

January 2025

# Fiscal Research Center

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## Georgia's Taxes

*A Summary of Major State and  
Local Government Taxes*

**Thirty-First Edition**



# FOREWORD

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

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

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

The first edition of *Georgia's Taxes*, published in 1996, was originally written by Jack Morton and Richard Hawkins, with later contributions from David Sjoquist, PhD, director of the center from 1996 to 2011, and others. In recent years, the handbook was updated by Robert Buschman, PhD. This year the center would like to thank Aidan Rickaby and Jake Vaughan for their diligent work on this project.

This edition reflects the cumulative work of all of these contributors. The Fiscal Research Center is very appreciative of their assistance and work over the years.

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# GEORGIA'S TAXES

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*A Summary of Major State and Local Government Taxes*

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January 2025

Fiscal Research Center  
Andrew Young School of Policy Studies  
Georgia State University

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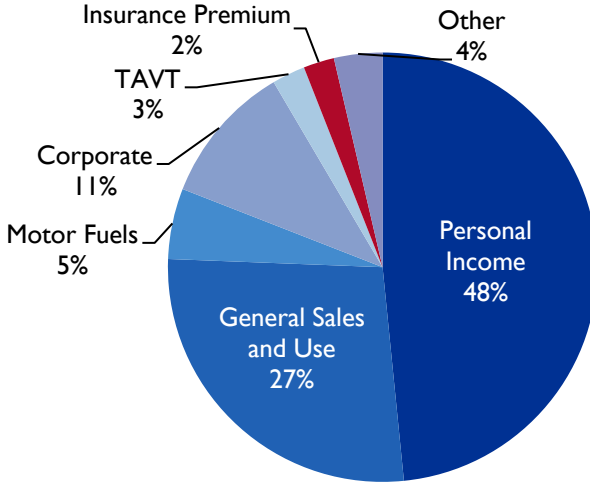
\*Includes both state and local taxes

\*\*Local tax only

# STATE & LOCAL REVENUE SOURCES

## State General Fund Tax Collections

Fiscal Year Ending June 30, 2024



TAX REVENUE SOURCE	FY 2024 COLLECTIONS (IN MILLIONS)	SHARE (IN PERCENT)
Personal Income	\$16,019	48.4%
General Sales and Use	\$8,998	27.2%
Motor Fuels	\$1,760	5.3%
Corporate Income	\$3,508	10.6%
Title Ad Valorem Tax	\$828	2.5%
Insurance Premium	\$768	2.3%
Motor Vehicle License	\$409	1.2%
Tobacco	\$223	0.7%
Alcoholic Beverage	\$224	0.7%
Other Excise	\$244	0.7%
Corp. Net Worth and License	\$107	0.3%
Property	\$0.20	0.0%
<b>Grand Total</b>	<b>\$33,087</b>	<b>100%</b>

Source: State Accounting Office. Selected Summary Financial Information, Fiscal Year ended June 30, 2024

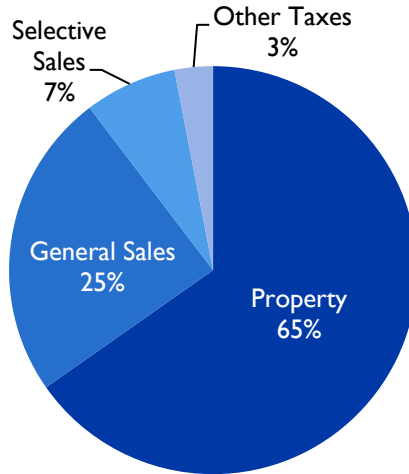
NOTE: Revenue data are rounded and may not add to the total.



## REVENUE & EXPENDITURE OVERVIEW

### Local Tax Revenue Collections

Fiscal Year Ending June 30, 2022



TAX REVENUE SOURCE	FY 2022 COLLECTIONS (IN MILLIONS)	SHARE (IN PERCENT)
Property	\$15,157	65.3%
General Sales	\$5,664	24.4%
Alcoholic Beverages	\$182	0.8%
Other Selective Sales	\$1,100	4.7%
Public Utilities	\$416	1.8%
Other Taxes	\$706	3.0%
Grand Total	\$23,225	100.0%

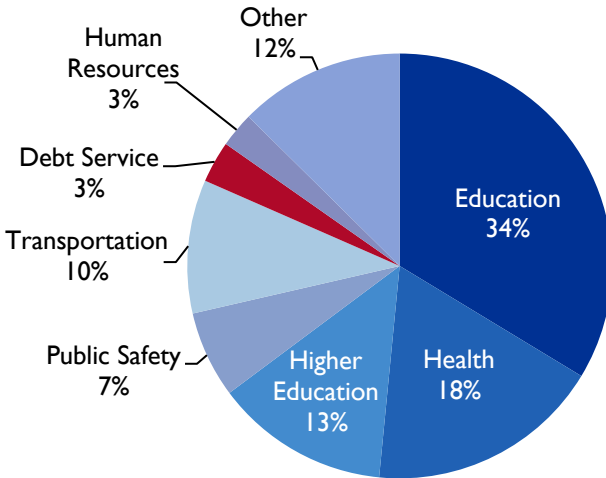
Source: U.S. Census Bureau, *State and Local Government Finances*; data publicly available online. Source data creation date is October 31, 2024.

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

# STATE & LOCAL EXPENDITURES

## State Net Appropriations

Fiscal Year Ending June 30, 2024



FUNCTION	FY 2024 NET APPROPRIATIONS (IN MILLIONS)	SHARE (IN PERCENT)
Education	\$12,733	33.7%
Health	\$6,760	17.9%
Higher Education	\$5,014	13.3%
Public Safety	\$2,496	6.6%
Transportation	\$3,846	10.2%
Debt Service	\$1,198	3.2%
Human Resources	\$1,006	2.7%
Other <sup>1</sup>	\$4,765	12.6%
<b>Grand Total</b>	<b>\$37,818</b>	<b>100.0%</b>

Source: State Accounting Office. Selected Summary Financial Information, Fiscal Year ended June 30, 2024

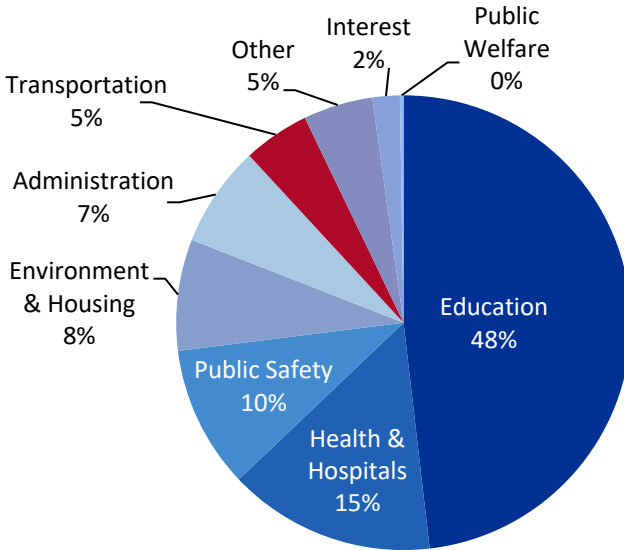
<sup>1</sup> Includes administrative, natural resources, commercial services and regulation agencies, labor, economic development, workers' compensation, veterans' services, and retirement systems.

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

## REVENUE & EXPENDITURE OVERVIEW

### Local Direct General Expenditures

Fiscal Year Ending June 30, 2022



FUNCTION	FY 2022 EXPENDITURES (IN MILLIONS)	SHARE (IN PERCENT)
Education	\$25,579	48.2%
Health & Hospitals	\$7,822	14.7%
Public Safety	\$5,377	10.1%
Environment & Housing	\$4,204	7.9%
Administration (incl. judicial)	\$3,826	7.2%
Transportation	\$2,508	4.7%
Other	\$2,623	4.9%
Interest on Debt	\$1,032	1.9%
Public Welfare	\$137	0.3%
<b>Grand Total</b>	<b>\$53,108</b>	<b>100.0%</b>

Source: U.S. Census Bureau, *State and Local Government Finances*; data publicly available online. Source data creation date is October 31, 2024.

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

# CORPORATE INCOME TAX

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## Tax Base

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

### *Federal Taxable Income*

#### ADD

- Non-GA state & local bond interest
- Non-GA state & local income or net profits tax
- Expense attributed to exempt income
- Net operating loss on federal return
- Federal deduction for income attributable to domestic production activities (IRC Sec. 199)
- Deductions involving bonus depreciation
- Intangible expenses and related costs
- Other

= *Net Business Income*

#### SUBTRACT

- Interest on U.S. obligations reduced by direct and indirect interest expense
- Exception to intangible expenses and related interest cost
- Income received from grants for the purpose of broadband infrastructure investment
- Other

#### SUBTRACT

- Income allocated everywhere

= *Business Income Subject to Apportionment*

## INCOME TAXES

*Multiplied by Georgia Ratio (Formula Based)*

= *Net Business Income Apportioned to Georgia*

### ADD

- Net Income allocated to Georgia

### SUBTRACT

- NOL apportioned to Georgia

= *Georgia Taxable Income*

*Multiplied by TAX RATE (5.39%) minus CREDITS*

= *Georgia Tax Liability*

## Apportionment Ratio

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

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

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

## Major Credits

Some of the more significant tax credits include:

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

The average wage of the new job created must exceed the average wage of the county in the state with the lowest average wage.

Separate credits are available for firms creating at least 50 quality jobs with specific definitions of quality, for firms creating jobs in certain new facilities, and for firms creating jobs in a revitalization zone.

- 2) **Investment Tax Credit:** This credit is for qualified investment property purchased or acquired for use in construction or expansion of manufacturing, telecommunication or other specified facility types. Subject to specific conditions and limitations, including a minimum investment of \$100,000, the allowable credit ranges from 1 percent to 8 percent of the cost of such qualified property, with higher credit amounts in Georgia's less developed areas and for recycling, pollution control or certain defense industries.

An optional investment tax credit is available with a higher credit (in terms of percentage of investment), but it is subject to a larger minimum investment, dependent on the same county tiers as the job tax credits.

- 3) Credits have also been established for certain education, retraining, health insurance, child care, and transportation expenditures by employers for the benefit of employees.
- 4) Other corporate income tax credits include those for qualified low-income housing, historic rehabilitation, revitalization zone, and rural agribusiness investments; select research activities; certain port activities; select film, video, and music production activities; qualified contributions to student scholarship and rural hospital organizations; investments in qualified seed-capital and public education innovation funds, and in certain Georgia-headquartered small businesses; and land conservation and the use of wood residuals in a qualified biomass facility.

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$1,150,569
2021	\$1,664,436
2022	\$2,424,105
2023	\$3,715,271
2024	\$3,507,766

### Responsible for Administration

State Revenue Commissioner

### Who Remits Tax

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

### Payment Dates

C corporation returns are due by the 15th day of the fourth month following the close of the tax year.

Estimated payments are required for those corporations whose net income allocated and apportioned to Georgia is expected to exceed \$25,000 for the tax year. Estimate payments are due on the 15th of the fourth, sixth, ninth, and 12th months of the taxable year of the corporation.

### Disposition of Revenue

General Fund

### Chronology of Significant Changes

1929 The corporate income tax was first levied in Georgia.

1931 The tax rate was set at 4 percent. (Originally the tax was levied at one-third of the federal tax rate.)

1937 The rate was increased to 5.5 percent.

1949 The rate was temporarily increased to 7.5 percent (restored to 5.5 percent in 1951).

1964 The rate was changed to 5 percent.

- 1969 The rate of 6 percent was adopted.
- 1995 Double weighting of gross receipts apportionment was adopted.
- 2005 Legislation was enacted phasing out the three-factor income apportionment formula and transitioning toward gross-receipt apportionment, fully effective in 2008.
- 2018 Tax rate was reduced to 5.75 percent.
- 2022 Any pass-through entity may elect annually to pay income tax at the entity level rather than shareholder, partner, or member level.
- 2024 The 5.75 percent rate for corporations was removed and set to match the tax rate imposed on individuals.

## Sections of the Official Code of Georgia Annotated

Title 48, Chapter 7

### *Comparison of Selected State Corporate Income Taxes, Jan. 1, 2024*

STATE	TOP BRACKET BEGINS	NUMBER OF BRACKETS	RATE (IN PERCENT)
Alabama	\$0	1	6.5%
Florida	\$0	1	5.50%
Georgia	\$0	1	5.39%
Kentucky	\$0	1	5%
Mississippi	\$10,001	3	0% to 5%
N. Carolina	\$0	1	2.5%
S. Carolina	\$0	1	5%
Tennessee	\$0	1	6.5%
Virginia	\$0	1	6%

Source: Federation of Tax Administrators



## INCOME TAXES

### *Selected State Corporate Income Tax Apportionment Formulas, Jan. 1, 2023*

STATE	APPORTIONMENT FORMULA
Alabama	Sales
Florida	Double Weighted Sales
Georgia	Sales
Kentucky	Sales
Mississippi <sup>1</sup>	Sales/Other
N. Carolina	Sales
S. Carolina	Sales
Tennessee	Triple Weighted Sales
Virginia	Double Weighted Sales/Sales

Source: Federation of Tax Administrators

<sup>1</sup> Different apportionment formulas apply to specific types of businesses.

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

### *Comparison of Corporate Income Tax Reliance for State and Local Governments, 2022*

STATE	PER CAPITA REVENUE	PERCENT OF TOTAL TAX REVENUE
Alabama	\$288	6.1%
Florida	\$170	3.5%
Georgia	\$230	4.4%
Kentucky	\$321	6.1%
Mississippi	\$242	5.1%
N. Carolina	\$152	2.9%
S. Carolina	\$228	4.5%
Tennessee	\$426	9.0%
Virginia	\$228	3.3%
United States	\$479	6.7%

Source: U.S. Census Bureau, *State Government Finances*; data publicly available online

# PERSONAL INCOME TAX

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## Tax Base

The amount reported as federal adjusted gross income to the U.S. Internal Revenue Service, plus or minus specific adjustments as provided by Georgia law

### *Federal Adjusted Gross Income (AGI)*

#### ADD

- Interest on non-Georgia municipal & state bonds
- Lump sum distributions
- Other

#### SUBTRACT

- Retirement income (up to cap)
- Social Security benefits (taxable part)
- Railroad Retirement (taxable part)
- Interest on U.S. obligations
- Other

= *AGI as Defined by Georgia*

#### SUBTRACT

- Georgia standard deduction OR Georgia itemized deductions
- Georgia dependent exemptions

= *Georgia Taxable Income*

## INCOME TAXES

Multiplied by TAX RATE (5.39%) minus CREDITS

= *Georgia Tax Liability*

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$12,408,176
2021	\$14,220,906
2022	\$18,286,845
2023	\$16,969,072
2024	\$16,018,875

### Responsible for Administration

State Revenue Commissioner

### Disposition of Revenue

General Fund

### Taxpayer

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

### Payment Dates

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

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

Employers are required to withhold tax and remit withholding periodically. Employers whose total tax withheld or required to be withheld is \$200 or less per month shall remit payment on or before the last day of the month following the end of the calendar

quarter. If the amount withheld or required to be withheld exceeds \$200 per month, the return and remittance is due on or before the 15th day of the following month.

## **Major Exemptions, Deductions and Exclusions**

Personal exemptions are as follows: \$4,000 for each dependent.

Deductions include the sum of all itemized deductions allowed on the federal tax return or, if the standard deduction was utilized on the federal tax return, a standard deduction amount of \$12,000 for single taxpayers and heads of household, \$12,000 for married taxpayers filing separate returns, or \$24,000 for married taxpayers filing joint returns. An additional deduction of \$1,300 if the taxpayer is blind (\$2,600 if the spouse is also blind and a joint return is filed) is also allowed.

Taxpayers age 62–64 may exclude up to \$35,000 of retirement income each (including up to \$4,000 of earned income) and for taxpayers age 65 and over, up to \$65,000 each.

Social Security and Railroad Retirement benefits, qualifying veterans disability income, and certain insurance benefits of firefighters are excludable to the extent they are taxable for federal purposes.

Contributions to the Georgia Higher Education Savings Plan are deductible up to \$4,000 per beneficiary (\$8,000 for joint filers), and qualified withdrawals are not subject to income tax, effective tax year 2020 (limits were half these amounts in prior years).

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

Military retirement pay received by individuals under age 62 for service in the U.S. armed forces is exempted, in amounts up to \$17,500—or \$35,000 if also reporting Georgia earned income of at least \$17,500.

Premiums paid on high deductible health plans (other than for employer-based plans) may also be deducted.

## INCOME TAXES

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

### Major Tax Credits

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

A resident individual who earns income in another state that imposes an income tax on such income may apportion his or her total income to Georgia and credit the tax paid to the other state against the Georgia liability, but not more than the amount that would be payable to Georgia upon a like amount of income.

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

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

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

Additional credits are allowed for the adoption of a foster child; qualified donations to student scholarship, rural hospital, foster care, or law enforcement support organizations; disaster assistance; teacher recruitment and retention; and other purposes.

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

## Chronology of Significant Changes

- 1929 State income tax was first levied at one third of the federal rate.
- 1931 A separate rate structure for Georgia was established. Rates for individual taxation ranged from 1 percent to 5 percent, with the maximum rate beginning at income of \$20,000.
- 1971 The current practice was established of conforming the Georgia structure to the federal structure at the point of federal adjusted gross income.
- 1981 A retirement income exclusion of \$2,000 was established, and the standard deduction increased.
- 1989 The retirement income exclusion increased to \$8,000 for 1989 and \$10,000 for 1990.
- 1994 The retirement income exclusion increased to \$11,000 for 1994 and \$12,000 for 1995.
- 1995 The dependent exemption increased to \$2,500.
- 1998 The retirement income exclusion increased to \$13,000.
- 1998 Personal exemption amounts increased to \$5,400 for joint returns and \$2,700 for others, and the dependent exemption increased to \$2,700.
- 2000 The retirement income exclusion amount increased to \$13,500 for 2000 and \$14,000 for 2001.
- 2001 The Georgia Higher Education Savings Plan was authorized to provide for saving trust accounts for educational purposes. Contributions are deductible for qualified taxpayers, and withdrawals for qualified education purposes are not taxed.
- 2002 The retirement income exclusion increased to \$14,500 for 2002 and \$15,000 for 2003.
- 2003 The dependent exemption increased to \$3,000.
- 2004 The retirement income exclusion increased to \$25,000 for 2006, \$30,000 for 2007, and \$35,000 for 2008.

## INCOME TAXES

- 2010 The retirement income exclusion increased for filers age 65 or older to \$65,000 for 2012, \$100,000 for 2013, \$150,000 for 2014, \$200,000 for 2015, and unlimited beginning 2016.
- 2012 Personal exemption amounts for married filing jointly increased to \$7,400 (\$3,700 for married filing separately). The retirement income exclusion limit for taxpayers age 65 or over was frozen at \$65,000 beginning 2012.
- 2014 A state constitutional amendment capped the top marginal tax rate at 6 percent, effective Jan. 1, 2015.
- 2018 Standard deduction amounts doubled, effective tax year 2018. Top marginal tax rate was reduced to 5.75 percent beginning in 2019.
- 2021 Standard deduction amounts increased by \$550–\$800 per taxpayer, depending on filing status, effective Jan. 1, 2022.
- 2023 Beginning in tax year 2024, the graduated tax rate structure will be replaced by flat rate of 5.49 percent, with scheduled annual reductions of 0.1 percentage points. The reductions are subject to certain revenue conditions, with a lower bound of 4.99 percent.
- 2023 Standard deductions increase to \$12,000 for single and head of household, and \$24,000 for married filing jointly (\$12,000 each if filing separately). The personal exemption is repealed except for the \$3,000 exemption for each dependent. A tax credit in the amount of \$300 is created for taxpayers who elect itemized deductions.
- 2024 The flat income tax rate was lowered from 5.49 percent to 5.39 percent. The deduction allowed for each dependent increased from \$3,000 to \$4,000.

## Sections of the Official Code of Georgia Annotated

Title 48, Chapter 7

***Selected State Income Taxes, Comparison of Lowest and Highest Tax Bracket for Single Taxpayers, March 15, 2024***

<b>STATE</b>	<b>LOWEST BRACKET CAP<sup>1</sup></b>	<b>HIGHEST BRACKET THRESHOLD<sup>1</sup></b>	<b>RATES</b>
Alabama	\$500	\$3,001	2%–5%
Florida		No Income Tax	
Georgia		Flat Rate	5.39%
Kentucky		Flat Rate	4%
Mississippi <sup>3</sup>	\$10,000	NA	4.7%
N. Carolina		Flat Rate	4.5%
S. Carolina	\$3,460	\$17,330	0%–6.4%
Tennessee <sup>2</sup>		No Income Tax	
Virginia	\$3,000	\$17,001	2%–5.75%

Source: Tax Foundation; data publicly available online

<sup>1</sup> Taxable income, after applicable deductions and exemptions

<sup>2</sup> Tennessee income tax, formerly applicable only to interest and dividend income, was repealed, effective Jan 1, 2021.

<sup>3</sup> Mississippi has a flat rate above \$10,000 excluding exemptions and deductions.

***Comparison of Personal Income Tax Reliance for State and Local Governments, 2022***

<b>STATE</b>	<b>PER CAPITA REVENUE</b>	<b>PERCENT OF TOTAL TAX REVENUE</b>
Alabama	\$1,227	26.0%
Florida	\$0	0.0%
Georgia	\$1,676	32.0%
Kentucky	\$1,775	34.0%
Mississippi	\$864	18.1%
N. Carolina	\$1,652	31.1%
S. Carolina	\$1,298	25.9%
Tennessee	\$1	0.0%
Virginia	\$2,274	33.2%
United States	\$1,802	25.4%

Source: U.S. Census Bureau, *State and Local Government Finances*; data publicly available online



## STATE SALES AND USE TAX

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### Tax Base

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

### Tax Rate

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

### Major Exemptions

Food and food ingredients sold to an individual consumer for off-premises human consumption (excludes some items and local taxes still apply)

Prescription drugs, eyeglasses, prosthetics, and durable medical equipment

Energy; machinery, equipment, and repair and replacement parts therefor; industrial materials that become a component part of a finished product; and consumable supplies used in manufacturing

Energy, machinery, equipment, and production inputs used in agriculture

Air and water pollution control, and water conservation machinery and equipment

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

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

Sales to governments, government agencies, certain hospital authorities, and the University System of Georgia

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

## GENERAL SALES AND USE TAXES

Motor fuel when used for highway purposes

Natural gas used in the production of electricity subsequently sold

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

Materials used in the construction of a competitive project of regional significance, as determined by the Department of Economic Development

Ticket sales for certain major sporting events and certain fine arts performances and exhibits

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$6,174,451
2021	\$6,947,333
2022	\$8,316,951
2023	\$8,907,202
2024	\$8,997,689

### Responsible for Administration

State Revenue Commissioner

### Who Remits Tax

Retail vendors

### Payment Dates

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

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

### Disposition of Revenue

The dealer collecting the tax at retail retains a vendor's commission of 3 percent of the first \$3,000 of the total amount of sales and use tax reported, and a commission of 0.5 percent of that portion exceeding \$3,000. The net revenues from the tax, after vendor compensation, are general fund revenues.

### Chronology of Significant Changes

- 1951 Sales tax was first enacted at a rate of 3 percent. Major exemptions in the original act included industrial materials that become a part of the finished product being manufactured; fertilizer; and the sale of water through mains by municipalities.
- 1963 Exemptions for manufacturing machinery for new and expanding industry were added, along with an exemption for agricultural machinery used to till soil.
- 1975 The current authorization for a local option sales tax by counties at a rate of 1 percent was enacted.
- 1985 The authority for county governments to levy a 1 percent local option sales tax for roads, bridges, and certain specified capital improvements was added.
- 1989 The state rate was increased to 4 percent.
- 1996 The authority for local school systems to levy a 1 percent local option sales tax under certain circumstances, and for certain capital improvement purposes, was approved.
- 1996 An exemption for food for off-premises human consumption was approved. The exemption was phased in and fully implemented by October 1, 1998.
- 2002 Sales tax holidays were authorized; the holiday was subsequently reauthorized each year until 2011.
- 2004 The Interstate Streamlined Sales and Use Tax Agreement was enacted.
- 2004 A 2-percent cap on local sales taxes was adopted, with exceptions for certain levies for education, MARTA, and water or sewer capital outlay projects.

## GENERAL SALES AND USE TAXES

- 2005 State agencies were prohibited from entering into contracts for goods or services exceeding \$100,000 with a nongovernmental vendor who fails or refuses to collect Georgia sales tax on sales delivered into Georgia.
- 2010 Sales tax holidays were not authorized for 2011.
- 2010 Legislation was enacted to improve conformity with the Interstate Streamlined Sales and Use Tax Agreement, including removal of the sales tax exemption for food from local sales taxes adopted after 1996.
- 2010 A regional special tax district was allowed to levy a 1 percent local option sales tax for transportation infrastructure, subject to voter approval through regional referenda.
- 2012 Sales tax holidays were reauthorized for 2012 and 2013 and subsequently reauthorized for 2014–16.
- 2012 The sales tax on motor vehicles was eliminated, effective March 1, 2012, and replaced with a new title fee.
- 2012 Exemptions for energy used in manufacturing and agriculture were adopted.
- 2015 Highway use motor fuel was exempted from sales tax and subject to expanded excise tax, effective July 1, 2015.
- 2016 Exemptions were adopted for tickets to certain major sporting events and for other purposes.
- 2017 Exemptions for certain arts-related purchases, certain purchases for boat repairs, and other purposes were adopted.
- 2018 An exemption for high-tech data center equipment was adopted. Economic nexus legislation was adopted to require collection of tax by remote sellers.
- 2020 For-hire ground transport services were exempted from sales tax and subjected to new excise tax. Definition of “dealer” expanded to include marketplace facilitators.

## GENERAL SALES AND USE TAXES

### Selected State Sales Tax Rates, 1 Jan. 1, 2024

STATE	RATE <sup>1</sup>	-----EXEMPTIONS-----	
		FOOD	PRESCRIPTION DRUGS
Alabama	4%	N	Y
Florida	6%	Y	Y
Georgia	4%	Y	Y
Kentucky	6%	Y	Y
Mississippi	7%	N	Y
N. Carolina	4.75%	Y	Y
S. Carolina	6%	Y	Y
Tennessee	7%	Y <sup>2</sup>	Y
Virginia <sup>3</sup>	4.3%	Y <sup>2</sup>	Y

Source: Federation of Tax Administrators, data publicly available online

<sup>1</sup> Local sales taxes not included; <sup>2</sup> Reduced rate; <sup>3</sup> Excludes statewide 1 percent tax levied by local governments

### Comparison of General Sales Tax Reliance, State and Local Governments, 2022

STATE	PER CAPITA REVENUE	PERCENT OF TOTAL TAX REVENUE
Alabama	\$1,465	31.1%
Florida	\$1,914	39.2%
Georgia	\$1,281	24.5%
Kentucky	\$1,144	21.9%
Mississippi	\$1,623	34.0%
N. Carolina	\$1,452	27.4%
S. Carolina	\$1,200	23.9%
Tennessee	\$2,158	45.8%
Virginia	\$1,015	14.8%
United States	\$1,672	23.5%

Source: U.S. Census Bureau, *State and Local Government Finances*; data publicly available online

## Sections of the Official Code of Georgia Annotated

Title 48, Chapter 8

## LOCAL SALES AND USE TAXES

### Tax Base

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

### Major Exemptions

Generally, the same exemptions and exclusions apply to local sales taxes as apply to the state tax. One exception relates to the exemption for food purchased for off-premises, human consumption, which is not provided with respect to local sales taxes.

Additional exemptions that apply to certain, but not all, local sales taxes are noted in the section for the particular tax. Likewise, any exceptions to the applicability of exemptions to a particular local sales tax are noted.

### *Local Sales and Use Taxes Adopted by Type and Distribution of Total Rates by County*

TYPE	-----NUMBER OF COUNTIES-----		
	1/1/2006	10/1/2016	10/1/2024
Local Option	156	154	155*
Special Purpose Option	151	151	155
Educational	149	157	158*
Transportation	0	46	111*
MARTA	2	3	5*
Homestead	2	2	2
Other Local Option	1	3*	5*
<b>Total Tax Rate (incl. State 4%)</b>			
>=8%	0	46	109
7%	141	105	47
6%	18	8	4
<6%	0	0	0

Source: Georgia Department of Revenue, data publicly available online

\*Includes City of Atlanta

## **GENERAL SALES AND USE TAXES**

### **Responsible for Administration**

State Revenue Commissioner

### **Who Remits Tax**

Retail vendors or consumers

### **Payment Dates**

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

## Local Option Sales Tax (LOST)

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### Tax Rate

1 percent rate, levied by county governing authorities

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$1,585,079
2021	\$1,812,094
2022	\$2,079,297
2023	\$2,296,857
2024	\$2,375,250

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

### Disposition of Revenue

Revenue collections, less 1 percent retained by the state treasury for administrative costs incurred, are distributed within the county from which they were collected to the county and municipalities according to agreed-upon distribution formulae.

### Chronology of Significant Changes

- 1975 LOST was authorized for counties and municipalities.
- 1979 The tax was reconstituted in the present form after the original statute was declared invalid.
- 1996 Local sales taxes adopted after Oct. 1, 1996, included an exemption for food purchased for off-premises human consumption.
- 2011 The 1996 food exemption for LOST was removed, effective Jan. 1, 2011, as part of legislation to bring the state into compliance with the Interstate Streamlined Sales and Use Tax Agreement.



## GENERAL SALES AND USE TAXES

### Special Provisions

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

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

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

### Sections of the Official Code of Georgia Annotated

Title 48, Chapter 8, §80–95

## Special Purpose Local Option Sales Tax (SPLOST)

---

### Tax Rate

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

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$1,545,529
2021	\$1,807,667
2022	\$2,026,835
2023	\$2,239,229
2024	\$2,334,928

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

### Disposition of Revenue

Revenue collections, less 1 percent retained by the state treasury for administrative costs incurred, are distributed to the county governing authority levying the tax.

### Chronology of Significant Changes

- 1985 Authorization for the tax was enacted. Subsequent amendments have expanded the types of capital outlay projects on which the county may levy the tax.
- 2004 Provision was made for the revenue to be used by municipalities.

### Special Provisions

The tax may be levied only after referendum approval. At any time, only a 1-percent SPLOST levy may be in existence in any county.

The tax is levied for a specified time, normally not to exceed five years, but under certain conditions, the maximum period can be longer.

## GENERAL SALES AND USE TAXES

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

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

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

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

### **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 8, §110–124

## Sales Tax for Educational Purposes (ESPLOST)

---

### Tax Rate

1 percent rate, levied by local boards of education only for specified periods of time, not to exceed five years, and only for specified capital outlay purposes

### Additional Exemptions or Exceptions

The state sales tax exemption for energy used in manufacturing under O.C.G.A. §48-8-3.2 does not apply to ESPLOST unless such a manufacturing facility is designated as a competitive project of regional significance under paragraph (93) of O.C.G.A. §48-8-3.

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$1,910,901
2021	\$2,209,568
2022	\$2,496,836
2023	\$2,712,362
2024	\$2,756,049

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

### Disposition of Revenue

Revenue collections, less 1 percent retained by the state treasury for administrative costs incurred, are distributed to the local boards of education levying the tax.

### Chronology of Significant Changes

1996 Authorization for the tax was enacted.

### Special Provisions

The tax may be levied only after referendum approval.

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

## **GENERAL SALES AND USE TAXES**

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

### **Sections of the Official Code of Georgia Annotated**

Georgia Constitution, Article VIII, Section VI, Paragraph IV; Title 48,  
Chapter 8, §140–144

## Metropolitan Atlanta Rapid Transit Authority Tax (MARTA)

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### Tax Rate

Up to a 1.5 percent rate, levied only in the area comprising the Metropolitan Atlanta Rapid Transit Authority (MARTA)

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$524,825
2021	\$556,578
2022	\$664,482
2023	\$712,473
2024	\$720,723

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

### Disposition of Revenue

Proceeds, less 1 percent of collections retained by the state treasury for administrative costs incurred, are distributed to MARTA for construction and operations.

### Chronology of Significant Changes

- 1965 Metropolitan Atlanta Rapid Transit Authority was created.
- 1971 A 1 percent sales tax was authorized.
- 1990 The 1 percent sales tax was extended to 2032.
- 2014 Clayton County voted to levy the tax effective March 1, 2015.
- 2015 Tax extended to 2057 at 1 percent and 0.5 percent thereafter.
- 2016 City of Atlanta authorized to increase the rate by up to 0.5 percent; the increase was approved by voter referendum.

### Sections of the Official Code of Georgia Annotated

Georgia laws 1965, P. 2243, as amended

## Homestead Option Sales Tax (HOST)

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### Tax Rate

1 percent rate, authorized for levy by county governing authorities only in counties not levying the local option sales tax (LOST)

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$140,996
2021	\$161,597
2022	\$180,444
2023	\$189,780
2024	\$189,512

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

### Disposition of Revenue

Revenue collections, less 1 percent retained by the state treasury for administrative costs, distributed to the county governing authority levying the tax. The county must utilize at least 80 percent of the proceeds to provide for a homestead exemption from county ad valorem tax. The balance may be used for capital outlay projects.

### Chronology of Significant Changes

1995 Authorization for the tax was enacted.

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

### Special Provisions

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

### Sections of the Official Code of Georgia Annotated

Title 48, Chapter 8, §100–109

## Transportation Special Purpose Sales Taxes (TSPLOST and Transit SPLOST)

### Tax Rate

The TSPLOST may be levied at a rate of up to 1 percent by special transportation districts representing regions of the state corresponding to the 12 regional commissions provided for in §50-8-4, or by counties not in a special transportation district levying the tax.

The Transit SPLOST may be levied at a rate of up to 1 percent by special transit districts defined by county geographical boundaries, or by two or more neighboring counties by intergovernmental agreement.

### Additional Exemptions or Exceptions

In addition to the exemptions applicable to other local sales and use taxes, the TSPLOST does not apply to the sale or use of fuel for off-road heavy-duty, farm, or agricultural equipment, or locomotives; qualifying sale or use of jet fuel; and the sale or use of motor fuel for use in motor vehicles on public highways or for public mass transit.

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$483,522
2021	\$568,723
2022	\$650,154
2023	\$765,226
2024	\$830,843

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

### Special Provisions

The tax may be levied only after referendum approval by voters in the special district within which the tax is to apply. Maximum time during which the tax applies varies depending on type of tax and whether debt is authorized and issued.



## GENERAL SALES AND USE TAXES

### Disposition of Revenue

Proceeds of the tax are distributed into a trust fund maintained by the State Financing and Investment Commission on behalf of the special district imposing the tax, to be used for specified transportation purposes.

### Chronology of Significant Changes

- 2010 Enabling legislation for TSPLOST was passed, effective Jan. 1, 2013, subject to passage in each special district of an authorizing referendum.
- 2012 Referenda were held in each of the 12 special districts in July 2012, and passed in three of the 12 districts.
- 2015 The TSPLOST may be levied at a rate of less than 1 percent, in increments of 0.05 percent, and may be levied over special districts defined by county boundaries where the county is in a regional special district that has not levied the TSPLOST. At least 30 percent of TSPLOST revenue must be expended on projects included in the statewide strategic transportation plan, as defined in O.C.G.A. §32-2-22.
- 2018 Enabling legislation for Transit SPLOST was adopted, effective January 1, 2019, subject to passage of referenda authorizing the tax in any special district or across districts under an intergovernmental agreement. Proceeds may be used only for public transit projects.

### Sections of the Official Code of Georgia Annotated

Title 48, Chapter 8, §240–269.58

# ALCOHOLIC BEVERAGE TAXES (STATE AND LOCAL)

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## Tax Base

First sale, use, or final delivery of alcoholic beverages in the state, including malt beverages, wine, and distilled spirits

## State Tax Rates

Malt Beverages: \$10 per container up to 31 gallons and a proportional tax on fractional parts of 31 gallons for draft malt beverages. 4.5 cents per 12 ounces for bottles and cans, with proportional rates on fractional parts of other sizes.

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

Distilled Spirits: An excise tax of 50 cents per liter and an import tax of 50 cents per liter. Excise and import taxes on purified alcohol are 70 cents each per liter.

## Local Tax Rates

Malt Beverages: A uniform local government beer tax is levied at 5 cents per 12 ounces for bottled and canned malt beverages, with proportional rates for sizes other than 12 ounces. The rate for bulk (tap or draft) malt beverages is \$6 per container for containers up to 15.5 gallons, with proportional rates for other sized containers.

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

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

## SELECTIVE SALES/EXCISE TAXES

### Major Exemptions

Malt beverages and wine with less than 0.5 percent alcohol by volume

### State Revenue Production (in thousands)

FISCAL YEAR	MALT BEVERAGES	WINE	DIST. SPIRITS	STATE TOTAL
2020	\$89,455	\$44,437	\$73,747	\$207,638
2021	\$92,666	\$48,422	\$86,785	\$227,872
2022	\$92,274	\$47,454	\$88,889	\$228,617
2023	\$88,430	\$46,497	\$92,153	\$227,079
2024	\$86,307	\$45,103	\$92,139	\$223,549

### Local Revenue Production (in thousands)

FISCAL YEAR	LOCAL TOTAL
2018	\$150,472
2019	\$155,769
2020	\$152,488
2021	\$153,357
2022	\$182,276

### Responsible for Administration

State Revenue Commissioner for the state excise tax, the county or municipal governing authority for the local option excise tax

### Who Remits Tax

Distributors of alcoholic beverages

### Payment Dates

State sales and excise tax reports must be filed, and remittances made, by the 15th day of the calendar month following the month of sale by the distributor. Local reporting and payment provisions are established by local government levying the tax.

### Sections of the Official Code of Georgia Annotated

Title 3, Chapters 4, 5, and 6  
Georgia's Taxes – January 2025

## CONSUMER FIREWORKS TAX

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### Tax Base

Excise tax on the retail sale of consumer fireworks

### Tax Rate

5 percent of gross receipts

### Major Exemptions

None

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$1,632
2021	\$2,722
2022	\$3,145
2023	\$2,739
2024	\$2,675

### Responsible for Administration

State Revenue Commissioner

### Who Remits Tax

Retail vendors

### Payment Dates

Tax is reported and remitted on the same schedule as sales tax.

### Disposition of Revenue

The net revenues from the tax, after vendor compensation on the same basis as the state sales and use tax, are general fund revenues.

### Chronology of Significant Changes

2015 The tax was enacted effective July 1, 2015.

### Sections of the Official Code of Georgia Annotated

Title 48, Chapter 13, Article 7

## FOR-HIRE GROUND TRANSPORTATION TAX

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### Tax Base

Excise tax on for-hire ground transportation services

### Tax Rate

50 cents per ride or 25 cents per shared ride

### Major Exemptions

None

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2021	\$15,928
2022	\$23,597
2023	\$32,413
2024	\$38,005

### Responsible for Administration

State Revenue Commissioner

### Who Remits Tax

For-hire transportation service providers

### Payment Dates

Tax is reported and remitted on the same schedule as sales tax.

### Disposition of Revenue

Beginning July 1, 2022, and ending on June 30, 2032, all proceeds shall be annually appropriated to the Georgia Transit Trust Fund.

### Chronology of Significant Changes

2020 The tax was enacted effective April 1, 2020.

**Sections of the Official Code of Georgia  
Annotated**

Title 48, Chapter 13, Article 8

## STATE HOTEL-MOTEL TAX

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### Tax Base

Excise tax on the rental or lease of a hotel or motel room

### Tax Rate

\$5.00 per room per calendar day rented or leased

### Major Exemptions

Rental of rooms in an establishment with fewer than five hotel rooms under common ownership

Extended stay rentals of more than 30 consecutive days, for the 31st and subsequent days

Federal government and foreign diplomats

Student housing and special care facilities

Complimentary accommodations

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$152,673
2021	\$139,115
2022	\$189,412
2023	\$200,307
2024	\$203,734

### Special Provisions

If amounts collected from this tax are not appropriated exclusively for transportation purposes, the amount of the tax will be reduced by 50 percent after the first fiscal year of such non-appropriation and will be repealed after the second fiscal year of non-appropriation.

### Responsible for Administration

State Revenue Commissioner

## **Who Remits Tax**

The entity providing the lodging remits the tax, net of vendor compensation on the same basis as the state sales and use tax.

## **Payment Dates**

Reporting and payment by the 20th day of the month following the month of collection.

## **Disposition of Revenue**

It is the intention of the General Assembly, subject to appropriations, that net collections shall be made available and used exclusively for transportation purposes in this state.

## **Chronology of Significant Changes**

2015 The tax was enacted effective July 1, 2015.

2021 The definition of “innkeeper” for purposes of the tax was extended to include marketplace facilitators.

## **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 13, Article 3, §50.3



## LOCAL HOTEL-MOTEL TAXES

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### Tax Base

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

### Tax Rate

The general rate authorized is up to 3 percent; however, counties and municipalities may exceed this rate in varying amounts when the rate above 3 percent is used for certain specified purposes, generally related to tourism and trade show purposes. As of FY 2023, 305 local jurisdictions levied a hotel-motel tax, with rates ranging from 2 percent to 8 percent.

### Revenue Production

Reported tax collections in FY 2023 totaled approximately \$232 million. Many local governments are delinquent on reporting, making it likely that the actual revenue is significantly higher.

### Major Exemptions and Exclusions

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

Lodging for a period of more than 10 consecutive days

Lodging furnished as meeting rooms

### Responsible for Administration

Governing authority of counties and municipalities

### Who Remits Tax

Entity providing the lodging

### Payment Dates

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

## Disposition of Revenue

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

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

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

## Chronology of Significant Changes

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

## Sections of the Official Code of Georgia Annotated

Title 48, Chapter 13, §50–56

## INSURANCE PREMIUM TAX (STATE AND LOCAL)

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### Tax Base

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

### Tax Rate

State tax is levied at 2.25 percent of gross direct premiums. This rate is reduced to 1.25 percent for companies having at least 25 percent of total assets, as defined, located in Georgia. The rate is reduced to 0.5 percent for companies with at least 75 percent of their assets in Georgia.

A county tax on life insurance companies at a rate of 1 percent of gross direct premiums is imposed by state law; municipalities are authorized to impose rates up to 1 percent. Counties and municipalities are authorized to levy rates up to 2.5 percent on other than life insurance companies.

### Major Exemptions

Premiums for high deductible health plans are exempt from the state tax and, until Jan. 1, 2015, were also exempt from the local tax, at which time the local exemption expired.

### Revenue Production (in thousands)

FISCAL YEAR	LOCAL	STATE
2020	\$699,726	\$554,987
2021	\$740,832	\$538,106
2022	\$715,214	\$643,223
2023	\$753,323	\$680,840
2024	\$842,861	\$768,165

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### Responsible for Administration

Office of the Commissioner of Insurance

## Who Remits Tax

Foreign and domestic insurance companies doing business in Georgia

## Payment Dates

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

## Disposition of Revenue

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

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

## Special Provisions

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

## Sections of the Official Code of Georgia Annotated

Title 33, Chapter 8

## MOTOR FUEL TAX

### Tax Base

Any source of energy that can be used for propulsion of motor vehicles on the public highways, including but not limited to gasoline, fuel oils, compressed petroleum gas, and special fuels

### Tax Rate

The tax is levied at a rate of 32.3 cents per gallon of motor fuels other than diesel fuel and at a rate of 36.2 cents per gallon of diesel fuel as of Jan. 1, 2024. Excise tax rates are adjusted annually by the percentage change in i) the Consumer Price Index (CPI) and ii) the average fuel economy of new vehicles registered in the state in the previous year, relative to the year before, with the adjustment taking effect Jan. 1 of the following year.

### Major Exemptions

Bulk sales to a duly licensed distributor or for export from Georgia

Sales to the U.S. government

Sales of compressed petroleum gas or special fuel to consumers who have no highway use of the fuel and do not resell the fuel

Sales directly to ultimate consumers for heating purposes only

Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for 1 cent per gallon of the tax

### Revenue Production (in thousands)

FISCAL YEAR	MOTOR FUEL EXCISE AND MOTOR CARRIER MILEAGE TAX	3% PREPAID STATE SALES TAX
2020	\$1,873,183	\$37
2021	\$1,781,682	\$0
2022	\$1,602,063	-\$8
2023	\$837,218	\$0
2024	\$1,759,944	\$0

## Responsible for Administration

State Revenue Commissioner

## Who Remits Tax

Dealers who distribute motor fuels in Georgia

## Payment Dates

Distributors remit the motor fuel tax by the 20th day of the month following the month of activity. Distributors with minimal activity may be permitted to report and remit quarterly or annually.

## Disposition of Revenue

Revenue generated is allocated by the Georgia Constitution to the Department of Transportation for highway purposes.

## Chronology of Significant Changes

- 1921 The motor fuel tax was levied for the first time in Georgia.
- 1937 The tax was earmarked for highway purposes.
- 1945 The 1945 Constitution ended the earmarking provision.
- 1952 Constitution amended to reinstate earmarking of the motor fuel tax for highway purposes.
- 1971 The tax rate was increased to 7.5 cents per gallon.
- 1989 The 3-percentage point portion of the state sales tax levied on the sale of motor fuels was converted to the “second motor fuel tax” and was earmarked for highway purposes.
- 2015 The excise tax rate was increased from 7.5 cents per gallon to 26 cents (29 cents for diesel) to be adjusted annually; the second motor fuel tax and sales tax on motor fuels repealed; local sales taxes were limited when the fuel price exceeds \$3.00 per gallon.
- 2022 Legislation authorized a temporary suspension of the tax from March 18 through May 31, 2022, subsequently extended through January 10, 2023.

## SELECTIVE SALES/EXCISE TAXES

- 2023 Legislation amended to tax electricity and hydrogen when used as motor fuels, effective Jan 1, 2025, and to add gallon equivalents for electricity and hydrogen for the purposes of levying the motor fuel tax.
- 2024 The effective date of taxation on electricity used as a motor fuel was pushed back to January 1, 2026. Collection of Georgia's motor fuel excise tax was suspended, by executive order, from October 3 to October 16 due to the state of emergency caused by Hurricane Helene.

### *Selected Gasoline Tax Rates<sup>1</sup>, 1 July 2024*

STATE	RATE (CENTS PER GALLON)
Alabama	30.20
Florida	38.60
Georgia	33.05
Kentucky	27.80
Mississippi	18.40
N. Carolina	40.65
S. Carolina	28.75
Tennessee	27.40
Virginia	40.40

Source: US Energy Information Administration (EIA), data publicly available online

<sup>1</sup> Includes other state taxes and fees, if applicable

## SELECTIVE SALES/EXCISE TAXES

### *Comparison of Motor Fuel Tax Reliance State and Local Governments, 2022*

STATE	PER CAPITA REVENUE	PERCENT OF TOTAL TAX REVENUE
Alabama	\$212	4.5%
Florida	\$181	3.7%
Georgia	\$147	2.8%
Kentucky	\$161	3.1%
Mississippi	\$156	3.3%
N. Carolina	\$207	3.9%
S. Carolina	\$179	3.6%
Tennessee	\$181	3.8%
Virginia	\$188	2.8%
United States	\$170	2.4%

Source: U.S. Census Bureau, State and Local Government Finances; data publicly available online

## **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 9, §1–20



# MOTOR VEHICLE TITLE AD VALOREM TAX (TAVT)

## Tax Base

The fair market value at the time of titling new and used motor vehicles registered and titled in the state, including casual sales, dealer sales, rental and salvage vehicles, and vehicles brought into the state by those 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 leased vehicles not used primarily in a trade or business, the tax base is the sum of the lease payments over the term of the lease plus any downpayment.

## Tax Rate

Combined state and local tax rate of 7 percent, except from January 1, 2020, through June 30, 2023, during which time the rate was reduced to 6.6 percent.

## Major Exemptions

Exemptions include vehicle titles issued to disabled veterans, to correct or replace an existing title, to record liens, to a dealer for resale or when the vehicle is used for a limited time as a loaner vehicle. Reduced TAVT rates are available for new Georgia residents, transfers between related family members and certain related legal entities, rental vehicles, vehicles manufactured between 1963 and 1989, salvage vehicles, and donated vehicles.

## Revenue Production (in thousands)

FISCAL YEAR	LOCAL	STATE	TOTAL
2020	\$1,131,820	\$636,294	\$1,768,114
2021	\$1,377,284	\$735,986	\$2,113,270
2022	\$1,469,314	\$783,357	\$2,252,671
2023	\$1,534,097	\$819,594	\$2,353,690
2024	\$1,525,035	\$827,505	\$2,352,540

Source: Fiscal Research Center estimates

## Responsible for Administration

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

## Who Remits Tax

Owners or dealers of motor vehicles

## Payment Dates

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

## Disposition of Revenue

Taxes collected, net of the 1 percent administration fee, are split between the state and the local government in which the vehicle is registered, according to the following percentages (shares were subject to adjustment based on collections beginning in 2016, but were fixed effective June 30, 2019):

TAX YEAR	LOCAL	STATE
2013	43%	57%
2014	45%	55%
2015	45%	55%
2016	46.5%	53.5%
2017	56%	44%
2018	60%	40%
After June 30, 2019	65%	35%

## Chronology of Significant Changes

2012 The TAVT was adopted, effective March 1, 2013, to replace the state and local sales taxes then applicable to dealer sales as well as the annual ad valorem property tax on motor vehicles. Vehicles purchased between Dec. 1, 2012, and Feb. 28, 2013, were able, for a limited time, to opt in to the TAVT system.

## SELECTIVE SALES/EXCISE TAXES

- 2013 The opt-in period for existing vehicle owners was extended to Feb. 28, 2014. Fair market value of new vehicles was clarified. The use tax on leased vehicles was eliminated. The definition of “qualified rental vehicle” was clarified, and the TAVT rate on such vehicles was reduced to 1.25 percent, split evenly between the state and local government. Seller financed transactions for “Buy Here, Pay Here” dealers became eligible for a reduced tax rate of 2.5 percentage points less than the ordinary TAVT rate.
- 2017 Taxation of leased vehicles was revised, to be calculated on the sum of lease payments over the term rather than on the fair market value.
- 2018 TAVT rate is fixed at 7 percent (it previously could be adjusted to up to 9 percent under certain conditions) for sales other than those eligible for reduced rates. The rates applicable to registration of out-of-state vehicles and to vehicles transferred as a result of a divorce settlement are reduced to 3 percent and 1 percent, respectively. State and local shares of TAVT revenue are fixed at 35 percent and 65 percent, respectively, beginning July 1, 2019.
- 2019 TAVT rate is temporarily reduced to 6.6 percent, effective January 1, 2020, through June 30, 2023.
- 2021 Taxation of leased vehicles is revised to exclude finance charges from the amount of payments subject to the tax.

### **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 5C, §1

# TOBACCO & VAPOR PRODUCTS TAXES

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## Tax Base

Sale, receipt, purchase, possession, consumption, handling, distribution, or use of tobacco and vapor in Georgia

## Tax Rate

Cigarettes are taxed 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 1,000).

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

Consumable vapor products in a closed system are taxed at a rate of 5 cents per fluid milliliter.

Consumable vapor products in an open system and vapor devices not designed or intended to be reused or refilled are taxed at 7 percent of the wholesale cost price, exclusive of any trade, cash, other discounts, or any promotion, advertising, display, or similar allowances.

## Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$225,531
2021	\$242,897
2022	\$238,574
2023	\$235,580
2024	\$223,107

## Responsible for Administration

State Revenue Commissioner

## SELECTIVE SALES/EXCISE TAXES

### Who Remits Tax

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

### Payment Dates

Product stamps are prepaid as needed.

### Chronology of Significant Changes

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

2020 Tax imposed on vapor products, effective January 1, 2021.

#### *Selected State Cigarette Tax Rates, Jan. 1, 2024*

STATE	RATE (CENTS PER PACK)
Alabama	67.5 <sup>1</sup>
Florida	133.9 <sup>2</sup>
Georgia	37.0
Kentucky	110.0
Mississippi	68.0
N. Carolina	45.0
S. Carolina	57.0
Tennessee	62.0 <sup>1,3</sup>
Virginia	60.0 <sup>1</sup>

Source: Federation of Tax Administrators, data publicly available online

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

<sup>2</sup> Includes a surcharge of \$1 per pack.

<sup>3</sup> Does not include dealer fees.

### Sections of the Official Code of Georgia Annotated

Title 48, Chapter 11

# TANGIBLE REAL AND PERSONAL PROPERTY TAXES (STATE & LOCAL)

*NOTE: The state tax on real and personal property was phased out over the five-year period beginning 2012. After Dec. 31, 2015, only local property taxes apply.*

## Tax Base

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

## Tax Rate

Tax rates vary by jurisdiction, with taxes levied by the county governing authority (county-wide for general government purposes and in some counties within special tax districts within the county for specific purposes), by the local school district, and by municipalities. The state rate of taxation was uniform at a quarter of 1 mill (0.00025) but was phased out by 2016.

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

## Revenue Production (in thousands)

FISCAL YEAR	LOCAL	STATE <sup>1</sup>	TOTAL
2020	\$13,669,471	\$1,123	\$13,670,594
2021	\$14,349,316	\$169	\$14,349,485
2022	\$15,157,435	\$378	\$15,157,813
2023	NA	\$165	NA
2024	NA	\$230	NA

Sources: U.S. Census Bureau, Government Finance Statistics and Georgia State Accounting Office

<sup>1</sup> Amounts of state revenues after FY 2016 arise from payments of taxes owed for periods prior to Jan 1, 2016.

## PROPERTY TAXES

### Major Exemptions

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

Places of worship and religious burial

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

Property of nonprofit hospitals used in connection with their operation, when the hospital has no stockholders and no income or profit is distributed to benefit any private individual

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

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

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

The homestead of each individual is exempt in an amount not to exceed \$2,000 in assessed value, where the individual owns and occupies such homestead as a principal place of residence. This exemption applies to the levy for maintenance and operation of the county government, the school system, and the state. Certain elderly taxpayers are entitled to increased exemptions. For example, individuals 65 and older with net incomes that do not exceed \$10,000 annually, excluding income received from Social Security or from any other public or private retirement systems up to the maximum amount of Social Security benefits authorized for an individual and spouse, are entitled to an exemption of \$4,000 from all state and county ad valorem taxes. A similar exemption for school tax purposes is available to individuals 62 and older in an amount up to \$10,000. The same net income qualification requirements exist for this exemption. Additional exemptions are provided for disabled homeowners, non-remarried spouses of peace officers or firefighters killed in the line of duty, and surviving

spouses of disabled veterans. In addition, a “floating” homestead exemption is available for individuals 62 and older with household income not exceeding \$30,000. This exemption covers state and county ad valorem taxes (excluding school taxes) and applies to the assessed value exceeding the assessed value on the homestead for the year immediately preceding the year that the taxpayer first qualifies for this exemption (thus, the exemption amount increases at the same rate that the assessed value of the homestead increases in future years). It should be noted that several local governments have provided for homestead exemption amounts that exceed the general exemptions outlined here.

Tangible personal property used within the home, if not held for sale or other commercial use, is exempt. Tools and implements of trade as well as other personal property are exempt up to \$20,000 in fair market value.

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

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

### **Responsible for Administration**

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

### **Return and Payment Dates**

The taxpayer is required to file a return covering any property not previously reported. Once the initial return is filed, the taxpayer is deemed to have returned the same property at the same value as was finally determined for the preceding year if the taxpayer does not file a new return. The law now provides that the completion



## PROPERTY TAXES

of the real estate transfer tax form can serve as the initial return of the taxpayer for the next succeeding tax year. General law provides that returns must be filed on or before April 1 for the tax year that began the preceding Jan. 1. Applications for homestead exemption are also due on or before April 1. Some counties have provided by law for earlier return deadlines.

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

### Disposition of Revenue

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

### Chronology of Significant Changes

- 1913 The tax equalization statute was enacted, providing for uniform assessments in all counties.
- 1937 Intangible property became a separate class of property for tax purposes, and the homestead exemption of \$2,000 was instituted.
- 1965 The State Revenue Commissioner was required by a court decision to exercise his or her authority and responsibility to ensure that assessments for all counties were equalized.
- 1968 The current assessment level of 40 percent of fair market value was established by statute.
- 1972 Counties required to employ a minimum number of staff appraisers depending upon the number of parcels of real property in the county; state salary grant fund created to assist counties in meeting the requirement. Initial and continuous training for local assessors and appraisers was funded and required.

- 1972 County boards of equalization were created to hear and adjudicate property tax assessment appeals. Minimum training requirements were established.
- 1972 State board of equalization created to hear and adjudicate property tax appeals of railroad and utility companies who return property to the State Revenue Commissioner.
- 1983 Preferential assessment at 30 percent of fair market value was authorized for certain agricultural properties
- 1988 The State Revenue Commissioner's authority and responsibility to examine local tax digests for equalization purposes were broadened to include responsibility for measuring the quality of assessments within the county property class.
- 1991 Certain qualified agricultural use property, environmentally sensitive property, and transitional residential property, under a 10-year covenant to maintain the property in its qualified state, were valued for tax purposes according to current use rather than fair market value.
- 1992 The State Revenue Commissioner's authority to equalize county digests was changed to provide for a systematic review of each county's digest once every three years.
- 1999 Homeowners Tax Relief Grant (HTRG) legislation passed to provide property tax relief in the form of a homestead exemption for state, county, and school district property taxes. Counties and school districts are reimbursed by the state for the reduction in assessed value through the annual appropriations bill.
- 2000 The Comprehensive Taxpayer Bill of Rights legislation was enacted, providing for increased notice through advertisement and public hearings when local governments levy ad valorem tax rates that result in significantly increased revenue from the preceding year.

## PROPERTY TAXES

- 2000 The “fair market value” standard of valuation for property tax purposes was changed as it relates to the valuation of motor vehicles. Beginning Jan. 1, 2002, the valuation of motor vehicles for property tax purposes would be based on wholesale value.
- 2002 The HTRG was extended to city property taxes.
- 2005 Property tax executions were to be issued against owners of record on the date that the taxes became delinquent.
- 2008 A new class of property—forest land conservation value—was created and taxed at its current-use value if the owner signs a 15-year covenant to maintain the property in its current use. The state is required by the constitution to reimburse the local government of a portion of the lost tax revenue due to this provision, where the portion depends upon the magnitude of the lost revenue.
- 2009 The assessed values for all classes of property were frozen for 2009 and 2010.
- 2009 Tax assessors are required to consider foreclosures and sales of bank-owned properties acquired through foreclosures in determining fair market value.
- 2009 The FY 2010 appropriations bill ended the state reimbursement to local governments for the HTRG.
- 2010 A five-year phase out of the state quarter mill was approved to begin in 2012.
- 2010 Comprehensive changes to the property tax code were made, including property value notification requirements, a new appeals process, and changes to valuation procedures.
- 2012 State and local property taxes on motor vehicles purchased after Feb. 28, 2013, were eliminated and replaced with a new title ad valorem tax.
- 2024 The exemption for certain tangible personal property was increased from \$7,500 to \$20,000 by referendum. Legislation revised how property can be appraised.

**Comparison of Property Tax Reliance, State and Local Governments, 2022**

STATE	PER CAPITA REVENUE	PERCENT OF TOTAL TAX REVENUE
Alabama	\$697	14.8%
Florida	\$1,675	34.3%
Georgia	\$1,462	27.9%
Kentucky	\$1,021	19.5%
Mississippi	\$1,228	25.7%
N. Carolina	\$1,169	22.0%
S. Carolina	\$1,433	28.6%
Tennessee	\$971	20.6%
Virginia	\$2,017	29.5%
United States	\$1,947	27.4%

Source: U.S. Census Bureau, *State and Local Government Finances*; data publicly available online

**Distribution of Georgia County Millage Rates (Selected years)**

RATE	NUMBER OF COUNTIES				
	1994	2005	2015	2019	2023
<17.5 Mills	14	5	2	2	7
17.5-20.0	13	10	6	3	5
20.0-22.5	27	19	3	7	12
22.5-25.0	32	28	20	17	29
25.0-27.5	32	26	27	22	31
27.5-30.0	15	26	37	38	26
30.0-32.5	8	21	32	35	26
32.5-35.0	7	8	18	17	10
35.0-40.0	8	11	10	14	10
>=40 Mills	3	5	4	4	3

Source: Georgia Department of Revenue

NOTE: Rates include county school and county unincorporated area maintenance and operation, as well as bond millages plus special district millages.

**Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 5

## STANDING TIMBER AD VALOREM TAX

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### Tax Base

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

### Tax Rate

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

### Revenue Production (in millions)

Not available; included as part of property tax revenue

### Responsible for Administration

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

### Who Remits Tax

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

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

Owner Harvest: Tax is payable by the landowner.

### Payment Dates

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

Unit Price Sales: Reports are filed within 45 days after the end of the calendar quarter during which the timber is harvested.

Quarterly tax bills are issued by the tax commissioner, and the tax is payable within 30 days of receipt of the bill.

Owner Harvests: Reports are filed within 45 days after the end of the calendar quarter during which the timber is harvested.

Quarterly tax bills are issued by the tax commissioner, and the tax is payable within 30 days of receipt of the bill.

### **Disposition of Revenue**

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

### **Chronology of Significant Changes**

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

### **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 5, §7.5

## CORPORATE NET WORTH TAX

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### Tax Base

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

### Tax Rate

The tax is graduated based upon the taxable net worth of the corporation with a tax liability of \$125 for corporations having \$100,000–\$150,000 in taxable net worth to a tax of \$5,000 for corporations with a taxable net worth of more than \$22 million.

### Major Exemptions

Corporations with taxable net worth not exceeding \$100,000

Corporations not organized for pecuniary gain or profit

Insurance companies, which are separately taxed

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$52,600
2021	\$57,859
2022	\$57,151
2023	\$59,412
2024	\$68,912

### Responsible for Administration

State Revenue Commissioner

### Who Remits Tax

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

## Payment Dates

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

## Disposition of Revenue

General Fund

## Chronology of Significant Changes

- 1931 The tax was first levied.
- 1976 Return and payment procedures were changed to authorize the commissioner to combine the corporate franchise tax return and payment with the state income tax return.
- 2017 Corporations with a net worth of \$100,000 or less were exempted from the tax.

## Sections of the Official Code of Georgia Annotated

Title 48, Chapter 13, especially §70–79



## FINANCIAL INSTITUTIONS BUSINESS OCCUPATION TAX

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### Tax Base

Adjusted gross receipts of the institution

### Tax Rate

State tax is levied at a rate of 0.25 percent.

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

### Major Exclusions

Amount equal to the interest paid on liabilities

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

Amount equal to the gross income taxed by another state

Amount equal to the income derived from a domestic international banking facility

### Revenue Production (in thousands)

FISCAL YEAR	REVENUE
2020	\$29,777
2021	\$28,439
2022	\$28,427
2023	\$32,890
2024	\$38,275

### Responsible for Administration

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

### Who Remits Tax

Depository financial institutions

## Payment Dates

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

## Disposition of Revenue

The general funds of state and local governments

## Special Provisions

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

## Chronology of Significant Changes

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

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

## Sections of the Official Code of Georgia Annotated

Title 48, Chapter 6, §90–98

## REAL ESTATE TRANSFER TAX

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### Tax Base

The value of the consideration or the fair market value of real estate when it is transferred

### Tax Rate

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

### Major Exemptions

Deeds or instruments given to secure a debt

Deeds of gift

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

Leases

Deeds issued in lieu of foreclosure if certain conditions are met

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

### Revenue Production

Not available

### Responsible for Administration

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

### Who Remits Tax

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

## **Payment Dates**

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

## **Disposition of Revenue**

Local government general fund

## **Chronology of Significant Changes**

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

## **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 6, §1–10

## RECORDING, DOCUMENTARY TAX

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### Tax Base

Real estate security deeds securing long-term notes (more than three years)

### Tax Rate

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

### Major Exemptions

Notes held by governmental entities

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

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

### Revenue Production

Not available

### Responsible for Administration

Clerks of the Superior Court collect the tax as a prerequisite to the filing of the security deed. (In counties with populations of 50,000 or less, the county tax commissioners may collect the tax.) The State Revenue Commissioner has the responsibility for making determinations as to the taxability of instruments.

### Who Remits Tax

The individual holding the real estate note and executing the security deed

### Payment Dates

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

## **Disposition of Revenue**

General fund of counties, school systems, and municipalities

## **Chronology of Significant Changes**

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

## **Sections of the Official Code of Georgia Annotated**

Title 48, Chapter 6, §60–77

### About the Fiscal Research Center

Established in 1995, the Fiscal Research Center (FRC) provides nonpartisan research, technical assistance, and education in the evaluation and design of state tax and economic policy. FRC's responsibilities include developing estimates for tax-related fiscal notes, writing the Georgia State Tax Expenditure Budget, evaluating the impact of selected tax preferences, supporting the State Economist, and conducting policy and academic research on a variety of topics associated with state tax policy issues.

For more information on the Fiscal Research Center or to request additional copies of this publication, please call 404-413-0249 or visit our website at [frc.gsu.edu](http://frc.gsu.edu).

### Additional Sources

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*Revenue and Reserves Report*, Georgia State Accounting Office, Annual

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