from known or anticipated projects is expected to be material, but not within the time horizon of this report; see fiscal note. The same estimate is provided in the corporate income tax section, see 2.6.004.

**Description:** This is an incentive for a manufacturer who has operated a manufacturing facility in this state for at least 3 years and who spends \$800 million on a new manufacturing facility in this state, subject to a job requirement of 1,800 full-time employees. The credit is equal to 6 percent of the cost of all qualified investment property purchased or acquired, up to \$50 million with respect to any one project. For qualified high-impact aerospace defense projects certified on or after July 1, 2021, the maximum credit for any one project is increased to \$100 million and the taxpayer may begin claiming credits once investment and job thresholds of \$500 million and 1,000, respectively, are reached.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	0	0

(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 TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see 2.6.005.

**Description:** For tax years beginning on or after January 1, 2020, the taxpayer must invest a minimum of \$100,000 per project per location during the tax year to receive credit, up from a \$50,000 minimum in prior years. Eligible taxpayers must be in operation for the immediately preceding three years. Property leased for a period of five years or longer is eligible for the credit.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	7	8	9
Corporate Income Tax Expenditure	47	52	57
State Tax Expenditure	54	60	66

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

### **1.6.017**      Optional Investment Tax Credit

Statute	§§48-7-40.7, 48-7-40.8, and 48-7-40.9
Year Enacted	1995
Year Effective	Taxable years beginning on or after January 1, 1996.
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see 2.6.006.

**Description:** An alternative investment tax credit is available for taxpayers based on their investments in manufacturing or telecommunications facilities or support facilities where these facilities have been operating for the three immediately preceding years. The credit is available for investments in excess of \$5 million and placed in service no earlier than January 1, 1996, for tier 1 counties. The investment threshold is \$10 million for tier 2 counties and is \$20 million for tier 3 and 4 counties.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	1	2	2
Corporate Income Tax Expenditure	1	1	1
State Tax Expenditure	2	2	3

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

### **1.6.018**      Port Activity Tax Credit

Statute	§48-7-40.15
Year Enacted	1998
Year Effective	Latest modifications apply to taxable years beginning on or after January 1, 2010
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	Estimate combined with 1.6.019. The same estimate is provided in the corporate income tax section, see 2.6.007.

**Description:** Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, 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, based on a comparison of the previous 12-month period to the second preceding 12-month period, are qualified for increased job tax credits or investment tax credits.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	6	6	6
State Tax Expenditure	6	6	6

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.019**      Alternate Port Activity Tax Credit

Statute                                      §48-7-40.15A  
 Year Enacted                                2009  
 Year Effective                                2009  
 Data Source                                 DOR data as of TY 2021  
 Estimate Reliability                        Class A  
 Data Reliability                             Class A  
 Note    Estimate combined with 1.6.018. The same estimate is provided in the corporate income tax section, see 2.6.008.

**Description:** Credit is allowed to any business enterprise located in a tier 2 or 3 county or in a less developed area and which qualifies and receives the Jobs Tax Credit and which:

1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008;
2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and
3. Has a minimum of eight retail stores in this state in the first year of operations.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 1.6.018		

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**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 for TY 2020  
 Estimate Reliability                        Class B  
 Data Reliability                             Class A  
 Note    The same estimate is provided in the corporate income tax section, see 2.6.009. Tax credit provisions applicable to qualified interactive entertainment production companies were modified in 2015.

**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 2017 modifications to this statute, the 2019 sunset for the qualified interactive entertainment production company tax credit has been eliminated.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	427	484	648
Corporate Income Tax Expenditure	246	279	373
State Tax Expenditure	673	763	1,021

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.021**      **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 TY 2021
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)		
	2023	2024	2025
Income Tax Expenditure	27	30	34
Corporate Income Tax Expenditure	206	230	256
State Tax Expenditure	233	260	290

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.022**      **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 TY 2021
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.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	1

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.023**      **Qualified Health Insurance Expense Credit**

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 TY 2021
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:** Employers earn a tax credit based on 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)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.026**      **Business Enterprise Vehicle Credit**

Statute	§48-7-40.22
Year Enacted	2001
Year Effective	Taxable years beginning on or after January 1, 2002.
Data Source	DOR data as of TY 2020
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see 2.6.015.

**Description:** This is a credit given to a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. To qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.027**     Employer’s credit for providing or sponsoring child care for employees, and employer's credit for purchasing child-care property

Statute	§48-7-40.6
Year Enacted	1994 & 1999
Year Effective	Credit for cost of operation: taxable years beginning on or after January 1, 1994. Credit for cost of qualified child-care property: taxable years beginning on or after January 1, 2000.
Data Source	DOR data as of TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see 2.6.016.

**Description:** This credit is provided to employers based on their expenses related to providing or sponsoring child care for their employees' children and for the purchase of qualified child-care property.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	6	6	7
Corporate Income Tax Expenditure	13	13	14
State Tax Expenditure	19	20	20

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.028**     Low-Income Housing Credit

Statute	§48-7-29.6
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2001.
Data Source	DOR data as of TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax and insurance premium tax sections, see 2.6.017 and 5.00700.

**Description:** This is a credit against Georgia income taxes for taxpayers owning developments which receive the federal low-income housing tax credit and that are placed in service on or after January 1, 2001.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	107	120	132
Corporate Income Tax Expenditure	25	28	31
Insurance Premium Tax Expenditure	211	229	252
State Tax Expenditure	344	377	415

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding





Estimate Reliability Class B  
 Data Reliability Class A  
 Note The same estimate is provided in the corporate income tax section, see 2.6.021.

**Description:** This provides for an income tax credit for the qualified donation of real property that qualifies as conservation land pursuant to Chapter 22 of O.C.G.A. 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)		
	2023	2024	2025
Income Tax Expenditure	2	2	2
Corporate Income Tax Expenditure	0	0	0
Insurance Premium Tax	0	1	2
State Tax Expenditure	2	3	4

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**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 TY 2021  
 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, database 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)		
	2023	2024	2025
Income Tax Expenditure	22	23	25
Corporate Income Tax Expenditure	34	36	38
State Tax Expenditure	56	59	62

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.036** Qualified Education Expense Credit

Statute §48-7-29.16  
 Year Enacted 2008  
 Year Effective Taxable years beginning on or after January 1, 2008  
 Data Source DOR data as of TY 2021  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note The same estimate is provided in the corporate income tax

section, see 2.6.025.

**Description:** This provides a tax credit for donations made by taxpayers to a student scholarship organization which are used for tuition and fees for a qualified school or program. Annual cap increased to \$100 million effective January 1, 2019.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	78	84	87
Corporate Income Tax Expenditure	22	24	25
State Tax Expenditure	100	108	112

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.037**      Qualified Investor Tax Credit

Statute                      §48-7-40.30  
 Year Enacted              2010  
 Year Effective              2011; legislation modified in 2013 and 2015  
 Data Source                DOR data for TY 2021  
 Estimate Reliability      Class A  
 Data Reliability          Class A  
 Note

**Description:** This credit provides a 35 percent tax credit for amounts invested in certain Georgia-headquartered small businesses. The credit was extended in 2015 and is now available for qualified investments made in years 2011-2018. Credits may be taken in the second year following the investment year and carried forward up to three years. The aggregate value of credits awarded under this provision cannot exceed \$5 million per year. No new credits can be approved after 2020.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.6.038**      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 TY 2021  
 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 credit applies to taxpayers who purchase energy-efficient and 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. Given no federal funding, the state revenue effect is zero.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	0	0	0
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.041**     **Tax credit for existing business 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 TY 2021
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 applies to businesses that create at least 500 new full-time jobs within a taxable year.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 1.6.013		

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

**1.6.043**     **Bank Tax Credit**

Statute	§48-7-29.7
Year Enacted	2000
Year Effective	2001
Data Source	DOR data as of TY 2021 and IBISWorld industry forecasts
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see 2.6.032.

**Description:** Depository financial institutions are allowed a credit against their state income tax liability equal to the sum of the amount of their business license taxes paid to local governments and any special state occupation taxes paid to the state.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	3	3	3
Corporate Income Tax Expenditure	61	63	63
State Tax Expenditure	64	66	66

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.044**     **Employer tax credit for hiring qualified parolees**

Statute	§48-7-40.31
Year Enacted	2016
Year Effective	2016
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A

Data Reliability Class A  
 Note The same estimate is provided in the corporate income tax section, see 2.6.033. This credit expired for new hires January 1, 2020; remaining carryforwards expire if unused by January 1, 2024.

**Description:** For new hires made 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)		
	2023	2024	2025
Income Tax Expenditure	(m)	0	0
Corporate Income Tax Expenditure	(m)	0	0
State Tax Expenditure	(m)	0	0

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.045** Income Tax Credit for Contributions to Rural Health Care Organizations

Statute §48-7-29.20  
 Year Enacted 2016  
 Year Effective 2017  
 Data Source DOR data for 2021  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note This statute was modified in 2017 and 2018 to increase taxpayer limitations and the credit rate, modify the aggregate state cap, and extend the expiration. This statute was modified again in 2019 to extend the expiration. The same estimate is provided in the corporate income tax section, see 2.6.034.

**Description:** An individual taxpayer shall be allowed an income tax credit equal to a maximum of \$5,000 for an individual filing a single return or \$10,000 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. The aggregate amount of credits cannot exceed \$60 million in any year. The provision expires December 31, 2024.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	59	66	41
Corporate Income Tax Expenditure	7	7	5
State Tax Expenditure	65	73	46

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.046** Revitalization Zone Tax Credit

Statute §48-7-40.32  
 Year Enacted 2017  
 Year Effective Taxable years beginning on or after January 1, 2018.  
 Data Source DOR data as of TY 2021  
 Estimate Reliability Class B  
 Data Reliability Class A  
 Note The same estimate is provided in the corporate income tax section, see 2.6.035.

**Description:** The statute includes three credits intended to promote the revitalization of vacant rural Georgia downtowns. The first allows certified entities to claim an annual tax credit for five consecutive years of \$2,000 per qualified employee but not to exceed \$40,000 per taxable year for any taxpayer. The second provides for a credit equal to 25 percent of the purchase price of qualified property up to an amount equal to \$125,000 per project. The third provides for a tax credit of 30 percent of qualified rehabilitation expenses but not to exceed \$150,000 per project.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	1

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

**1.6.047**      Georgia Musical Investment Tax Credit

Statute                                    §48-7-40.33  
Year Enacted                            2017  
Year Effective                           Taxable years beginning on or after January 1, 2018.  
Data Source                             DOR data as of TY 2021  
Estimate Reliability                    Class C  
Data Reliability                         Class A  
Note                                         The same estimate is provided in the corporate income tax section, see 2.6.036.

**Description:** This income tax credit is equal to 15 percent of qualified production expenditures of a musical or theatrical performance, or a recorded musical performance incorporated into or synchronized with a movie, television, or interactive entertainment production. An additional credit equal to 5 percent may be allowed for certain expenditures in tier 1 or tier 2 counties. This credit was repealed effective January 1, 2023.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**1.6.048**      Public Education Innovation Fund Tax Credit

Statute                                    §48-7-29.21  
Year Enacted                            2017  
Year Effective                           Taxable years beginning on or after January 1, 2018.  
Data Source                             DOR data as of TY 2021 and Fiscal Note for HB 237 LC 33 7049S (2017)  
Estimate Reliability                    Class C  
Data Reliability                         Class A  
Note                                         The same estimate is provided in the corporate income section, see 2.6.037.

**Description:** This income tax credit is equal to contributions to a qualified Public Education Innovation Fund. The value of the credit varies by personal income filing type from \$1,000 to \$10,000. Corporate filers are allowed a credit equal to 75 percent of their current income tax liability. The aggregate amount of credits awarded each year may not exceed \$5 million. This credit expires December 31, 2026.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	1	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

#### **1.6.049**     Agribusiness Tax Credit

Statute	§33-1-25
Year Enacted	2017
Year Effective	Taxable years beginning on or after January 1, 2018.
Data Source	DOR data as of TY 2021 and Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class B
Data Reliability	Class B
Note	The same estimate is provided in the corporate income tax and insurance premium tax sections, see 2.6.038 and 5.00900.

**Description:** This income tax credit establishes qualified low-income community rural investment funds and tax credits. The credit amount is 15 percent of the eligible investment per year beginning in the third year after the investment is made and continuing through the sixth year, for a total credit equal to 60 percent of the eligible investment. The credit is nonrefundable and may not be sold, but may be carried forward indefinitely. The amount of credits available is subject to a cumulative cap of \$100 million.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	4	3	2
Insurance Premium Tax Expenditure	9	9	9
State Tax Expenditure	14	13	12

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

#### **1.6.050**     Railroad Track Maintenance Tax Credit

Statute	§48-7-40.34
Year Enacted	2018
Year Effective	2019
Data Source	Fiscal Note for LC 39 2856 (2021)
Estimate Reliability	Class C
Data Reliability	Class B
Note	The same estimate is provided in the corporate income tax section, see 2.6.039.

**Description:** This income tax credit is based on maintenance expenditures related to railroad track owned or leased by Class III railroads. The credit equals 50 percent of railroad track maintenance expenditures, subject to a maximum credit of \$3,500 per track mile per year. In addition to Class III railroads, persons transporting property using a Class III railroad's facilities or persons furnishing railroad-related property or services to a Class III railroad are eligible for the credit with respect to maintenance of their assigned track miles. This credit expires December 31, 2026.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	9	9

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

**1.6.051**     Reforestation credit for losses incurred on commercial timberland due to hurricane

Statute	§48-7-40.36
Year Enacted	2018
Year Effective	2018
Data Source	Fiscal Note for HB4EX LC 43 1048S (2018 Special Session) and DOR data as of TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax, see section 2.6.040.

**Description:** This income tax credit is based on casualty losses incurred on commercial timberland due to damage attributed to Hurricane Michael in the fall of 2018, subject to replanting requirements as described below. The amount of the credit is equal to 100 percent of the casualty loss deduction reported on the taxpayer’s federal return, provided that the credit amount does not exceed \$400 per acre. Taxpayers must seek preapproval for the credit on or before December 31, 2019. Taxpayers are eligible to claim the credit in the taxable year in which the taxpayer replants 90 percent of the timber lost in the hurricane. All tax credits must be claimed by December 31, 2024. Credits can be sold once prior to January 1, 2024. Credits claimed are nonrefundable but can be carried forward for up to 10 years. The total amount of credits preapproved may not exceed \$200 million.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	4	2	2
Corporate Income Tax Expenditure	3	3	1
State Tax Expenditure	7	5	4

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.052**     Qualified Post-Production Expenditures Credits

Statute	§48-7-40.26A
Year Enacted	2017
Year Effective	2018
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see section 2.6.041.

**Description:** Postproduction companies with at least \$500,000 in qualified postproduction expenditures per year will be eligible for a credit equal to 20 percent of the qualified postproduction expenditures. An additional 10 percent credit is allowed if the qualified production expenditures were incurred in the state. An additional 5 percent credit is allowed if the qualified production expenditures were incurred in a tier 1 or tier 2 county. The value of credits awarded is limited to a maximum of \$10 million for

2018 through 2022. If in any year the aggregate amount of credits allowable is not awarded, the remaining credits will be rolled in the allowable credits for the following year. Postproduction companies with expenditures between \$100,000 and \$500,000 per year are eligible for a separate credit equal to 20 percent of the qualified postproduction expenditures. Aggregate annual claims on this credit are limited to \$1 million. The \$1 million small company credit limit does not count against the credit limit for the large company credit discussed above. No credits shall be earned in years after 2022.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	4	4	4
Corporate Income Tax Expenditure	1	1	1
State Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.053**    Personal protective equipment manufacturer job tax credit

Statute	§48-7-40.1A
Year Enacted	2020
Year Effective	Taxable years beginning on or after January 1, 2020
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the corporate income tax section, see section 2.6.042.

**Description:** Personal protective equipment manufacturers that qualify for the Georgia job tax credit (see 1.6.012/2.6.001/5.00200) may earn \$1,250 per for each qualifying new job in addition to the amounts earned under the existing job credit. No credits shall be earned for jobs created after 2024.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.054**    Medical equipment, medical supplies, pharmaceuticals, and medicine manufacturers job tax credit

Statute	§48-7-40.1B
Year Enacted	2021
Year Effective	Taxable years beginning on or after January 1, 2021
Data Source	Fiscal Note for HB 587 LC 43 2010S (2021)
Estimate Reliability	Class A
Data Reliability	NA
Note	The same estimate is provided in the corporate income tax section, see section 2.6.043.

**Description:** Medical equipment and supply manufacturers, and pharmaceutical and medicine manufacturers that qualify for the Georgia job tax credit (see 1.6.012/2.6.001/5.00200) may earn \$1,250 for each qualifying new job in addition to the amounts earned under the existing job credit.



	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	0	3	3
State Tax Expenditure	0	3	4

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**1.6.055**     Teacher Recruitment and Retention Credit

Statute	§48-7-29.23 and §20-2-251
Year Enacted	2021
Year Effective	Taxable years beginning on or after January 1, 2022
Data Source	Fiscal note for HB 32 LC 43 2019S (2021)
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** This credit is for teachers who agree to teach in certain rural schools or certain low-performing schools in high-need subject areas. The credit amount equals \$3,000 per year for up to five consecutive years for teachers who remain employed in qualifying schools. No new applications for the program shall be accepted after December 31, 2026.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	(m)	(m)	1

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

**1.6.056**     Qualified Foster Child Donation Credit

Statute	§48-7-29.24
Year Enacted	2022
Year Effective	Taxable years beginning on or after January 1, 2023
Data Source	Fiscal note for SB 370 43 2189 (2022)
Estimate Reliability	Class A
Data Reliability	Class A

Note

The same estimate is provided in the corporate income tax section, see section 2.6.044.

**Description:** This credit is equal to 100 percent of qualified donations paid by the taxpayer to approved foster child support organizations. The Georgia Department of Humans Services qualifies organizations for purposes of the program. Credits are nonrefundable, but any unutilized credits can be carried forward for up to five years. The aggregate amount of credits allowed per year is subject to a statewide cap of \$20 million, enforced through an annual credit preapproval process.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	14	18

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

**1.6.057**     Qualified Law Enforcement Donation Credit

Statute	§48-7-29.25
Year Enacted	2022
Year Effective	Taxable years beginning on or after January 1, 2023

Data Source Fiscal note for SB361 LC 43 2159 (2022)  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note The same estimate is provided in the corporate income tax section, see section 2.6.045.

**Description:** This credit is equal to 100 percent of qualified donations paid by the taxpayer to qualified law enforcement foundations. The credits are nonrefundable, but any unutilized credits can be carried forward for up to five years. The aggregate amount of credits allowed per year is subject to a statewide cap of \$75 million, enforced through an annual credit preapproval process.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	51	69

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

## 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 rate was 6 percent from 1969 through 2018 but was reduced to 5.75 percent effective for tax years beginning on or after January 1, 2019. The Georgia corporate income tax is a flat rate tax, with a single rate applying to all Georgia taxable income of the corporation.

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. 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 due to 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 longer 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 2022 were \$2.4 billion or 7.3 percent of total state tax revenues. Approximately 338 thousand corporate returns were processed in CY 2022. All revenue collected from this tax is deposited into the State General Fund.

## 2.1 Federal Corporate Exclusions

### 2.1.001    Permanent exemption from imputed interest rules

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.1.002    Exclusion of interest on state and local government private activity bonds

Federal Statute    IRC Section 103,141,142 and 146

**Description:**    Interest earned on qualified private activity bonds is tax exempt.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

### 2.1.004    Exclusion of earnings of certain environmental settlement funds

Federal Statute    IRC Section 468B

**Description:**    Under certain conditions environmental settlement funds are exempt from tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.1.005    Exclusion of 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 gross income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.1.006    Exclusion of gain or loss on sale or exchange for brownfield property

Federal Statute    IRC Section 512 and 514

**Description:**    Qualifying brownfield property that is acquired from an unrelated party, subject to remediation, and sold to another unrelated party is exempt from unrelated business income tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.1.009**     Exclusion of interest on public purpose state and local government bonds

Federal Statute     IRC Sections 103, 141 and 146

**Description:**     Interest income of qualifying governmental bonds is excluded from taxable income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**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 Statute     IRC Sections 861-863, 865, 953-954, 864

**Description:**     These provisions provide certain exceptions to the general treatment of foreign sourced income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	226	230	227

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

**2.1.011**     Exclusion of employee meals and lodging

Federal Statute     IRC Section 119 and 132(e)(2)

**Description:**     Only 50 percent of expenses for meals provided on or near business premises for the convenience of the employer or as a de minimis fringe is allowed as deduction.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	-8	-9	-10

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

**2.1.012**     Exclusion of employer-paid transportation benefits and employer-provided transit and vanpool benefits.

Federal Statute     IRC Section 132(f)

**Description:**     Employer provided qualified transportation benefits are excluded from employee taxable income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	-22	-23	-23

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

## 2.2 Federal Corporate Deductions

### 2.2.001 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.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	8	8	7

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

### 2.2.003 Expensing of exploration and development costs: nonfuel minerals

Federal Statute IRC Sections 263, 291, 616-617, 56, 1254

**Description:** Firms engaged in mining are permitted to expense certain exploration and development costs.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.2.004 Amortization of business start-up costs

Federal Statute IRC Section 195

**Description:** This provision allows a business taxpayer to deduct up to \$5,000 in qualified start-up expenditures.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.2.005 Expensing of research and experimental expenses

Federal Statute IRC Section 174 and 59e

**Description:** This provision allows a business taxpayer to deduct certain research expenditures that are paid or incurred in connection with the taxpayer's trade or business.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	0	0

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

### 2.2.006 Expensing of magazine circulation expenditures

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.2.007**      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, other minerals are permitted a deduction to recover their capital investment in a mineral reserve, which depreciates due to the physical and economic depletion or exhaustion as the mineral is recovered. Firms engaged in the exploration and development of oil, gas or geothermal properties have the option of expensing certain intangible drilling and development costs.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	0	0

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

**2.2.008**      Special treatment of expenses related to timber production

Federal Statute      IRC Sections 194, 263A(c)(5)

**Description:**      This provision allows expensing of production costs of growing timber. Taxpayers are also allowed different depreciation practices for qualified reforestation expenses.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3

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

**2.2.009**      Deduction of charitable contributions (includes deductions for health, education, and for purposes other than health and education)

Federal Statute      IRC Sections 170 and 642(c)

**Description:**      Subject to certain limitations, charitable contributions may be deducted by taxpayers.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	32	33	35

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

**2.2.011**      Expensing under IRC Section 179 of depreciable business property

Federal Statute      IRC Section 179

**Description:**      Within certain limits, a taxpayer may elect to deduct, as a current expense, the cost of qualifying property in the tax year when it is placed in service.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	4	6	7

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

**2.2.012**      Amortization of air pollution control facilities

Federal Statute      IRC Section 169(d)(5)

**Description:** This provision allows plants placed in service after January 1, 1976 the option of amortizing investments in pollution control equipment for coal-fired electric generation plants.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	2

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

**2.2.014**      Various agricultural expensing provisions

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 cattle and breeding cattle.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.2.015**      Community and regional development incentives

Federal Statute      IRC Sections 38(b), 39(d), 45A, 280C(a), 1391-1397D and 1400F,H,I and J

**Description:** Communities designated as empowerment zones and renewable communities are eligible for special development incentives.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.2.016**      Expensing to remove architectural and transportation barriers to the handicapped and elderly

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.2.017**      Inventory methods and valuation

Federal Statute      IRC Section 475, 491-492

**Description:** This provision allows taxpayers to use alternative inventory systems to determine the cost of goods sold.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	8	9	9

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



**2.2.018**      Limits on deductible compensation and disallowance of deduction for excess parachute payments

Federal Statute      IRC Sections 280G, 4999, and 162(m)

**Description:**      Excess parachute payments are not allowable deductions against the corporate income tax. In the case of publicly held corporations only executive compensation of \$1 million or less is deductible against the corporate income tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	-23	-23	-24

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

**2.2.019**      Deduction for foreign-derived intangible income

Federal Statute      P.L. 115-97, Sec. 250(a)

**Description:**      A domestic corporation is allowed a deduction equal to 50 percent of foreign-derived intangible income until 2025 and 37.5 percent thereafter.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	35	37	36

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

**2.2.020**      Limitation on deduction of FDIC premium

Federal Statute      Pub. L. No. 115-97

**Description:**      The deduction for the applicable percentage of any Federal Deposit Insurance Corporation (“FDIC”) premium paid or incurred by the taxpayer is disallowed. For taxpayers with total consolidated assets of \$50 billion or more, the applicable percentage is 100 percent. Otherwise, the applicable percentage is the ratio of the excess of total consolidated assets (as of the close of the taxable year) over \$10 billion to \$40 billion. The provision does not apply to taxpayers with total consolidated assets (as of the close of the taxable year) that do not exceed \$10 billion.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	-10	-10	-10

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

**2.2.021**      Limitation on NOL deduction

Federal Statute      Pub. L. No. 115-63

**Description:**      The deduction for net operating losses is limited to 80 percent of taxable income.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	-6	-6	-7

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

**2.2.022**      7-year recovery period for motorsports entertainment complexes

Federal Statute      IRC Sections 167 and 168

**Description:**      Taxpayers are allowed to deduct the cost of certain depreciable assets from motorsports complexes over 7 years.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.2.023**     Employer credit for qualified wages in connection with qualified disasters

Federal Statute     P.L. No. 116–260; IRC Section 303

**Description:**     This credit is equal to 40 percent of qualified wages with respect to each eligible employee of such an eligible employer for a certain taxable year. The amount of qualified wages shall not exceed \$6,000, reduced by the amount of qualified wages accounted for in any prior taxable year.

	State Fiscal Years (\$ in Millions)		
	2022	2023	2024
State Tax Expenditure	(m)	(m)	(m)

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

## 2.3 Special Federal Corporate Conformity Provisions

### 2.3.001    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)		
	2023	2024	2025
State Tax Expenditure	4	4	4

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

### 2.3.002    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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.3.003    Two-year carryback for net operating losses attributable to farming

Federal Statute    IRC Section 172

**Description:**    Current law provides a two-year carryback period for losses related to farming.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.3.004    Special rules for mining reclamation reserves

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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 2.3.005    Cash accounting, for certain businesses

Federal Statute    IRC 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. These are farming businesses, qualified personal service corporations, and entities that meet a gross receipts test.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	4	4	4

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

### 2.3.006      Deferral of gain on non-dealer installment sales

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)		
	2023	2024	2025
State Tax Expenditure	21	22	23

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

### 2.3.007      Completed contract rules

Federal Statute      IRC Section 460

**Description:** 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)		
	2023	2024	2025
State Tax Expenditure	5	5	5

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

### 2.3.008      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, 4979A

**Description:** 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 Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	7	7

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

### 2.3.009      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)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.3.010** Qualified Opportunity Zones

Federal Statute PL 115-97; IRS 1400Z-1

**Description:** A qualified opportunity fund is an investment vehicle organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property that holds at least 90 percent of its assets in qualified opportunity zone property. Qualified opportunity zone property includes any qualified opportunity zone stock, any qualified opportunity zone partnership interest, and any qualified opportunity zone business property. Certain low-income community population census tracts may be designated as qualified opportunity zones by the chief executive officer of the state (which includes the District of Columbia).

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	7	(m)

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

**2.3.011** Expensing rules for certain productions

Federal Statute IRC Section 181

**Description:** A taxpayer may elect to treat the cost, up to a maximum of \$15 million (\$20 million in some areas) for any production, of any qualified film, television, or live theatrical production commencing production prior to Jan. 1, 2026, as an expense which is not chargeable to a capital account. Any cost so treated shall be allowed as a deduction.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.3.012** Special rules for interest-charge domestic international sales corporations (IC-DISC)

Federal Statute IRC Sections 991-997

**Description:** Shareholders of Interest-Charge Domestic International Sales Corporation are taxed only once. IC-DISC shareholders may defer up to \$10 million annually that is attributable to qualified export sales. An interest charge is imposed on shareholders based on the distribution that would have occurred had deferral not been elected.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	10	10	8

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

## 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

The traditional apportionment formula calculates corporate income tax liability of multi-state corporations based on the ratio of company property, payroll, and gross receipts in Georgia to all other states. This three-factor formula applies an equal weight of 33.33 percent to each ratio and was used in Georgia until the mid-2000s. Beginning in 2008, Georgia transitioned to a single-factor apportionment formula wherein firms determine state tax liability based solely on the ratio of Georgia receipts to total receipts. Products that are shipped or delivered to customers in Georgia are subject to the Georgia corporate tax, while sales negotiated or delivered to customers outside of Georgia are excluded. The only exception is for airline companies that ship passengers and cargo across state lines. Instead of using the single factor approach, income generated through these businesses is taxed by a three-factor formula as a ratio of Georgia activity to total activity. The formula weighs revenue air miles traveled at 25 percent, tons handled by aircraft at 25 percent, and originating passenger and cargo revenue at 50 percent. 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. 20 states, including Washington D.C., have a throwback rule. Georgia, Alabama, North Carolina, Florida, Tennessee, South Carolina, and Virginia do not, but Mississippi does. An alternative rule is the “throw-out rule,” which eliminates sales to non-nexus states from both the numerator and denominator of the corporate apportionment formula. Only two states—Louisiana and Maine—have a throw-out rule.

### 2.4.003 Corporate Receipts Sourcing

Georgia is among 31 states, including Washington D.C., that use the single sales factor method (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.

**Corporate apportionment expenditures for which an estimate is not currently available**

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

## 2.5 Georgia Deductions and Exclusions

### 2.5.003    Exclusion of global intangible low-taxed income (GILTI)

Statute	§48-7-21
Year Enacted	2018
Year Effective	2018
Data Source	<i>Estimates of Federal Tax Expenditures for Fiscal Years 2020-2024</i> , Joint Committee on Taxation, U.S. Congress
Estimate Reliability	Class B
Data Reliability	Class B
Note	

**Description:** Global intangible low-taxed income is defined for the purpose of Federal taxation in Section 951A of the Internal Revenue Code of 1986 as excess returns realized by U.S. shareholders from controlled foreign corporations in low-tax areas outside of the United States. GILTI is includable in federal taxable income net of a 50 percent deduction in tax years 2018-25 and a 37.5 percent deduction thereafter. Georgia does not tax any portion of GILTI.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	205	222	240

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

### **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



## 2.6 Georgia Credits

### 2.6.001     Georgia Job Tax Credit

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 2021 and Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax and insurance premium tax sections, see 1.6.012 and 5.00200. In 2018, the qualifying areas were expanded to include counties with military bases and industrial parks that are owned and operated by a government entity.

**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. It also provides a tax credit for business enterprises designated as operating in less-developed areas. These include areas with ten or more contiguous census tracts with higher than 15 percent poverty and counties with both a military base and a government owned and operated industrial park.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	83	88	91
Corporate Income Tax Expenditure	130	138	143
Insurance Premium Tax Expenditure	4	4	5
State Tax Expenditure	217	230	239

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

### 2.6.002     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 TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	This statute was modified in 2017 allowing taxpayers to establish subsequent job creation periods for a qualified project. The same estimate is provided in the individual income tax section, see 1.6.013.

**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, a job that 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)		
	2023	2024	2025
Income Tax Expenditure	2	2	2
Corporate Income Tax Expenditure	102	106	109
State Tax Expenditure	103	107	111

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.003**     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 July 1, 2021  
Data Source                Fiscal note for HB 587 LC 43 2010S for 2021  
Estimate Reliability       NA  
Data Reliability            NA  
Note                          The same estimate is provided in the individual income tax section, see 1.6.014.

**Description:**     This provision provides for a credit of \$5,250 per year per qualified new job for up to five years, subject to recapture based on job and payroll maintenance requirements. After December 31, 2026, new jobs for any one qualified project will be limited to 4,500. 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 new 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, subject to extension under certain conditions.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 2.6.001		

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

**2.6.004**     New Manufacturing Facilities Property Credit

Statute                     §48-7-40.24  
Year Enacted             2003  
Year Effective             Latest modifications are effective for taxable years beginning on or after July 1, 2021  
Data Source                Fiscal note for HB 587 LC 43 2010S for 2021  
Estimate Reliability       NA  
Data Reliability            NA  
Note                          Utilization of this credit resulting from known or anticipated projects is expected to be material, but not within the time horizon of this report; see fiscal note.  
The same estimate is provided in the individual income tax section, see 1.6.015.

**Description:**     This is an incentive for a manufacturer who has operated a manufacturing facility in this state for at least 3 years and who spends \$800 million on a new manufacturing facility in this state, subject to a job requirement of

1,800 full-time employees. The credit is equal to 6 percent of the cost of all qualified investment property purchased or acquired, up to \$50 million with respect to any one project. For qualified high-impact aerospace defense projects certified on or after July 1, 2021, the maximum credit for any one project is increased to \$100 million and the taxpayer may begin claiming credits once investment and job thresholds of \$500 million and 1,000, respectively, are reached.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	0	0

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

**2.6.005**     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 TY 2021  
Estimate Reliability                    Class B  
Data Reliability                            Class A  
Note    The same estimate is provided in the individual income tax section, see 1.6.016.

**Description:** For tax years beginning on or after January 1, 2020, the taxpayer must invest a minimum of \$100,000 per project per location during the tax year to receive credit, up from a \$50,000 minimum in prior years. Eligible taxpayers must be in operation for the immediately preceding three years. Property leased for a period of five years or longer is eligible for the credit.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	7	8	9
Corporate Income Tax Expenditure	47	52	57
State Tax Expenditure	54	60	66

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.006**     Optional Investment Tax Credit

Statute                                    §§48-7-40.7, 48-7-40.8, and 48-7-40.9  
Year Enacted                            1995  
Year Effective                            Taxable years beginning on or after January 1, 1996.  
Data Source                                DOR data as of TY 2021  
Estimate Reliability                    Class A  
Data Reliability                            Class A  
Note    The same estimate is provided in the individual income tax section, see 1.6.017.

**Description:** An alternative investment tax credit available for investments in manufacturing or telecommunications facilities or support facilities that have been operating for the three immediately preceding years. The credit is available for investments in excess of \$5 million and placed in service no earlier than January 1, 1996, for tier 1 counties. The investment threshold is \$10 million for tier 2 counties and is \$20 million for tier 3 and 4 counties.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	1	2	2
Corporate Income Tax Expenditure	1	1	1
State Tax Expenditure	2	2	3

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.007**     Port Activity Tax Credit

Statute	§48-7-40.15
Year Enacted	1998
Year Effective	Latest modifications apply to taxable years beginning on or after January 1, 2010
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	Estimate combined with 2.6.008. The same estimate is provided in the individual income tax section, see 1.6.018.

**Description:** Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, 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, based on a comparison of the previous 12-month period to the second preceding 12-month period, are qualified for increased job tax credits or investment tax credits.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	6	6	6
State Tax Expenditure	6	6	6

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.008**     Alternative Port Activity Tax Credit

Statute	§48-7-40.15A
Year Enacted	2009
Year Effective	2009
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	Estimate combined with 2.6.007. The same estimate is provided in the individual income tax section, see 1.6.019.

**Description:** Credit is allowed to any business enterprise located in a tier 2 or 3 county or in a less developed area and which qualifies and receives the Jobs Tax Credit and which;

1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008;
2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and
3. Has a minimum of eight retail stores in this state in the first year of operations.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 2.6.007		

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

**2.6.009**     **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 TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.020. Tax credit provisions applicable to qualified interactive entertainment production companies were modified in 2015.

**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 2017 modifications to this statute, the 2019 sunset for the qualified interactive entertainment production company tax credit has been eliminated.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	427	484	648
Corporate Income Tax Expenditure	246	279	373
State Tax Expenditure	673	763	1,021

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.010**     **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 TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual 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)		
	2023	2024	2025
Income Tax Expenditure	27	30	34
Corporate Income Tax Expenditure	206	230	256
State Tax Expenditure	233	260	290

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

### **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 TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.022.

**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.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	1

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

### **2.6.012**     **Qualified Health Insurance Expense Credit**

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 TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.023.

**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)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.015**     Business Enterprise Vehicle Credit

Statute	§48-7-40.22
Year Enacted	2001
Year Effective	Taxable years beginning on or after January 1, 2002.
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.026.

**Description:** This is a credit given to a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. To qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.016**     Employer’s credit for providing or sponsoring child care for employees, and employer’s credit for purchasing child-care property

Statute	§48-7-40.6
Year Enacted	1994 & 1999
Year Effective	Credit for cost of operation: taxable years beginning on or after January 1, 1994. Credit for cost of qualified child-care property: taxable years beginning on or after January 1, 2000.
Data Source	DOR data as of TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.027.

**Description:** This credit is provided to employers based on their expenses related to providing or sponsoring child-care for their employees' children and for the purchase of qualified child-care property.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	6	6	7
Corporate Income Tax Expenditure	13	13	14
State Tax Expenditure	19	20	20

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.017**     Low-Income Housing Credit

Statute	§48-7-29.6
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2001.
Data Source	DOR data as of TY 2021
Estimate Reliability	Class B

Data Reliability Class A  
 Note The same estimate is provided in the individual income tax and insurance premium tax sections, see 1.6.028 and 5.00700.  
**Description:** This is a credit against Georgia income and insurance premium taxes for owners of rental housing qualifying for the federal low-income housing tax credit and that are placed in service on or after January 1, 2001.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	107	120	132
Corporate Income Tax Expenditure	25	28	31
Insurance Premium Tax Expenditure	211	229	252
State Tax Expenditure	344	377	415

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.018** Historic Rehabilitation Credit

Statute §48-7-29.8  
 Year Enacted 2002  
 Year Effective Taxable years beginning on or after January 1, 2004  
 Data Source DOR data as of TY 2021 and Fiscal Note for HB 469 LC 43 2035S (2021)  
 Estimate Reliability Class B  
 Data Reliability Class B  
 Note The same estimate is provided in the individual income tax section, see 1.6.029. This provision expires December 31, 2022.

**Description:** A credit is provided based on expenses related to the certified rehabilitation of a certified structure or historic home. Standards set by the Georgia Department of Natural Resources must be met. A \$25 million per calendar year aggregate cap applies to projects earning more than \$300,000 in credits. The credit was modified in 2015 to allow unused credits to be assigned or sold to other taxpayers. Further modifications in 2021 applied a \$5 million per calendar year cap on smaller projects and added a sunset date for the credit of December 31, 2022.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	21	18	20
Corporate Income Tax Expenditure	9	7	8
State Tax Expenditure	30	26	29

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.020** Low- and Zero-emission Vehicle and Charger Credit

Statute §48-7-40.16  
 Year Enacted 1998  
 Year Effective Taxable years beginning on or after January 1, 1998  
 Data Source DOR data as of TY 2021  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note The same estimate is provided in the individual income tax section, see 1.6.031.

**Description:** This credit applies to the purchase or lease of an electric vehicle charger



and to the conversion of a standard vehicle to a low- or zero-emission vehicle.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.021**     Land Conservation Credit

Statute	§48-7-29.12
Year Enacted	2006
Year Effective	Taxable years beginning on or after January 1, 2006
Data Source	DOR data as of TY 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.032.

**Description:** This provides for an income tax credit for the qualified donation of real property that qualifies as conservation land pursuant to Chapter 22 of O.C.G.A. 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)		
	2023	2024	2025
Income Tax Expenditure	2	2	2
Corporate Income Tax Expenditure	0	0	0
Insurance Premium Tax	0	1	2
State Tax Expenditure	2	3	4

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.024**     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 TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.035.

**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, individual 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)		
	2023	2024	2025
Income Tax Expenditure	22	23	25
Corporate Income Tax Expenditure	34	36	38
State Tax Expenditure	56	59	62

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.025**      **Qualified Education Expense Credit**

Statute	§48-7-29.16
Year Enacted	2008
Year Effective	Taxable years beginning on or after January 1, 2008
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.036.

**Description:** This provides a tax credit for donations made by taxpayers to a student scholarship organization which are used for tuition and fees for a qualified school or program. Annual cap increased to \$100 million effective January 1, 2019.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	78	84	87
Corporate Income Tax Expenditure	22	24	25
State Tax Expenditure	100	108	112

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.027**      **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 TY 2020
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.038.

**Description:** This tax credit applies to taxpayers who purchase energy-efficient and 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. Given no federal funding, the state revenue effect is zero.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	0	0	0
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.030**    Tax credit for existing business 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 TY 2021  
Estimate Reliability            Class A  
Data Reliability                Class A  
Note                              The same estimate is provided in the individual income tax section, see 1.6.041.

**Description:**    This credit applies to businesses that create at least 500 new full-time jobs within a taxable year.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 2.6.002		

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

**2.6.032**    Bank Tax Credit

Statute                            §48-7-29.7  
Year Enacted                    2000  
Year Effective                 2001  
Data Source                     DOR data as of TY 2021 and IBISWorld industry forecasts  
Estimate Reliability            Class B  
Data Reliability                Class A  
Note                              The same estimate is provided in the individual income tax section, see 1.6.043.

**Description:**    Depository financial institutions are allowed a credit against their state income tax liability equal to the sum of the amount of business license taxes paid to local governments and any special state occupation taxes paid to the state.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	3	3	3
Corporate Income Tax Expenditure	61	63	63
State Tax Expenditure	64	66	66

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.033**    Employer tax credit for hiring qualified parolees

Statute                            §48-7-40.31  
Year Enacted                    2016  
Year Effective                 2016  
Data Source                     DOR data as of TY 2021  
Estimate Reliability            Class A  
Data Reliability                Class A  
Note                              The same estimate is provided in the individual income tax section, see 1.6.044. This credit expired for new hires January 1, 2020; remaining carryforwards expire if unused by January 1, 2024.

**Description:**    For new hires made 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)		
	2023	2024	2025
Income Tax Expenditure	(m)	0	0
Corporate Income Tax Expenditure	(m)	0	0
State Tax Expenditure	(m)	0	0

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**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	DOR data for 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	This statute was modified in 2017 and 2018 to increase taxpayer limitations and the credit rate, modify the aggregate state cap, and extend the expiration. This statute was modified again in 2019 to extend the expiration. The same estimate is provided in the individual income tax section, see 2.6.034.

**Description:** An individual taxpayer shall be allowed an income tax credit equal to a maximum of \$5,000 for an individual filing a single return or \$10,000 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. The aggregate amount of credits cannot exceed \$60 million in any year. The provision expires December 31, 2024.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	59	66	41
Corporate Income Tax Expenditure	7	7	5
State Tax Expenditure	65	73	46

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.035** Revitalization Zone Tax Credit

Statute	§48-7-40.32
Year Enacted	2017
Year Effective	Taxable years beginning on or after January 1, 2018.
Data Source	DOR data for 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.046.

**Description:** The statute includes three credits intended to promote the revitalization of vacant rural Georgia downtowns. The first allows certified entities to claim an annual tax credit for five consecutive years of \$2,000 per qualified employee but not to exceed \$40,000 per taxable year for any taxpayer. The second provides for a credit equal to 25 percent of the purchase price of qualified property up to an amount equal to \$125,000 per project. The third provides for a tax credit of 30 percent of qualified rehabilitation expenses

but not to exceed \$150,000 per project.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	1

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

**2.6.036**     **Georgia Musical Investment Tax Credit**

Statute	§48-7-40.33
Year Enacted	2017
Year Effective	Taxable years beginning on or after January 1, 2018
Data Source	DOR data as of TY 2021
Estimate Reliability	Class C
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see 1.6.047.

**Description:** This income tax credit is equal to 15 percent of qualified production expenditures of a musical or theatrical performance, or a recorded musical performance incorporated into or synchronized with a movie, television, or interactive entertainment production. An additional credit equal to 5 percent may be allowed for certain expenditures in tier 1 or tier 2 counties. This credit was repealed effective January 1, 2023.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**2.6.037**     **Public Education Innovation Fund Tax Credit**

Statute	§48-7-29.21
Year Enacted	2017
Year Effective	Taxable years beginning on or after January 1, 2018.
Data Source	DOR data as of TY 2021 and Fiscal Note for HB 237 LC 33 7049S (2017)
Estimate Reliability	Class C
Data Reliability	Class A
Note	The same estimate is provided in the individual income section, see 1.6.048.

**Description:** This income tax credit is equal to contributions to a qualified Public Education Innovation Fund. The value of the credit varies by personal income filing type from \$1,000 to \$10,000. Corporate filers are allowed a credit equal to 75 percent of their current income tax liability. The aggregate amount of credits awarded each year may not exceed \$5 million. This credit expires December 31, 2026.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	(m)	(m)	(m)
Corporate Income Tax Expenditure	(m)	(m)	(m)
State Tax Expenditure	1	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.038**     Agribusiness Tax Credit

Statute                     §33-1-25  
Year Enacted             2017  
Year Effective             Taxable years beginning on or after January 1, 2018  
Data Source                DOR data as of TY 2021 and Office of Insurance and Safety  
   Fire Commissioner  
Estimate Reliability        Class B  
Data Reliability            Class B  
Note                         The same estimate is provided in the individual income and  
   insurance premium tax sections, see 1.6.049 and 5.00900.

**Description:**     This income tax credit is to establish qualified low-income community rural investment funds and tax credits. The credit amount is 15 percent of the eligible investment per year beginning in the third year after the investment is made and continuing through the sixth year, for a total credit equal to 60 percent of the eligible investment. The credit is nonrefundable and may not be sold, but may be carried forward indefinitely. The amount of credits available is subject to a cumulative cap of \$100 million.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	4	3	2
Insurance Premium Tax Expenditure	9	9	9
State Tax Expenditure	14	13	12

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

**2.6.039**     Railroad Track Maintenance Tax Credit

Statute                     §48-7-40.34  
Year Enacted             2018  
Year Effective             2019  
Data Source                Fiscal Note for LC 39 2856 (2021)  
Estimate Reliability        Class C  
Data Reliability            Class B  
Note                         The same estimate is provided in the individual income tax  
   section, see 1.6.050.

**Description:**     This income tax credit is based on maintenance expenditures related to railroad track owned or leased by Class III railroads. The credit equals 50 percent of railroad track maintenance expenditures, subject to a maximum credit of \$3,500 per track mile per year. In addition to Class III railroads, persons transporting property using a Class III railroad's facilities or persons furnishing railroad-related property or services to a Class III railroad are eligible for the credit with respect to maintenance of their assigned track miles. This credit expires December 31, 2026.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	9	9

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

**2.6.040**     Reforestation credit for losses incurred on commercial timberland due to hurricane damage

Statute                     §48-7-40.36  
Year Enacted             2018  
Year Effective             2018

Data Source Fiscal Note for HB4EX LC 43 1048S (2018 Special Session) and DOR data as of TY 2021

Estimate Reliability Class B

Data Reliability Class A

Note The same estimate is provided in the individual income tax section, see section 1.6.051.

**Description:** This income tax credit is based on casualty losses incurred on commercial timberland due to damage attributed to Hurricane Michael in the fall of 2018, subject to replanting requirements as described below. The amount of the credit is equal to 100 percent of the casualty loss deduction reported on the taxpayer’s federal return, provided that the credit amount does not exceed \$400 per acre. Taxpayers must seek preapproval for the credit on or before December 31, 2019. Taxpayers are eligible to claim the credit in the taxable year in which the taxpayer replants 90 percent of the timber lost in the hurricane. All tax credits must be claimed by December 31, 2024. Credits can be sold once prior to January 1, 2024. Credits claimed are nonrefundable, but can be carried forward for up to 10 years. The total amount of credits preapproved may not exceed \$200 million.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	4	2	2
Corporate Income Tax Expenditure	3	3	1
State Tax Expenditure	7	5	4

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.041** Qualified Post-Production Expenditures Credits

Statute 48-7-40.26A

Year Enacted 2017

Year Effective 2018

Data Source DOR data as of TY 2021

Estimate Reliability Class A

Data Reliability Class A

Note The same estimate is provided in the individual income tax section, see section 1.6.052.

**Description:** Postproduction companies with at least \$500,000 in qualified postproduction expenditures per year will be eligible for a credit equal to 20 percent of the qualified postproduction expenditures. An additional 10 percent credit is allowed if the qualified production expenditures were incurred in the state. An additional 5 percent credit is allowed if the qualified production expenditures were incurred in a tier 1 or tier 2 county. The value of credits awarded is limited to a maximum of \$10 million for 2018 through 2022. If in any year the aggregate amount of credits allowable is not awarded, the remaining credits will be rolled in the allowable credits for the following year. Postproduction companies with expenditures between \$100,000 and \$500,000 per year are eligible for a separate credit equal to 20 percent of the qualified postproduction expenditures. Aggregate annual claims on this credit are limited to \$1 million. The \$1 million small company credit limit does not count against the credit limit for the large company credit discussed above. No credits shall be earned in years after 2022.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	4	4	4
Corporate Income Tax Expenditure	1	1	1
State Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.042**     Personal protective equipment manufacturer job tax credit

Statute	§48-7-40.1A
Year Enacted	2020
Year Effective	Taxable years beginning on or after January 1, 2020
Data Source	DOR data as of TY 2021
Estimate Reliability	Class A
Data Reliability	Class A
Note	The same estimate is provided in the individual income tax section, see section 1.6.053.

**Description:** Personal protective equipment manufacturers that qualify for the Georgia job tax credit (see 1.6.012/2.6.001/5.00200) may earn \$1,250 per for each qualifying new job in addition to the amounts earned under the existing job credit. No credits shall be earned for jobs created after 2024.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.043**     Medical equipment, medical supplies, pharmaceuticals, and medicine manufacturers job tax credit

Statute	48-7-40.1B
Year Enacted	2021
Year Effective	Taxable years beginning on or after January 1, 2021
Data Source	Fiscal Note for HB 587 LC 43 2010S (2021)
Estimate Reliability	Class A
Data Reliability	NA
Note	The same estimate is provided in the individual income tax section, see section 1.6.054.

**Description:** Medical equipment and supply manufacturers, and pharmaceutical and medicine manufacturers that qualify for the Georgia job tax credit (see 1.6.012/2.6.001/5.00200) may earn \$1,250 for each qualifying new job in addition to the amounts earned under the existing job credit.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	0	0	0
Corporate Income Tax Expenditure	0	3	3
State Tax Expenditure	0	3	4

(m) Denotes a value of less than \$1 million. Numbers may not sum due to rounding

**2.6.044**     Qualified Foster Child Donation Credit

Statute	§48-7-29.24
Year Enacted	2022
Year Effective	Taxable years beginning on or after January 1, 2023
Data Source	Fiscal note for SB 370 43 2189 (2022)



Estimate Reliability Class A  
 Data Reliability Class A  
 Note The same estimate is provided in the individual income tax section, see section 1.6.056.

**Description:** This credit is equal to 100 percent of qualified donations paid by the taxpayer to approved foster child support organizations. Organizations are approved by The Georgia Department of Humans Services qualifies programs for purposes of the program. Credits are nonrefundable, and any unutilized credits can be carried forward for up to five years. The amount of credits is subject to a statewide cap of \$20 million enforced through an annual credit preapproval process.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	14	18

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

**2.6.045** Qualified Law Enforcement Donation Credit

Statute §48-7-29.25  
 Year Enacted 2021  
 Year Effective Taxable years beginning on or after January 1, 2023  
 Data Source Fiscal note for SB361 LC 43 2159 (2022)  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note The same estimate is provided in the individual income tax section, see section 1.6.057.

**Description:** This credit is equal to 100 percent of qualified donations paid by the taxpayer to qualified law enforcement foundations. The credits are nonrefundable, and any unutilized credits can be carried forward for up to five years. The amount of credits is subject to a statewide cap of \$75 million enforced through an annual credit preapproval process.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	0	51	69

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

### 3. Corporate Net Worth Tax

Georgia imposes a tax on the net worth of corporations doing business or owning property in the state. 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, but with no tax on corporations with less than \$100,000 of net worth.

The tax is administered by the Georgia DOR. Revenues from this tax totaled \$57.2 million in FY 2022. All revenues from this tax are deposited into the State General Fund.

**3.003**      Exemption for corporations with net worth of \$100,000 or less

Statute	§48-13-71
Year Enacted	2017
Year Effective	Tax years beginning on or after January 1, 2018
Data Source	Fiscal Note SB 133/LC 40 1296 for 2017
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** The statute increases the threshold net worth value with regards to the Net Worth tax. Corporations with net worth equal to \$100,000 or less are exempted from the net worth tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	6	6

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

### 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	Exemption for insurance companies separately taxed

## 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. Under legislation enacted in 2023 and effective July 1, 2023, the tax base now includes the purchase of certain digital products. In addition to the state sales tax, local governments are authorized to impose an assortment of local option sales taxes. In most counties, the local sales taxes imposed 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) with tax rates of 1 percent for each. A total of 103 counties plus the city of Atlanta have also implemented a sales tax dedicated to transportation purposes (T-SPLOST) as of October 2023, with tax rates of 1 percent except for Atlanta and Fulton County outside of Atlanta where the T-SPLOST rates are 1.4 and 0.75 percent respectively. In addition, Atlanta levies another 1 percent sales tax to cover expenses related to sewer repairs, two counties levy a 1 percent Homestead Option Sales Tax (HOST), and three counties and the city of Atlanta levy sales taxes dedicated to funding the Metropolitan Atlanta Rapid Transit Authority (MARTA), with rates of 1 percent except in Atlanta where the rate is 1.5 percent. Starting July 1, 2023, qualified consolidated governments will be able to impose a dedicated SPLOST to fund coliseum capital projects.

In general, the local tax base is consistent with the state sales tax base, which is defined to include mainly tangible personal property. The major exception is food for home consumption, which is included in the local sales tax base, but is exempted from the state tax. Services, with a few exceptions, are generally excluded from both the state and the local tax base. This report provides estimates of some services that are implicitly exempt from the sales tax by virtue of not being tangible personal property. Lastly, this report categorizes each sales tax expenditure by type to allow the reader to distinguish between tax expenditures, such as those for business inputs, that are provided for reasons of reducing economic distortions from those provided on the basis of more societal reasons.

The tax is administered by the Georgia DOR. The sales tax is remitted to the Georgia DOR by the retailer and the use tax is remitted by the consumer in cases where the retailer does not collect and remit sales tax. In FY 2022, the state sales and use tax generated \$8.3 billion in state revenues and accounted for approximately 25 percent of total state tax revenues. All proceeds from the state sales and use tax, net of vendor compensation, are deposited into the State General Fund.

#### 4.0-4.3 Sales and Use Tax Exemptions

**4.00400**    Sale of transportation furnished by a county or municipal public transit system or public transit authorities

Statute                                    §48-8-3(4)  
 Year Enacted                            1968  
 Year Effective                            1968  
 Data Source                              National Transit Database  
 Estimate Reliability                    Class B  
 Data Reliability                        Class A  
 Note                                        Estimate combined with 4.00500

**Description:**    Sales by counties and municipalities arising out of their operation of any public transit facility and sales by public transit authorities or charges by counties, municipalities, or public transit authorities for the transportation of passengers upon their conveyances.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	7	7
Local Tax Expenditure	6	6	6

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

**4.00500**    Sale of transportation furnished by an approved and authorized urban transit system

Statute                                    §48-8-3(5)  
 Year Enacted                            1970  
 Year Effective                            1970  
 Data Source                              National Transit Database  
 Estimate Reliability                    Class B  
 Data Reliability                        Class A  
 Note

**Description:**    Fares and charges, except charges for charter or sightseeing service, collected by an urban transit system for the transportation of passengers.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate combined with 4.00400		

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

**4.00600**    Sales to any Hospital Authority created by Georgia law

Statute                                    §48-8-3(6)  
 Year Enacted                            1976  
 Year Effective                            1976  
 Data Source                              Georgia Office of Planning and Budget and Centers for Medicaid and Medicare Services  
 Estimate Reliability                    Class B  
 Data Reliability                        Class B  
 Note                                        Estimate combined with 4.00700

**Description:**    Sales to any hospital authority created by Article 4 of Chapter 7 of O.C.G.A. Title 31.



Agriculture

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.00700**     Sale 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

Statute	§48-8-3(7)
Year Enacted	1971
Year Effective	1971
Data Source	Georgia Office of Planning and Budget and Centers for Medicaid and Medicare Services
Estimate Reliability	Class B
Data Reliability	Class B
Note	Estimate combined with 4.00600

**Description:** Sale of tangible personal property and services to an approved non-profit nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function and used exclusively by the facility.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	129	135	142
Local Tax Expenditure	118	123	130

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

**4.00705**     Sale of tangible personal property to a non-profit health center established and receiving funds pursuant to the U.S. Public Health Service Act

Statute	§48-8-3(7.05)
Year Enacted	2015
Year Effective	2015
Data Source	Fiscal Note for HB 426 LC 34 4527 for 2015
Estimate Reliability	Class C
Data Reliability	Class B
Note	This exemption was eliminated in 2010 and reinstated in 2015.

**Description:** Sale of tangible personal property to a non-profit health center established and receiving funds pursuant to the U.S. Public Health Service Act.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	4	4	4
Local Tax Expenditure	3	4	4

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

**4.00710**     Sale of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities

Statute	§48-8-3(7.1)
Year Enacted	2001

Year Effective 2002  
 Data Source U.S. Economic Census and American Community Survey  
 Estimate Reliability Class C  
 Data Reliability Class A

Note

**Description:** Sale of tangible personal property and services to a nonprofit organization, the primary function of which is the provision of services to persons with intellectual disabilities, when such organization is a tax exempt organization under the Internal Revenue Code and obtains an exemption determination letter from the State Revenue Commissioner.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	(m)	(m)	(m)

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

**4.00720** Sales to Georgia Society of the Daughters of the American Revolution

Statute §48-8-3(7.2)  
 Year Enacted 2002  
 Year Effective 2002  
 Data Source IRS 990 Form Data  
 Estimate Reliability Class C  
 Data Reliability Class C

Note

**Description:** Sale of tangible personal property or services to any chapter of the Georgia State Society of the Daughters of the American Revolution which is tax exempt under IRS Code Section 501(c)(3) and obtains an exemption determination letter from the State Revenue Commissioner.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.00730** Sale of tangible property and services to a nonprofit volunteer health clinic primarily treating patients with incomes below 200 percent of the poverty level

Statute §48-8-3(7.3)  
 Year Enacted 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.

**Description:** Sale of tangible personal property and services to a nonprofit volunteer health clinic primarily treating patients with incomes below 200 percent of the poverty level and when the item sold is used exclusively for general treatment function.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	2
Local Tax Expenditure	2	2	2

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

**4.00800**     Sale of tangible personal property and services to the University System of Georgia and its educational units

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            Class A  
Note                          Estimate combined with 4.00900

**Description:**     Sale of tangible personal property and services to the University System of Georgia and its educational units.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	52	53	54
Local Tax Expenditure	46	47	48

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

**4.01000**     Sale of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school

Statute                     §48-8-3(10)  
Year Enacted             1968  
Year Effective            1968  
Data Source                The National Center for Education Statistics and the Georgia Department of Education  
Estimate Reliability      Class C  
Data Reliability            Class C  
Note

**Description:**     Sale of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	7	7
Local Tax Expenditure	6	6	6

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

**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

Statute                     §48-8-3(11)  
Year Enacted             1968  
Year Effective            1968  
Data Source                Fiscal Note for HB 445/LC 34 4571S for 2015  
Estimate Reliability      Class A  
Data Reliability            Class A  
Note



**Description:** Sale of tangible personal property or services to, and the purchase of tangible personal property or services by, any educational or cultural institute which: (A) is tax exempt under Section 501(c)(3) of the Internal Revenue Code; (B) furnishes at least 50 percent of its programs through universities and other institutions of higher education in support of their educational programs; (C) is paid for by government funds of a foreign country; and (D) is an instrumentality, agency, department, or branch of a foreign government operating through a permanent location in this state.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.01200** School lunches sold and served to pupils and employees of public schools

Statute §48-8-3(12)  
 Year Enacted 1953  
 Year Effective 1953  
 Data Source Georgia School Nutrition Association and the Georgia Department of Education  
 Estimate Reliability Class B  
 Data Reliability Class B  
 Note

**Description:** Food, food ingredients, and prepared food sold and served to pupils and employees of public schools.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3
Local Tax Expenditure	3	3	3

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

**4.01300** School lunches sold and served to pupils and employees of approved private schools

Statute §48-8-3(13)  
 Year Enacted 1967  
 Year Effective 1967  
 Data Source Georgia School Nutrition Association and the National Center of Education Statistics  
 Estimate Reliability Class B  
 Data Reliability Class B  
 Note

**Description:** Food, food ingredients, and prepared food sold and served to pupils and employees of approved private elementary and secondary schools

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	(m)	(m)	(m)

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

**4.01400** Sale of art and other artifacts for display or exhibition to museums

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

**Description:** Sale of art and anthropological, archeological, geological, horticultural, or zoological objects or artifacts and other similar tangible personal property to or for the use by any museum or organization which is tax exempt under Section 501(c)(3) of the Internal Revenue Code of such tangible personal property for display or exhibition in a museum within this state

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

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

**4.01500** Specific fundraising sales 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

Statute §48-8-3(15B)  
 Year Enacted 1953  
 Year Effective 1953  
 Data Source National Center for Charitable Statistics  
 Estimate Reliability Class C  
 Data Reliability Class B

Note

**Description:** Sale of any religious paper in this state when the paper is owned and operated by religious institutions or denominations and no part of the net profit from the operation of the institution or denomination inures to the benefit of any private person. Exempt sales must occur during a fundraising activity with a duration that does not exceed 30 days in any calendar year.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	(m)	(m)	1

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

**4.01510** Sale of pipe organs or steeple bells to any church qualifying as a nonprofit

Statute §48-8-3(15.1)  
 Year Enacted 2001  
 Year Effective 2001  
 Data Source The Atlanta Chapter for The American Guild of Organists  
 Estimate Reliability Class C  
 Data Reliability Class C

Note

**Description:** Sale of pipe organs or steeple bells to any church qualifying as a nonprofit.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.01700**     Sale 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 and the U.S. Department of Energy  
Estimate Reliability      Class B  
Data Reliability            Class A  
Note

**Description:**     Sale of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	9	9	10
Local Tax Expenditure	8	8	8

(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. Census and the 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)		
	2023	2024	2025
State Tax Expenditure	34	37	35
Local Tax Expenditure	28	29	29

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

**4.02200**     Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made

Statute                     §48-8-3(22)  
Year Enacted             1951  
Year Effective             1951  
Data Source                NA  
Estimate Reliability      Class A  
Data Reliability            Class A  
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)		
	2023	2024	2025
State Tax Expenditure	See expenditure estimate for		
Local Tax Expenditure	4.5050		

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

**4.02300**    Repair services when a separate charge is made to the customer

Statute	§48-8-3(23)
Year Enacted	1951
Year Effective	1951
Data Source	NA
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:**    Repair services when a separate charge is made to the customer.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	See expenditure estimate for		
Local Tax Expenditure	4.5110		

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

**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 videotape or film to persons charging admission to view the tape or film.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	10	11
Local Tax Expenditure	6	8	9

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

**4.03000**    Vehicles purchased by service-connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase a 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 A
Data Reliability	Class A
Note	

**Description:**    The sale of a vehicle to a service-connected disabled veteran when the veteran received a grant from the United States Department of Veterans

Affairs to purchase and specially adapt the vehicle to the veteran's disability.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.03420**     Machinery and equipment used directly to remanufacture certain 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 LC 40 0540 for 2014  
 Estimate Reliability             Class B  
 Data Reliability                  Class A  
 Note

**Description:**     Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts or components in a remanufacturing facility.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.03600**     Machinery and equipment used in a facility for the primary purpose of reducing or eliminating air and water pollution

Statute                             §48-8-3(36)  
 Year Enacted                     1972  
 Year Effective                    1972  
 Data Source                        Fiscal Note for HB 445 LC 40 4571S for 2015  
 Estimate Reliability             Class A  
 Data Reliability                  Class A  
 Note

**Description:**     Machinery and equipment or any repair or replacement component used in a facility for the primary purpose of reducing or eliminating air and water pollution

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.03800**     Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H Center

Statute                             §48-8-3(38)  
 Year Enacted                     1976  
 Year Effective                    1976  
 Data Source                        Fiscal Note for HB 445/LC 34 4571S for 2015  
 Estimate Reliability             Class A

Data Reliability Class A  
 Note

**Description:** Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H center.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.03900** Certain sales by a public or private school of tangible personal property, concessions, and tickets for admission to school functions

Statute §48-8-3(39)  
 Year Enacted 1994  
 Year Effective 1994  
 Data Source Georgia Department of Education, IRS Form 990 data, and the National High School Athletic Association  
 Estimate Reliability Class C  
 Data Reliability Class C  
 Note

**Description:** Sales by any public or private school containing any combination of grades 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

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3
Local Tax Expenditure	2	2	3

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

**4.04000** Sale of major components or repair parts installed in military aircraft, vehicles, or missiles

Statute §48-8-3(40)  
 Year Enacted 1965  
 Year Effective 1965  
 Data Source USASpending.gov and the U.S. Economic Census  
 Estimate Reliability Class C  
 Data Reliability Class C  
 Note

**Description:** Sale of major components or repair parts installed in military aircraft, vehicles, or missiles.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	29	27	22
Local Tax Expenditure	25	22	19

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

**4.04100** Sale of tangible personal property and services to a nonprofit child-caring institution, child-placing agency, or maternity home

Statute §48-8-3(41)  
 Year Enacted 2004

Year Effective 2004  
 Data Source U.S. Economic Census  
 Estimate Reliability Class B  
 Data Reliability Class B

Note

**Description:** Sale of tangible personal property and services to a child-caring institution as defined in paragraph (1) of O.C.G.A §49-5-3; a child-placing agency as defined in paragraph (2) of O.C.G.A. §49-5-3, or maternity home as defined in paragraph (14) of O.C.G.A. §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 Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

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

**4.04300** Revenues from coin-operated amusement machines for which individual permits are required

Statute §48-8-3(43)  
 Year Enacted 1992  
 Year Effective 1993  
 Data Source Georgia Lottery Commission Annual Report  
 Estimate Reliability Class C  
 Data Reliability Class B

Note

**Description:** Gross revenue generated from all bona fide coin-operated amusement machines which vend or dispense music or are operated for skill, amusement, entertainment, or pleasure.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	59	65	73
Local Tax Expenditure	50	55	62

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

**4.04600** 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 certain blood banks having a nonprofit status according to Section 501(c)(3) of the IRS revenue code.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3
Local Tax Expenditure	2	2	2

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

**4.04700**     Sale of drugs dispensed by 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

**Description:** Sale or use of drugs that are lawfully dispensable only by prescription for the treatment of natural persons; prescription eyeglasses and contact lenses; prescription contact lens samples; drugs dispensable by prescription for the treatment of natural persons without charge to physicians, hospitals, etc. by pharmaceutical manufacturers or distributors; drugs and durable medical equipment dispensed or distributed without charge solely for the purposes of a clinical trial approved by the FDA or an institutional review board.  
Note: This exemption does not include over-the-counter drugs, drugs sold for animal use, or non-prescription eyeglasses.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	528	548	572
Local Tax Expenditure	445	462	482

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

**4.04800**     Sale of crab bait to licensed commercial fishermen

Statute	§48-8-3(48)
Year Enacted	1985
Year Effective	1985
Data Source	Georgia Department of Natural Resources and the U.S. Economic Census
Estimate Reliability	Class C
Data Reliability	Class C

Note

**Description:** Sale of crab bait to licensed commercial fishermen.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.05000**     Sale of insulin syringes and blood glucose level measuring strips dispensed without a prescription

Statute	§48-8-3(50)
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Year Enacted 1986  
 Year Effective 1986  
 Data Source The Centers for Disease Control and Prevention and the Medical Expenditures Panel Survey  
 Estimate Reliability Class C  
 Data Reliability Class C  
 Note

**Description:** Sale of blood measuring devices, monitoring equipment, or insulin delivery systems used exclusively by diabetics; insulin, insulin syringes and blood glucose monitoring strips; when dispensed without a prescription.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	13	14	15
Local Tax Expenditure	11	12	13

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

**4.05100** Sale of oxygen when prescribed by a licensed physician

Statute §48-8-3(51)  
 Year Enacted 1986  
 Year Effective 1986  
 Data Source The Medical Expenditure Panel Survey and The Department of Health and Human Services  
 Estimate Reliability Class C  
 Data Reliability Class A  
 Note

**Description:** Sale of oxygen when prescribed by a licensed physician.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

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

**4.05200** Sale or use of hearing aids

Statute §48-8-3(52)  
 Year Enacted 1986  
 Year Effective 1986  
 Data Source Medical Expenditure Panel Survey and Healthy Hearing Review  
 Estimate Reliability Class A  
 Data Reliability Class B  
 Note

**Description:** Exempts the sale or use of approved hearing aids from sales and use tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	11	12	13
Local Tax Expenditure	9	10	11

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

**4.05300** Transactions in which food stamps or WIC coupons are used as the method of payment

Statute §48-8-3(53)

Year Enacted 1986  
 Year Effective 1987  
 Data Source U.S. Food and Nutrition Service and the U.S. Department of Agriculture  
 Estimate Reliability Class B  
 Data Reliability Class A  
 Note  
**Description:** Sales tax is not applied on items purchased using food stamps or WIC coupons.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	144	136	138
Local Tax Expenditure	120	114	116

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

**4.05400** Sale or use of any durable medical equipment or prosthetic device prescribed by a physician

Statute §48-8-3(54)  
 Year Enacted 1992  
 Year Effective 1993  
 Data Source U.S. Census of National Health Expenditures and the Medical Expenditure Panel Survey  
 Estimate Reliability Class B  
 Data Reliability Class A  
 Note  
**Description:** Sale or use of any durable medical equipment or prosthetic device prescribed by a physician.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	58	60	63
Local Tax Expenditure	49	50	53

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

**4.05500** Sale of Georgia lottery tickets

Statute §48-8-3(55)  
 Year Enacted 1992  
 Year Effective 1992  
 Data Source Georgia Lottery Commission Annual Report  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note  
**Description:** Sale of lottery tickets authorized by O.C.G.A. Chapter 27 of Title 50.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	243	255	268
Local Tax Expenditure	205	215	226

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

**4.05600** Sale by any qualified nonprofit parent teacher organization

Statute §48-8-3(56)

Year Enacted 1995  
 Year Effective 1995  
 Data Source Georgia Parent Teacher Association and IRS Form 990 data  
 Estimate Reliability Class C  
 Data Reliability Class B

Note

**Description:** Sale by any qualified nonprofit parent teacher organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.05700** Food purchased for off-premises consumption

Statute 48-8-3(57)  
 Year Enacted 1996  
 Year Effective 1998  
 Data Source U.S. Consumer Expenditure Survey and the US Census Retail Market Report  
 Estimate Reliability Class B  
 Data Reliability Class B

Note

**Description:** Exemption applies to food and food ingredients, which means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. It does not apply to alcoholic beverages, tobacco, immediate consumption items, vitamins, and minerals. It does not apply to the local option sales taxes or items used primarily for medical or hygiene purposes (cough drops, breath strips, over the counter medication, etc.).

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	873	922	956
Local Tax Expenditure	0	0	0

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

**4.05710** Sale of food and beverages to a qualified food bank

Statute §48-8-3(57.1)  
 Year Enacted 2006  
 Year Effective 2006  
 Data Source Fiscal Note for LC 43 1447 for 2021  
 Estimate Reliability Class A  
 Data Reliability Class A

Note

**Description:** Sale of food and beverages to a qualified food bank

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.05720**     Exemption for prepared food and food ingredients that are donated to a qualified nonprofit agency and used for hunger relief purposes

Statute	§48-8-3(57.2)
Year Enacted	2015
Year Effective	2015
Data Source	Fiscal Note for LC 43 1447 for 2020
Estimate Reliability	Class A
Data Reliability	Class A
Note	This exemption was eliminated in 2011 and reinstated in 2015.

**Description:** The use of food and food ingredients that are donated to a qualified nonprofit agency and that are used for hunger relief purposes. "Qualified nonprofit agency" means any entity that is tax exempt under section 501(c)(3) of the Internal Revenue Code and that provides hunger relief. Does not include drugs or over-the-counter drugs.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	2
Local Tax Expenditure	2	2	2

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

**4.05730**     Exemption for food and food ingredients that are donated following a natural disaster and used for disaster relief

Statute	§48-8-3(57.3)
Year Enacted	2015
Year Effective	2015
Data Source	Fiscal Note for LC 43 1447 for 2020
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** Exemption for food and food ingredients that are donated following a natural disaster and used for disaster relief and does not apply to any donated over the counter drugs.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.05900**     Sale of eligible food and beverages 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

**Description:** Sale of food or food ingredients to and by member councils of the Girl Scouts or Boy Scouts of America in connection with fundraising activities.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2	2	2
Local Tax Expenditure	2	2	2

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

**4.06000** Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less

Statute §48-8-3(60)  
 Year Enacted 2000  
 Year Effective 2001  
 Data Source Fiscal Note for HB 445/LC 34 4571S for 2015  
 Estimate Reliability Class C  
 Data Reliability Class C  
 Note Estimate combined with 4.06700

**Description:** Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less when incorporated into telecommunications manufacturing facility.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**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

Statute §48-8-3(62)  
 Year Enacted 1998  
 Year Effective 1998  
 Data Source U.S. Census of Agriculture, the U.S. Economic Census, and the Annual Survey of Sod Producers  
 Estimate Reliability Class B  
 Data Reliability Class A  
 Note

**Description:** Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer. This exemption does not apply to sales from a nursery or other places where plants are sold.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	4	4
Local Tax Expenditure	0	0	0

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

**4.06300** Funeral merchandise when paid with funds from the Georgia Crime Victims Emergency

Statute §48-8-3(63)  
Year Enacted 1998  
Year Effective 1998  
Data Source The Uniform Crime Report and the National Office for Victims of Crime  
Estimate Reliability Class C  
Data Reliability Class C  
Note

**Description:** The sale or use of funeral merchandise, outer burial containers, and cemetery markers as defined in O.C.G.A §43-18-1, which are purchased with funds received from the Georgia Crime Victims Emergency Fund under Chapter 15 of Title 17.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.06500** Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen

Statute §48-8-3(65)  
Year Enacted NA  
Year Effective NA  
Data Source The Georgia Department of Natural Resources and the U.S. Economic Census  
Estimate Reliability Class C  
Data Reliability Class C  
Note

**Description:** Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.06600** Sale of gold, silver, or platinum bullion

Statute §48-8-3(66)  
Year Enacted 2000  
Year Effective 2000  
Data Source U.S. Mint 2020 Annual Report  
Estimate Reliability Class C  
Data Reliability Class C  
Note

**Description:** Sale of gold, silver, or platinum bullion.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	4	4	4
Local Tax Expenditure	4	4	4

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

**4.06700**    Sale of coins or currency

Statute                    §48-8-3(67)  
Year Enacted            2000  
Year Effective            2000  
Data Source                Professional Numismatists Guild  
Estimate Reliability      Class C  
Data Reliability          Class C  
Note

**Description:**    Sale of coins or currency.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.06800**    Sale of Certain Computer Equipment

Statute                    § 48-8-3(68)  
Year Enacted            2000  
Year Effective            2001  
Data Source                Fiscal Note for HB 1291/LC 43 2426S for 2022  
Estimate Reliability      Class A  
Data Reliability          Class A  
Note

**Description:**    Sale of certain computer equipment when the total qualifying purchases by a High Technology Company in a calendar year exceed \$15 million. A High Technology Company must be classified under the 2017 North American Industry Classification System code 334413, 334614, 511210, 517311, 517312, 517410, 517911, 517919, 518210, 522320, 541330, 541511, 541512, 541513, 541519, 541713, 541715, or 541720.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	80	83	85
Local Tax Expenditure	67	70	71

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

**4.06810**    High-Tech Data Center Equipment Exemption

Statute                    § 48-8-3(68.1)  
Year Enacted            2018  
Year Effective            2018  
Data Source                Fiscal Note for HB 696/LC 43 0923S for 2018  
Estimate Reliability      Class A  
Data Reliability          Class A  
Note

**Description:**    Exemption for high-technology data center equipment, subject to a

minimum investment threshold of \$250 million over ten years, and certain other structural infrastructural system requirements.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	13	15	17
Local Tax Expenditure	10	11	13

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

**4.06900**     Sale of machinery and equipment and material incorporated and used in a clean room of Class 100 or less

Statute                     §48-8-3(69)  
 Year Enacted             2000  
 Year Effective             2001  
 Data Source                Fiscal Note for HB 445/LC 34 4571S for 2015  
 Estimate Reliability        Class C  
 Data Reliability            Class C  
 Note                         Estimate Combined with 4.06000

**Description:**     Sale of machinery, equipment, and material incorporated and used in construction or operation of a clean room of Class 100 or less when the clean room is used directly in the manufacture of tangible personal property.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate Combined with 4.06000		

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

**4.07000**     Sale of natural gas used directly in the manufacture of electricity

Statute                     §48-8-3(70)  
 Year Enacted             1999  
 Year Effective             2000  
 Data Source                U.S. Energy Information Administration  
 Estimate Reliability        Class B  
 Data Reliability            Class A  
 Note

**Description:**     Sale of natural or artificial gas used directly in the manufacture of electricity which is subsequently sold.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	142	107	88
Local Tax Expenditure	0	0	0

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

**4.07100**     Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries

Statute                     §48-8-3(71)  
 Year Enacted             1999  
 Year Effective             2000  
 Data Source                National Center for Charitable Statistics  
 Estimate Reliability        Class B



Data Reliability Class B  
 Note

**Description:** Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.07200** Sale of prescribed mobility enhancing equipment

Statute §48-8-3(72)  
 Year Enacted 1999  
 Year Effective 2000  
 Data Source State Health Expenditures from the Centers for Medicare and Medicaid Services and the Medical Expenditure Panel Survey  
 Estimate Reliability Class B  
 Data Reliability Class B  
 Note

**Description:** The sale to or use by a patient of all mobility enhancing equipment prescribed by a physician.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

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

**4.07600** Exemption for personal property used in the renovation or expansion of an aquarium or zoo

Statute 48-8-3(76)  
 Year Enacted 2015  
 Year Effective 2015  
 Data Source Fiscal Note for HB 238 LC 28 7425 for 2015  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note This exemption was recently expanded to include certain zoos and is set to expire January 1, 2026.

**Description:** Sale or use of tangible personal property used for or in the renovation or expansion of an aquarium or zoo located in this state that charges admission and is owned or operated by an organization that is tax exempt under 501(c)(3). Qualifying aquarium must pay tax and apply for refund.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.08100** The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline

Statute §48-8-3(81)

Year Enacted 2005  
 Year Effective 2005  
 Data Source Bureau of Transportation Statistics  
 Estimate Reliability Class B  
 Data Reliability Class B

Note

**Description:** The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline not including alcohol or tobacco.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	6	7
Local Tax Expenditure	5	5	6

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

**4.08300** Sale of biomass materials used to produce electricity or steam intended for sale

Statute §48-8-3(83)  
 Year Enacted 2006  
 Year Effective 2006  
 Data Source Fiscal Note for HB 1018 LC 18 4936 for 2009 and the U.S. Energy Information Administration  
 Estimate Reliability Class B  
 Data Reliability Class A

Note

**Description:** The sale or use of biomass material, including pellets or other fuels derived from compressed, chipped, or shredded biomass material, utilized in the production of energy, including without limitation the production of electricity and/or steam.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	4	5
Local Tax Expenditure	3	3	4

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

**4.08600** Sale of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft

Statute §48-8-3(86)  
 Year Enacted 2009  
 Year Effective 2009  
 Data Source Fiscal Note for HB 933 LC 40 0540 for 2014  
 Estimate Reliability Class C  
 Data Reliability Class C

Note

**Description:** The sale or use of engines, parts, equipment, and other tangible personal property used in the maintenance or repair of aircraft when such engines, parts, equipment, and other tangible personal property are installed on such aircraft that is being repaired or maintained in this state, so long as such aircraft is not registered in this state.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	23	23	23
Local Tax Expenditure	17	18	18

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

**4.09300**     Sale of tangible personal property used for and in the construction of a competitive project of regional significance.

Statute	§48-8-3(93)
Year Enacted	2012
Year Effective	2012
Data Source	Fiscal Note for HB 587 LC 43 2010S for 2021
Estimate Reliability	Class B
Data Reliability	Class B
Note	

**Description:** For the period commencing January 1, 2012, until June 30, 2021, sales of tangible personal property used for and in the construction of a competitive project of regional significance. The exemption applies 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".

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	9	9	9
Local Tax Expenditure	8	8	8

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

**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

Statute	§48-8-3(94)
Year Enacted	2014
Year Effective	2014
Data Source	Fiscal Note for HB 586 LC 43 2029S for 2021
Estimate Reliability	Class B
Data Reliability	Class A
Note	Estimate Combined with 4.3.2

**Description:** The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale. To qualify for the packaging exemption, the items shall be used solely for packaging and shall not be purchased for reuse. The packaging exemption shall not include materials purchased at a retail establishment for consumer use.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	Estimate Combined with 4.3.2		
Local Tax Expenditure			

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

**4.09700**     Sale of admission to a nonrecurring major sporting event

Statute	§48-8-3(97)
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Year Enacted 2016  
 Year Effective 2017  
 Data Source Fiscal Note for HB 951 LC 34 4805 for 2016  
 Estimate Reliability Class B  
 Data Reliability Class B

Note

**Description:** Sale of admissions to nonrecurring major sporting events in this state that are expected to generate over \$50 million in the host locality.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	2
Local Tax Expenditure	(m)	(m)	2

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

**4.10000** Exemption for sales of tickets to a qualified fine arts performance or exhibition

Statute §48-8-3(100)  
 Year Enacted 2017  
 Year Effective Transactions occurring on or after April 25, 2017  
 Data Source Fiscal Note for HB 586 LC 43 2029S for 2021  
 Estimate Reliability Class B  
 Data Reliability Class B

Note

**Description:** A sales tax exemption on the sale of tickets, fees, or charges for admission to a qualified fine arts performance or exhibition.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	6	7	7
Local Tax Expenditure	6	6	6

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

**4.10100** The sale of certain written material by a nonprofit

Statute §48-8-3(101)  
 Year Enacted 2018  
 Year Effective 2018  
 Data Source Fiscal Note HB 217 for 2018  
 Estimate Reliability Class B  
 Data Reliability Class B

Note

**Description:** The sale or use of noncommercial written materials or mailings by an organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, if the organization is located in this state and provides such materials to charity supporters for educational, charitable, religious, or fundraising purposes

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	9	9	9
Local Tax Expenditure	7	8	8

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

**4.10200** Partial exemption for qualified manufactured homes

Statute §48-8-3(102)  
Year Enacted 2018  
Year Effective 2018  
Data Source Fiscal Note HB 871/LC 43 0891S for 2018  
Estimate Reliability Class B  
Data Reliability Class B  
Note

**Description:** A partial exemption from state sales and use tax for qualified manufactured homes equal to 50 percent of the sale price of such homes. Qualified manufactured homes are those that are to be converted, and actually converted within 30 days of sale, to real property in the state pursuant to O.C.G.A. §8-2-183.1. The proposed exemption does not apply to any local sales or use tax in the state.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	3
Local Tax Expenditure	0	0	0

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

**4.10400** Exemption for poultry diagnostic and disease monitoring service nonprofit organization

Statute § 48-8-3(104)  
Year Enacted 2019  
Year Effective 2019  
Data Source IRS Form 990 Data  
Estimate Reliability Class A  
Data Reliability Class A  
Note

**Description:** Sales to or by any nonprofit organization which has as its primary purpose providing poultry diagnostic and disease monitoring services.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.3.2** Exemption for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing

Statute § 48-8-3.2  
Year Enacted 2012  
Year Effective 2013  
Data Source Fiscal Note for HB 586 LC 43 2029S for 2021  
Estimate Reliability Class B  
Data Reliability Class A  
Note

Modified in 2017 to include maintenance and replacement parts for certain machinery or equipment, stationary or in transit, used to mix, agitate, and transport freshly mixed concrete in a plastic and unhardened state.

**Description:** Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3,849	4,042	4,231
Local Tax Expenditure	3,243	3,405	3,564

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

**4.3.3**      Sales and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment

Statute	§ 48-8-3.3
Year Enacted	2012
Year Effective	2013
Data Source	UGA Extension Economists Farm Budget Data and UGA Farm Gate Value Report Data
Estimate Reliability	Class B
Data Reliability	Class B
Note	This estimate differs from previous reports due to new data

**Description:** Sale to, or use by, a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	154	156	159
Local Tax Expenditure	140	142	145

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

**4.3.4**      Exemption for qualified boat repairs

Statute	§48-8-3.4
Year Enacted	2017
Year Effective	Transactions occurring on or after July 1, 2017
Data Source	Fiscal Note for HB 586 LC 43 2029S for 2021
Estimate Reliability	Class B
Data Reliability	Class B
Note	The provision expires on June 30, 2025

**Description:** A sales tax exemption for certain tangible property used in the repair, retrofit, or maintenance of boats. The exemption cannot exceed \$35,000 for any single repair, retrofit, or maintenance event.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**4.3.5**      Exemption for the sale and use of jet fuel

Statute	§48-8-3.5
Year Enacted	2018
Year Effective	2018
Data Source	Fiscal Note for LC 43 1712 for 2020
Estimate Reliability	Class B
Data Reliability	Class B
Note	

**Description:** The sales of jet fuel are exempt from the state sales and use tax.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	101	102	101
Local Tax Expenditure	0	0	0

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

## 4.5 Sales and Use Tax for Services

### 4.5.010      Construction Services

**Description:** Sales by establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems), and preparation of sites for new construction, but excluding cost of materials taxed under current law and land. (NAICS 23)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	2,405	2,311	2,278
Local Tax Expenditure	2,026	1,947	1,919

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

### 4.5.020      Automotive Services by Motor Vehicle and Parts Dealers

**Description:** Labor charges for service and repair of vehicles (by motor vehicle and parts dealers only). (NAICS 441).

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	127	132	135
Local Tax Expenditure	108	111	114

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

### 4.5.030      Investment and Financial Advisers

**Description:** Fees charged by trusts, financial planning and investment management services. (NAICS 52392-99)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	679	705	722
Local Tax Expenditure	572	594	608

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

### 4.5.040      Real Estate Services

**Description:** Charges for real estate brokerage, property management and appraisal services (NAICS 5312-3)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	427	417	422
Local Tax Expenditure	360	351	356

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

### 4.5.050      Professional, Scientific and Technical Services

**Description:** Charges for professional, scientific and technical services, excluding internet and streaming services, tangible good sales, temp staffing and other non-qualifying sales. (NAICS 54)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3,042	3,076	3,053
Local Tax Expenditure	2,563	2,591	2,572

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



**4.5060**      Administrative and Support Services

**Description:** Sales by firms engaged primarily in administrative and support services, excluding correctional facilities. Estimate also excludes the sale of tangible goods, health care and temp staffing by such establishments. (NAICS 561)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1,280	1,293	1,307
Local Tax Expenditure	1,078	1,089	1,101

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

**4.5070**      Waste Management and Remediation Services

**Description:** Sales by firms that provide waste management and remediation services, excluding tangible good sales. (NAICS 562)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	199	200	202
Local Tax Expenditure	168	169	171

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

**4.5080**      Educational Services (excluding schools)

**Description:** Sales by establishments that provide educational services, such as training, tutoring, coaching and support services, excluding pre-K-12 schools, colleges and universities. Estimate excludes the sale of tangible goods, and other non-qualifying revenue such as grants and donations. (NAICS 61)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	66	67	67
Local Tax Expenditure	56	56	57

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

**4.5090**      Health Care and Social Assistance Services

**Description:** Sales by establishments primarily engaged in health care and social assistance, excluding tangible good sales, grants, government revenue, donations and other non-service revenue. (NAICS 62)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3,401	3,448	3,539
Local Tax Expenditure	2,865	2,905	2,982

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

**4.50100**      Promoters of Events; Agents for Entertainers

**Description:** Fees charged by event promoters and agents for athletes and entertainers. Excludes admissions fees and tangible good sales. (NAICS 7113-4)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	15	16	16
Local Tax Expenditure	13	14	14

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

**4.50110**    Repair and Maintenance Services

**Description:**    Sales by establishments primarily engaged in the repair and maintenance of vehicles, electronics, appliances and other goods. Excludes merchandise and parts sales by such establishments. (NAICS 811)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	111	112	114
Local Tax Expenditure	94	94	96

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

**4.50120**    Personal and Laundry Services

**Description:**    Sales by establishments engaged in miscellaneous personal services, such as hair and nail salons, laundromats, funeral homes and parking garages. Excludes tangible good sales. (NAICS 812)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	184	185	185
Local Tax Expenditure	155	155	156

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

## 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	Office of Planning and Budget and DOR
Estimate Reliability	Class A
Data Reliability	Class A
Note	Georgia allows a vendor collection fee of 3 percent for the first \$3,000 and then 0.5 percent for amounts above \$3,000 but does not impose a maximum limitation per vendor.

**Description:**

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	106	107	111
Local Tax Expenditure	0	0	0

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

## 4.9 Casual Sales

### 4.90000 Sales tax exemption for casual sales

Statute	DOR administrative rule
Year Enacted	NA
Year Effective	NA
Data Source	Georgia Department of Natural Resources and the General Aviation Manufacturers Association
Estimate Reliability	Class C
Data Reliability	Class C
Note	

**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 implementation of the Alternative Ad Valorem Tax on Motor Vehicles this estimate included casual sale of motor vehicles.)

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	3	3	4
Local Tax Expenditure	3	3	3

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

**Sales and Use Tax expenditures for which an estimate is not currently available**

<b>Expenditure</b>	<b>Expenditure</b>	<b>Expenditure</b>
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, and 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
4.00900	§48-8-3(3)	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
4.01800	§48-8-3(18)	Charges for transportation of tangible personal property made in 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 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
4.03100	§48-8-3(31)	Sale of tangible personal property manufactured or assembled in Georgia for export when delivery is taken outside of Georgia
4.03200	§48-8-3(32)	Aircraft, watercraft, motor vehicles, and other transportation 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 property

**Sales and Use Tax expenditures for which an estimate is not currently available**

<b>Expenditure</b>	<b>Expenditure</b>	<b>Expenditure</b>
4.04400	§48-8-3(44)	Sale of motor vehicles to nonresident purchasers when vehicles are 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 distribution outside Georgia
4.06100	§48-8-3(61)	Advertising inserts that are used in newspapers for resale
4.09100	§48-8-3(91)	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave
4.3.6	§36-88-3(8.1)	Exemption for sales within an enterprise zone

## 5. Insurance Premium Tax

The premium tax is imposed upon gross direct premiums received by insurers doing business in the state to insure persons, property, or risks in Georgia. The state tax rate is imposed at a rate of 2.25 percent of gross direct premiums, though the rate is reduced to 1.25 percent for insurers holding at least 25 percent of their total assets, exclusive of direct obligations of the United States, in specified classes of Georgia assets. For insurers holding 75 percent of such total assets in Georgia, the rate is reduced further to 0.5 percent.

Counties levy a tax at 1 percent on gross direct premiums of life insurance companies for policies covering persons residing in unincorporated areas of the county, except that the county tax shall not apply to life insurers that qualify for the abatement of the state tax for firms with 75 percent Georgia assets. Municipalities may levy a tax of up to 1 percent on life policies covering persons residing in the given municipality. Counties and municipalities may levy rates of up to 2.5 percent on gross direct premiums for policies other than life insurance policies.

This tax is administered by the State Insurance Commissioner. In FY 2022, state revenues from this tax equaled \$643 million and local revenues equaled \$715 million. The state proceeds from the tax are deposited into the State General Fund.

### **5.00100**     Deduction of retaliatory taxes paid to other states

Statute	§33-8-7
Year Enacted	1960
Year Effective	Prior to 2000
Data Source	Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class A
Data Reliability	Class A
Note	Not applicable at the local level.

**Description:** Property and casualty insurance companies domiciled in Georgia are able to deduct from their Georgia tax liability taxes paid to other states on policies written in those states.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
<u>State Tax Expenditure</u>	3	3	3

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

### **5.00200**     Georgia Job Tax Credit

Statute	§33-8-4.1
Year Enacted	1960
Year Effective	2000
Data Source	DOR data as of 2021 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 and personal Income tax sections, see 1.6.012 and 2.6.001. In 2018, the qualifying areas were expanded to include counties with

military bases and industrial parks that are owned and operated by a government entity.

**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. It also provides a tax credit for business enterprises designated as operating in less-developed areas. These include areas with ten or more contiguous census tracts with higher than 15 percent poverty and counties with both a military base and a government owned and operated industrial park.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	83	88	91
Corporate Income Tax Expenditure	130	138	143
Insurance Premium Tax Expenditure	4	4	5
State Tax Expenditure	217	230	239

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

**5.00300**    Exemption for premiums of high-deductible health plans

Statute                            §33-8-4  
 Year Enacted                    2008  
 Year Effective                    2009  
 Data Source                      Office of Insurance and Safety Fire Commissioner  
 Estimate Reliability            Class A  
 Data Reliability                 Class A  
 Note                                The local exemption expired on December 31, 2014.

**Description:** Insurance companies are allowed to exempt from their insurance premium tax liability any premiums paid by Georgia residents for high-deductible health plans as defined by Section 233 of the Internal Revenue Code.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	2	2

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

**5.00400**    Exemption for insurance companies that only insure places of worship

Statute                            §33-8-13  
 Year Enacted                    1996  
 Year Effective                    1996  
 Data Source                      Office of Insurance and Safety Fire Commissioner  
 Estimate Reliability            Class C  
 Data Reliability                 Class C  
 Note                                Not applicable at the local level.

**Description:** Insurance companies that only insure the risks of places of worship are exempt from the state premium tax.



	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

**5.00500**     Insurance abatements

Statute                                     §33-8-5  
Year Enacted                                1996  
Year Effective                                Prior to 2000  
Data Source                                   Office of Insurance and Safety Fire Commissioner  
Estimate Reliability                        Class A  
Data Reliability                              Class A  
Note    Not applicable at the local level.

**Description:** Georgia imposes a reduced state rate of 1.25 percent on insurance companies that invest at least 25 percent of their assets in qualified Georgia assets. If the amount invested in qualified Georgia assets is greater than 75 percent, the rate is reduced to 0.50 percent.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	222	240	261

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

**5.00600**     Special deductions for life insurance companies

Statute                                     §§33-8-4, 33-8-8, 33-8-8.1  
Year Enacted                                1981  
Year Effective                                Prior to 2000  
Data Source                                   Office of Insurance and Safety Fire Commissioner  
Estimate Reliability                        Class A  
Data Reliability                              Class A  
Note    Not applicable at the local level.

**Description:** Life insurance companies are permitted to deduct contributions to state guarantee funds, license fees paid to local governments, local premium taxes from premium taxes otherwise payable to the State.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	247	269	294

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

**5.00700**     Low-Income Housing Credit

Statute                                     §33-1-18  
Year Enacted                                1960  
Year Effective                                2001  
Data Source                                   DOR data as of TY 2021 and Office of Insurance and Safety Fire Commissioner  
Estimate Reliability                        Class A  
Data Reliability                              Class A  
Note    The same estimate is provided in the personal income tax section and the corporate income tax section, see 1.6.028 and 2.6.017.

**Description:** This is a credit against Georgia income and insurance premium taxes for

owners of rental housing qualifying for the federal low-income housing tax credit and that are placed in service on or after January 1, 2001.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	107	120	132
Corporate Income Tax Expenditure	25	28	31
Insurance Premium Tax Expenditure	211	229	252
<b>State Tax Expenditure</b>	<b>344</b>	<b>377</b>	<b>415</b>

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

**5.00800**     Insurance Premium Tax Exemption for multiple employer self-insured health plans

Statute	§33-50-3
Year Enacted	2016
Year Effective	2016
Data Source	Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class A
Data Reliability	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)		
	2023	2024	2025
<b>State Tax Expenditure</b>	<b>2</b>	<b>2</b>	<b>2</b>

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

**5.00900**     Agribusiness Tax Credit

Statute	§33-1-25
Year Enacted	2017
Year Effective	Taxable years beginning on or after January 1, 2018
Data Source	DOR data as of TY 2021 and Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class B
Data Reliability	Class B

Note

The same estimate is provided in the personal and corporate income tax sections, see 1.6.049 and 5.00900.

**Description:** This income tax credit is to establish qualified low-income community rural investment funds and tax credits. The credit amount is 15 percent of the eligible investment per year beginning in the third year after the investment is made and continuing through the sixth year, for a total credit equal to 60 percent of the eligible investment. The credit is nonrefundable and may not be sold but may be carried forward indefinitely. The amount of credits available is subject to a cumulative cap of \$100 million.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
Income Tax Expenditure	1	1	1
Corporate Income Tax Expenditure	4	3	2
Insurance Premium Tax Expenditure	9	9	9
<b>State Tax Expenditure</b>	<b>14</b>	<b>13</b>	<b>12</b>

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

## 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 and aviation gasoline is, as of January 1, 2023, 31.2 cents per gallon. The state tax on diesel fuel is 35 cents per gallon and the tax on aviation gasoline is 1 cent per gallon. Tax rates are adjusted annually for inflation and for the change in average fuel economy of new vehicles registered in the state in the prior year from the year before. 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. Legislation passed in 2023 added electricity and hydrogen to taxable motor fuels. The gallon equivalent for electricity was set at not more than 11 kilowatt-hours and for hydrogen not less than 2.2 pounds.

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. State motor fuel tax revenues for FY 2022 totaled \$1.6 billion.

### **6.00400** Motor fuel tax exemption for aviation fuel

Statute	§48-9-3
Year Enacted	1978
Year Effective	1978
Data Source	Fiscal Note for LC 34 1367S for 2018
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** Exemption for aviation fuel

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	2	2

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

### **6.00500** Motor fuel tax vendor compensation

Statute	§48-9-8(b)
Year Enacted	1992
Year Effective	1992
Data Source	Office of Planning and Budget Data for FY 2023
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** Motor fuel dealers are allowed to retain 1 percent of total amounts collected as reimbursement for the cost of collection.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	8	17	21

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

## 7. Alcoholic Beverage Tax

This state and local tax is imposed on alcoholic beverages including malt beverages, wine, and distilled spirits. Malt beverages sold in bulk containers (tap or draft beer) 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 larger containers. For bottled and canned malt beverages, the state tax rate is 4 ½ cents per 12 ounces and proportionate rates on fractional parts of 12 ounces for other sizes. Table wines are taxed at a state rate of 11 cents per liter and an additional state import tax of 29 cents per liter is imposed on table wines produced outside of Georgia and imported into the state, in both cases with proportionate rates for fractional parts of a liter. A state excise tax of 27 cents per liter and an additional state import tax of 40 cents per liter is imposed on dessert wines, with proportionate rates for fractional parts of a liter. A state excise tax of 50 cents per liter is imposed on distilled spirits while alcohol (defined to mean ethyl alcohol greater than 190 proof intended for use as a beverage, including grain alcohol and spirits of wine) is subject to a state tax of 70 cents per liter, in both cases with the tax applied proportionately on fractions of a liter. Distilled spirits and alcohol imported to Georgia from outside the state are also subject to an additional state import tax of 50 cents and 70 cents per liter, respectively.

A uniform local government beer tax is levied at 5 cents per 12 ounces for bottled and canned malt beverages with proportionate rates for sizes other than 12 ounces. The rate for bulk (tap or draft) malt beverages is \$6 per container for containers up to 15 ½ gallons with proportionate rates for larger containers. Counties and municipalities may levy excise tax on wine at rates that do not exceed 22 cents per liter. Counties and municipalities may levy excise taxes on distilled spirits sold by the package at rates that do not exceed 22 cents per liter or proportionate rates for other size containers. Counties and municipalities may also levy excise 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 2022, state collections equaled \$229 million. Local collections for FY 2021<sup>3</sup> equaled \$153 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 exemption for up to 200 gallons annually of homebrew per household.

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<sup>3</sup> US Census of Governments. Latest data available.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

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

**7.00400**    Sales to and use by religious organizations for sacramental purposes

Statute	§§3-5-61, 3-6-70
Year Enacted	1977
Year Effective	1977
Data Source	National Center for Charitable Statistics & Catholic.org
Estimate Reliability	Class B
Data Reliability	Class C
Note	

**Description:**    Sales to and use by religious organizations for sacramental purposes

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 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 & American Beer Institute
Estimate Reliability	Class B
Data Reliability	Class B
Note	

**Description:**    Malt beverages which contain less than one-half of 1 percent alcohol by volume shall not be subject to any tax levied under this title or any tax levied pursuant to authority granted by this title.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	1	1	1

(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
7.00500	§§3-5-61, 3-6-70	Exemption for ethyl alcohol used for certain purposes

## 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 a like rate, 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.

Under legislation enacted in 2020, excise taxes are also levied on consumable vapor products beginning January 1, 2021. The tax is imposed at a rate of 5 cents per fluid milliliter for consumable vapor products in a closed system and 7 percent of the wholesale cost price for other consumable vapor products and devices.

The tax is administered by the Georgia DOR. In FY 2022, the tax totaled \$239 million. The proceeds of the tax are deposited into the State General Fund.

**8.00100**     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 Veterans Services
Estimate Reliability	Class B
Data Reliability	Class B
Note	

**Description:** Exemption for purchases for use exclusively by patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing Home

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)

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

### 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 2022 equaled \$28 million. The proceeds of the tax are deposited into the State General Fund.

### **9.00100**    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 institutions are allowed to deduct from gross receipts interest paid on all liabilities.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	8	8

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

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

<b>Expenditure</b>	<b>Statute</b>	<b>Summary</b>
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.

### **10.00000** Special assessment of forest land conservation use property

Statute	§48-5A-2
Year Enacted	2008
Year Effective	2008
Data Source	DOR Data for 2022
Estimate Reliability	Class A
Data Reliability	Class A

Note

**Description:** Grants made available by the Georgia General Assembly through annual appropriations and awarded to counties, municipalities and county or independent school districts for purposes of the Special Assessment of Forest Land Conservation Use Property program

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
<u>State Tax Expenditure</u>	34	43	38

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



## 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 tax, referred to as the TAVT or Motor Vehicle Title Fee. 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 is the fair market value, at the time of titling, of new and used motor vehicles registered and titled in the state, including casual sales, dealer sales, leased vehicles, rental and salvage vehicles, and vehicles being brought into the state by people relocating to Georgia. For dealer sales, the tax base is reduced by the value of the purchaser's trade-in vehicle, if any. For dealer sales of new vehicles, the tax base is also reduced by the amounts of dealer rebates and cash discounts, if any. For most transactions occurring on or after January 1, 2020, the fair market value is equal to the retail selling price.

The statutory TAVT rate from January 1, 2020, through June 30, 2023, is 6.6 percent, after which the rate will be 7.0 percent. The revenue from the tax is shared between the state and local governments as specified by law; beginning July 1, 2019, the state and local shares are 35 percent and 65 percent, respectively.

The tax is administered by the Georgia DOR but collected at the local level. All proceeds from the state portion of the TAVT are deposited into the State General Fund. The TAVT generated \$783 million in state receipts for FY 2022 and \$1.47 billion for local governments.

### **11.001**      Reduced rate for related family transfers

Statute	§48-5C-1(d)(1)-(2)
Year Enacted	2012
Year Effective	2013
Data Source	DOR Data
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** A reduced rate of 0.25 percent applies to transfers for a vehicle transferred between immediate family members or a transfer occurring as a result of the death of an immediate family member.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	18	18	18
Local Tax Expenditure	34	36	36

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

### **11.002**      Disabled veteran exemption

Statute	§48-5C-1(d)(1)-(2)
Year Enacted	2012
Year Effective	2013

Data Source DOR Data  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note

**Description:** Exemption from the title fee of the sale of a vehicle to a service-connected disabled veteran when the veteran received a grant from the U.S. Department of Veterans Affairs to purchase and specifically adapt the vehicle to his or her disability.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**11.003** Reduced rate for rental vehicles

Statute §48-5C-1(d)(11)(A)  
 Year Enacted 2012  
 Year Effective 2013  
 Data Source DOR Data  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note

**Description:** Rental vehicles are subject to a reduced state title fee rate of 0.625 percent of the fair market value and a local title fee rate of 0.625 percent of the fair market value.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	23	23	24
Local Tax Expenditure	51	51	52

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

**11.004** Reduced rate for vehicles manufactured in years 1963-89

Statute §48-5C-1(d)(17)  
 Year Enacted 2012  
 Year Effective 2013  
 Data Source DOR Data  
 Estimate Reliability Class B  
 Data Reliability Class B  
 Note

**Description:** Vehicles manufactured in years 1963 through 1989 are subject to a reduced state title fee rate of 0.5 percent and reduced local title fee rate of 0.5 percent of the fair market value of the vehicle. This provision allows kit cars to be valued at the greater of the retail selling price of the kit; the average of the current fair market value; or the current wholesale value of the motor vehicle. Vehicles with a model year prior to 1963, for which a conditional title has been obtained, are allowed to opt into the TAVT system upon payment of a state TAVT payment equal to 0.5 percent of the fair market value of the vehicle and a local TAVT payment equal to 0.5 percent of the fair market value of the vehicle.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**11.005**      Reduced rate for salvage vehicles

Statute                      §48-5C-1(b)(2)  
Year Enacted              2012  
Year Effective              2013  
Data Source                DOR Data  
Estimate Reliability      Class A  
Data Reliability          Class A  
Note

**Description:**      Salvage vehicles are subject to a state title fee rate of 1 percent and are not subject to the local title fee.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	13	13	13
Local Tax Expenditure	42	42	44

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

**11.006**      Dealer loaner vehicle exemption

Statute                      §48-5C-1(d)(12)  
Year Enacted              2012  
Year Effective              2013  
Data Source                DOR Data  
Estimate Reliability      Class B  
Data Reliability          Class A  
Note

**Description:**      Dealer loaner vehicles are exempt from the state and local title fee for a period of 366 days.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	4	3	3
Local Tax Expenditure	17	16	16

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

**11.007**      Reduced rate for donated vehicles

Statute                      §48-5C-1(d)(13)  
Year Enacted              2012  
Year Effective              2013  
Data Source                DOR Data  
Estimate Reliability      Class A  
Data Reliability          Class A  
Note

**Description:**      Vehicles donated to nonprofit organizations for the purpose of being transferred to another person are subject to a reduced state title fee rate of 1 percent of the fair market value of the vehicle. No local title fee applies.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**11.008**      Extended payment period for out-of-state vehicles

Statute	§48-5C-1(d)(3)
Year Enacted	2012
Year Effective	2013
Data Source	DOR Data
Estimate Reliability	Class B
Data Reliability	Class B
Note	In 2017, the treatment of out-of-state vehicles changed from 12 percent of fair market value paid in two equal installments over two years to 3 percent of fair market value due upon registration.

**Description:** Vehicles registered by individuals moving from out-of-state are allowed to pay reduced title fee rate of 3 percent.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	24	24	25
Local Tax Expenditure	45	45	47

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

**11.009**      Trade-in exemption (including rebates and cash discounts)

Statute	§48-5C-1(a)(1)
Year Enacted	2012
Year Effective	2013
Data Source	DOR Data
Estimate Reliability	Class A
Data Reliability	Class A
Note	

**Description:** Both the state and local title fee is imposed on the fair market value of a vehicle net of the trade-in value of another motor vehicle, rebates or cash discounts.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	171	182	188
Local Tax Expenditure	318	337	348

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

**11.010**      Special assessment for used vehicles

Statute	§48-5C-1(a)(1)(C)
Year Enacted	2012
Year Effective	2013
Data Source	DOR Data
Estimate Reliability	Class B
Data Reliability	Class C
Note	

**Description:** Under certain conditions, used vehicles may be valued based on bill of sale, odometer reading, and values from alternative pricing guides.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	9	9	9
Local Tax Expenditure	16	16	17

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

**11.012** Buy here pay here transactions

Statute §48-5C-1(b)(1)(B)(xv)  
 Year Enacted 2013  
 Year Effective 2014  
 Data Source DOR Data  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note

**Description:** Seller financed used car transactions are subject to a title fee rate that is two and a half percentage points below the standard title fee rate.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	7	7	7
Local Tax Expenditure	11	11	11

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

**11.014** Treatment of Leased Vehicles

Statute §48-5C-1(a)(1)(E)  
 Year Enacted 2017  
 Year Effective 2018  
 Data Source DOR Data  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note

**Description:** The TAVT is levied only on the base payments under the lease agreement.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	9	9	9
Local Tax Expenditure	17	17	17

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

**11.015** Treatment of vehicles involved in divorce settlement or business reorganization

Statute §48-5C-1(d)(18), §48-5C-1(d)(15)  
 Year Enacted 2018  
 Year Effective 2018  
 Data Source Fiscal Note for HB 329 LC 28 8929S for 2018  
 Estimate Reliability Class A  
 Data Reliability Class A  
 Note

**Description:** Vehicles transferred because of a divorce decree are subject to a reduced state TAVT rate of 0.5 percent of vehicle fair market value and a reduced

local TAVT rate of 0.5 percent of vehicle fair market value. The transfer of a title made as a result of a business reorganization is exempt from the title fee.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

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

**11.016**     Treatment of non-IRP Buses

Statute                     §48-5C-1(d)(7.1)  
 Year Enacted             2018  
 Year Effective             2018  
 Data Source                Fiscal Note for HB 329 LC28 8929S for 2018  
 Estimate Reliability      Class A  
 Data Reliability          Class A

**Description:**     In the case of for-hire charter buses and motor coaches which seat at least 15 passengers or more, the legislation allows the TAVT to be paid over a 12-month period in two equal installments.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	22	40	41
Local Tax Expenditure	50	85	87

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

**11.017**     Exemption for vehicles purchased by disabled first responders

Statute                     §48-5C-1(a).(1)  
 Year Enacted             2019  
 Year Effective             2019  
 Data Source                Fiscal Note SB 138 LC 43 1258 for 2019  
 Estimate Reliability      Class A  
 Data Reliability          Class A

**Description:**     Vehicles purchased by disabled first responders, as defined on O.C.G.A. 45-9-85, or a surviving spouse are exempt from TAVT up to a maximum of \$50,000 in aggregate fair market value combined for all motor vehicles that he or she registers during any three-year period.

	State Fiscal Years (\$ in Millions)		
	2023	2024	2025
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	0	0	0

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

**Title ad valorem tax expenditures for which an estimate is not currently available**

Expenditure	Statute	Summary
11.013	§48-5C-1	Exemption for leased vehicles qualifying for Manufacturing Headquarters

## **12. Special Excise Tax on Consumer Fireworks**

An excise tax of 5 percent is levied on gross receipts from the retail sale of fireworks, in addition to any state and local taxes otherwise imposed by law. This tax was enacted in 2015, effective for sales on or after July 1, 2015. The tax is administered by the Georgia DOR and the proceeds from this excise tax are deposited into the State General Fund. The consumer fireworks tax generated \$3.15 million in state receipts for FY 2022.

### **13. State Hotel-Motel Tax**

An excise tax of \$5.00 per day is levied on each room rented or leased. This tax was enacted in 2015 and became effective on July 1, 2015. The tax is administered by the Georgia DOR. Although collections from this tax are deposited into the State General Fund, they must be appropriated exclusively for transportation purposes. The state hotel-motel tax generated \$189 million in state receipts for FY 2022.



## **14. For-Hire Ground Transport Excise Tax**

An excise tax is imposed on for hire ground transport trips (50 cents per trip) and shared for hire ground transport trips (25 cents per trip). The per-trip amount of the tax is to be adjusted annually for inflation using the Consumer Price Index for All Urban Consumers rate published by the U.S. Bureau of Labor Statistics. The tax was enacted in 2020 and produced \$23.6 million in state receipts for FY 2022.

## Appendix of Tables

**Table 1: Summary of Recently Expired Provisions<sup>4</sup>**

<b>Expenditure</b>	<b>Summary</b>	<b>Tax</b>	<b>Expiration Date</b>
1.6.003	Driver Education Credit	State Individual Income Tax	12/31/2018
1.6.025	Qualified Transportation Credit	Total State Credit	12/31/2018
1.6.030	Diesel Particulate Emission Reduction Technology Equipment Credit	Total State Credit	12/31/2018
1.6.034	Georgia Employer GED Tax Credit (previously known as the Employer's Credit for Basic Skills Education)	Total State Credit	12/31/2019
1.6.037	Qualified Investor Tax Credit	State Individual Income Tax	12/31/2020
1.6.039	Tax credit for water conservation facilities and qualified water conservation investment property	Total State Credit	12/31/2016
1.6.040	Tax credit for shift from groundwater usage	Total State Credit	12/31/2016
1.6.042	Tax credit for purchase of alternative fuel heavy-duty or medium-duty vehicle	Total State Credit	6/30/2017
1.6.044	Employer tax credit for hiring qualified parolees	Total State Credit	12/31/2019
2.6.014	Qualified Transportation Credit	Total State Credit	12/31/2018
2.6.019	Diesel Particulate Emission Reduction Technology Equipment Credit	Total State Credit	12/31/2018
2.6.023	Georgia Employer GED Tax Credit (previously known as the Employer's Credit for Basic Skills Education)	Total State Credit	12/31/2019
2.6.028	Tax credit for water-conservation facilities and qualified water-conservation investment property	Total State Credit	12/31/2016
2.6.029	Tax credit for shift from groundwater usage	Total State Credit	12/31/2016
2.6.031	Tax credit for purchases of alternative fuel heavy-duty or medium-duty vehicle	Total State Credit	6/30/2017
4.05730	Exemption for food and food ingredients that are donated following a natural disaster and used for disaster relief	Sales and Use Tax	6/30/2020

<sup>4</sup> Summary of provisions that have expired since January 1, 2016

**Table 1: Summary of Recently Expired Provisions<sup>4</sup>**

<b>Expenditure</b>	<b>Summary</b>	<b>Tax</b>	<b>Expiration Date</b>
4.07500	Sales tax holiday for back to school items	Sales and Use Tax	7/30/2016
4.08200	Sales tax holiday for water-efficient and energy-efficient purchases	Sales and Use Tax	10/2/2016
4.09600	Exemption for sales or use of construction materials used for or in the construction of buildings at a private college	Sales and Use Tax	6/30/2016
4.09800	Sale of tangible personal property and services to a qualified job training organization	Sales and Use Tax	6/30/2020
4.09900	Exemption for expenses related to the renovation or expansion of qualified theatres	Sales and Use Tax	7/1/2019
4.10300	Exemption for construction materials used in construction of an automobile museum	Sales and Use Tax	1/1/2021

**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
<b>Sales Tax Exemption for a Business Input<sup>5</sup></b>				
4.01700	Sale of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce	9	9	10
4.03410	Machinery and equipment used to handle, move, or store tangible personal property in certain distribution facilities	Estimate not available at this time		
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	Estimate not available at this time		
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	80	83	85
4.06900	Sale of machinery and equipment and material incorporated and used in a clean room of Class 100 or less	Estimate Combined with 4.06000		
4.07000	Sale of natural gas used directly in the manufacture of electricity	142	107	88
4.08100	The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline	6	6	7
4.08300	Sale of biomass materials used to produce electricity or steam intended for sale	3	4	5
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	Estimate Combined with 4.3.2		

<sup>5</sup> Sales tax exemptions which are defined primarily as an exemption for a profit making business.

**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
4.3.2	Exemption for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing	3,849	4,042	4,231
4.3.3	Sales and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment	154	156	159
4.3.4	Exemption for qualified boat repairs	(m)	(m)	(m)
<b>Sales Tax Exemption for a Specific Item<sup>6</sup></b>				
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 not available at this time		
4.00400	Sale of transportation furnished by a county or municipal public transit system or public transit authorities	7	7	7
4.00500	Sale of transportation furnished by an approved and authorized urban transit system	Estimate combined with 4.00400		
4.01200	School lunches sold and served to pupils and employees of public schools	3	3	3
4.01300	School lunches sold and served to pupils and employees of approved private schools	1	1	1
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	34	37	35
4.02200	Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made	See expenditure estimate for services 4.5050		
4.02300	Repair services when a separate charge is made to the customer	See expenditure estimate for services 4.5110		
4.02400	Rental of videotape or film to persons charging admission to view the tape or film	7	10	11
4.03300	Common or common and contract carriers	Estimate not available at this time		
4.04200	Use or lease of tangible personal property when the lessor and lessee are under 100 percent common ownership and where the	Estimate not available at this time		

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

**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
	person who furnishes, leases, or rents the property has paid sales or use tax on the property			
4.04300	Revenues from coin-operated amusement machines for which individual permits are required	59	65	73
4.04700	Sale of drugs dispensed by prescription, prescription glasses, contact lenses, contact lens samples and sales or use of certain controlled substances or dangerous drugs	528	548	572
4.05000	Sale of insulin syringes and blood glucose level measuring strips dispensed without a prescription	13	14	15
4.05100	Sale of oxygen when prescribed by a licensed physician	1	1	1
4.05200	Sale or use of hearing aids	11	12	13
4.05400	Sale or use of any durable medical equipment or prosthetic device prescribed by a physician	58	60	63
4.05500	Sale of Georgia lottery tickets	243	255	268
4.05700	Food purchased for off-premises consumption	873	922	956
4.06100	Advertising inserts that are used in newspapers for resale	Estimate not available at this time		
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	4	4
4.06600	Sale of gold, silver, or platinum bullion	4	4	4
4.06700	Sale of coins or currency	(m)	(m)	(m)
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		
4.10000	Exemption for sales of tickets to a qualified fine arts performance or exhibition	6	7	7

**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
4.10200	Partial exemption for qualified manufactured homes	3	3	3
4.3.5	Exemption for the sale and use of jet fuel	101	102	101
<b>Sales Tax Exemption for a Specific Purchaser<sup>7</sup></b>				
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 4.00700		
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	(m)	(m)	(m)
4.00630	Sales to any agricultural commission created by the Department of Agriculture	(m)	(m)	(m)
4.00700	Sale 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	129	135	142
4.00705	Sale of tangible personal property to a non-profit health center established and receiving funds pursuant to the U.S. Public Health Service Act	4	4	4
4.00710	Sale of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities	1	1	1
4.00720	Sales to Georgia Society of the Daughters of the American Revolution	(m)	(m)	(m)
4.00730	Sale of tangible property and services to a nonprofit volunteer health clinic primarily treating patients with incomes below 200 percent of the poverty level	2	2	2
4.00800	Sale of tangible personal property and services to the University System of Georgia and its educational units	52	53	54
4.00900	Sale of tangible personal property and services used exclusively in the educational function of an approved private college or university	Estimate not available at this time		

<sup>7</sup> 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.

**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
	located in Georgia in which the credits are accepted by the University System of Georgia			
4.01000	Sale of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school	7	7	7
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	Estimate not available at this time		
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 this time		
4.04000	Sale of major components or repair parts installed in military aircraft, vehicles, or missiles	29	27	22
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	3	3	3
4.06810	<b>High-Tech Data Center Equipment Exemption</b>	13	15	17
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)



**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
4.07600	Exemption for personal property used in the renovation or expansion of an aquarium	(m)	(m)	(m)
4.09300	Sale of tangible personal property used for and in the construction of a competitive project of regional significance	9	9	9
4.09700	Sale of admission to a nonrecurring major sporting event	(m)	(m)	2
4.10400	Exemption for poultry diagnostic and disease monitoring service nonprofit organization	(m)	(m)	(m)
<b>Sales Tax Exemption for a Specific Purchaser of a Specific Item<sup>8</sup></b>				
4.01510	Sale 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 a 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 not available at this time		
4.04400	Sale of motor vehicles to nonresident purchasers when vehicles are immediately removed from Georgia and titled in another state	Estimate not available at this time		
4.05300	Transactions in which food stamps or WIC coupons are used as the method of payment	144	136	138
4.05710	Sale of food and beverages to a qualified food bank	(m)	(m)	(m)
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	1	1	1
4.08600	Sale of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft	23	23	23

<sup>8</sup> Sales tax exemptions which are specifically defined by the purchaser as well as the item being purchased.

**Table 2: Sales and Use Tax Expenditures by Type**

<b>Expenditure</b>	<b>Summary</b>	<b>State FY 2023</b>	<b>State FY 2024</b>	<b>State FY 2025</b>
4.10100	The sale of certain written material by a nonprofit	9	9	9
<b>Sales Tax Exemption for a Specific Seller<sup>9</sup></b>				
4.00200	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	Estimate not available at this time		
4.01500	Specific fundraising sales 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	1	1	1
4.03800	Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H Center	(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	3	3	3
4.05600	Sale by any qualified nonprofit parent teacher organization	(m)	(m)	(m)
4.05720	Exemption for prepared food and food ingredients that are donated to a qualified nonprofit agency and used for hunger relief purposes	2	2	2
4.05900	Sale of eligible food and beverages by any Girl or Boy Scout council	2	2	2
4.3.6	Exemption for sales within an enterprise zone	Estimate not available at this time		
4.70000	Compensation of dealers for reporting and paying tax	106	107	111

<sup>9</sup> Sales tax exemptions which are specifically defined by the seller.

**Tables 3-9: Distributional Tables of Selected Provisions**

Tables 3 through 9 provide information on the distribution across Georgia AGI for selected exemptions and deductions from the state personal income tax. The data used to produce the tables are from the state personal income tax files for 2021. It has not been adjusted for inflation, nor does it reflect any legislative changes that may have occurred since 2021. 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**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	468,447	4,732	2,216,492,800	8%
0 <GA AGI ≤ \$25,000	1,449,398	4,959	7,188,206,200	25%
\$25,000 <GA AGI ≤ \$50,000	1,094,150	5,982	6,544,785,200	23%
\$50,000 <GA AGI ≤ \$100,000	845,901	7,168	6,063,138,300	21%
\$100,000 <GA AGI ≤ \$500,000	650,444	9,398	6,112,935,900	21%
\$500,000 <GA AGI ≤ \$1,000,000	29,365	10,345	303,785,500	1%
GA AGI > \$1,000,000	14,863	10,085	149,898,500	1%
Total	4,552,568	6,278	28,579,242,400	

The percent of total column may not sum to 100 percent due to rounding.

**Table 4: Retirement Income Exclusion**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	419,572	29,958	12,569,469,697	44%
0 <GA AGI ≤ \$25,000	208,973	28,929	6,045,449,621	21%
\$25,000 <GA AGI ≤ \$50,000	111,932	27,387	3,065,444,816	11%
\$50,000 <GA AGI ≤ \$100,000	107,582	28,636	3,080,744,455	11%
\$100,000 <GA AGI ≤ \$500,000	88,764	37,422	3,321,702,790	12%
\$500,000 <GA AGI ≤ \$1,000,000	6,041	60,336	364,488,264	1%
GA AGI > \$1,000,000	3,965	71,798	284,678,234	1%
Total	946,829	30,345	28,731,977,877	

The percent of total column may not sum to 100 percent due to rounding.

**Table 5: Georgia Higher Education Savings Plan Deduction**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	2,763	9,911	27,384,843	8%
0 <GA AGI ≤ \$25,000	2,296	3,916	8,990,585	3%
\$25,000 <GA AGI ≤ \$50,000	2,904	3,480	10,106,349	3%
\$50,000 <GA AGI ≤ \$100,000	7,389	3,376	24,948,331	7%
\$100,000 <GA AGI ≤ \$500,000	37,187	5,827	216,698,007	63%
\$500,000 <GA AGI ≤ \$1,000,000	3,508	11,416	40,046,528	12%
GA AGI >\$1,000,000	1,243	14,250	17,712,884	5%
Total	57,290	6,037	345,887,527	

The percent of total column may not sum to 100 percent due to rounding.

**Table 6: Interest on U.S. Obligations**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	30,226	35,936	1,086,213,441	91%
0 <GA AGI ≤ \$25,000	7,646	1,961	14,993,645	1%
\$25,000 <GA AGI ≤ \$50,000	5,152	1,861	9,587,214	1%
\$50,000 <GA AGI ≤ \$100,000	7,556	1,715	12,961,844	1%
\$100,000 <GA AGI ≤ \$500,000	16,590	1,994	33,075,286	3%
\$500,000 <GA AGI ≤ \$1,000,000	2,956	2,582	7,631,704	1%
GA AGI >\$1,000,000	2,812	11,466	32,243,568	3%
Total	72,938	16,407	1,196,706,702	

The percent of total column may not sum to 100 percent due to rounding.

**Table 7: Blind and Age 65 Deductions**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	320,420	1,821	583,460,800	51%
0 <GA AGI ≤ \$25,000	150,447	1,788	268,947,900	24%
\$25,000 <GA AGI ≤ \$50,000	67,891	1,752	118,965,600	10%
\$50,000 <GA AGI ≤ \$100,000	54,758	1,758	96,239,000	8%
\$100,000 <GA AGI ≤ \$500,000	33,853	1,840	62,286,900	5%
\$500,000 <GA AGI ≤ \$1,000,000	1,558	2,003	3,121,300	0%
GA AGI >\$1,000,000	695	2,031	1,411,800	0%
Total	629,622	1,802	1,134,433,300	

The percent of total column may not sum to 100 percent due to rounding.

**Table 8: Standard Deduction**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	436,569	5,062	2,209,765,400	11%
0 <GA AGI ≤ \$25,000	1,417,583	4,728	6,702,893,800	33%
\$25,000 <GA AGI ≤ \$50,000	1,033,547	4,827	4,989,439,200	25%
\$50,000 <GA AGI ≤ \$100,000	711,475	5,229	3,720,230,600	19%
\$100,000 <GA AGI ≤ \$500,000	415,239	5,771	2,396,151,400	12%
\$500,000 <GA AGI ≤ \$1,000,000	8,702	5,832	50,751,600	0%
GA AGI > \$1,000,000	3,030	5,799	17,571,200	0%
Total	4,026,145	4,989	20,086,803,200	

The percent of total column may not sum to 100 percent due to rounding.

**Table 9: Federally Taxable Social Security Benefits**

	Number of Returns	Average Value	Total	Percent of Total Dollars
GA AGI ≤ 0	275,604	16,848	4,643,439,602	43%
0 <GA AGI ≤ \$25,000	127,771	15,094	1,928,595,423	18%
\$25,000 <GA AGI ≤ \$50,000	86,806	17,156	1,489,240,969	14%
\$50,000 <GA AGI ≤ \$100,000	73,047	20,952	1,530,467,401	14%
\$100,000 <GA AGI ≤ \$500,000	47,474	24,650	1,170,226,825	11%
\$500,000 <GA AGI ≤ \$1,000,000	3,057	30,299	92,624,723	1%
GA AGI > \$1,000,000	2,020	32,329	65,304,639	1%
Total	615,779	17,733	10,919,899,582	

The percent of total column may not sum to 100 percent due to rounding.