

Georgia State University

ScholarWorks @ Georgia State University

CSLF Working Papers

Center for State and Local Finance

5-13-2010

Georgia Georgia s' Taxes

David Sjoquist

Georgia State University

Follow this and additional works at: https://scholarworks.gsu.edu/ays_cslf_workingpapers

Recommended Citation

Sjoquist, David, "Georgia Georgia s' Taxes" (2010). *CSLF Working Papers*. 50.
https://scholarworks.gsu.edu/ays_cslf_workingpapers/50

This Article is brought to you for free and open access by the Center for State and Local Finance at ScholarWorks @ Georgia State University. It has been accepted for inclusion in CSLF Working Papers by an authorized administrator of ScholarWorks @ Georgia State University. For more information, please contact scholarworks@gsu.edu.

Georgia's Taxes

David L. Sjoquist
Fiscal Research Center
Andrew Young School of Policy Studies
Georgia State University

Trinity Presbyterian Church
May 13, 2010



ANDREW YOUNG SCHOOL
FISCAL RESEARCH CENTER

State General Fund Revenue, 2009

Tax Revenue

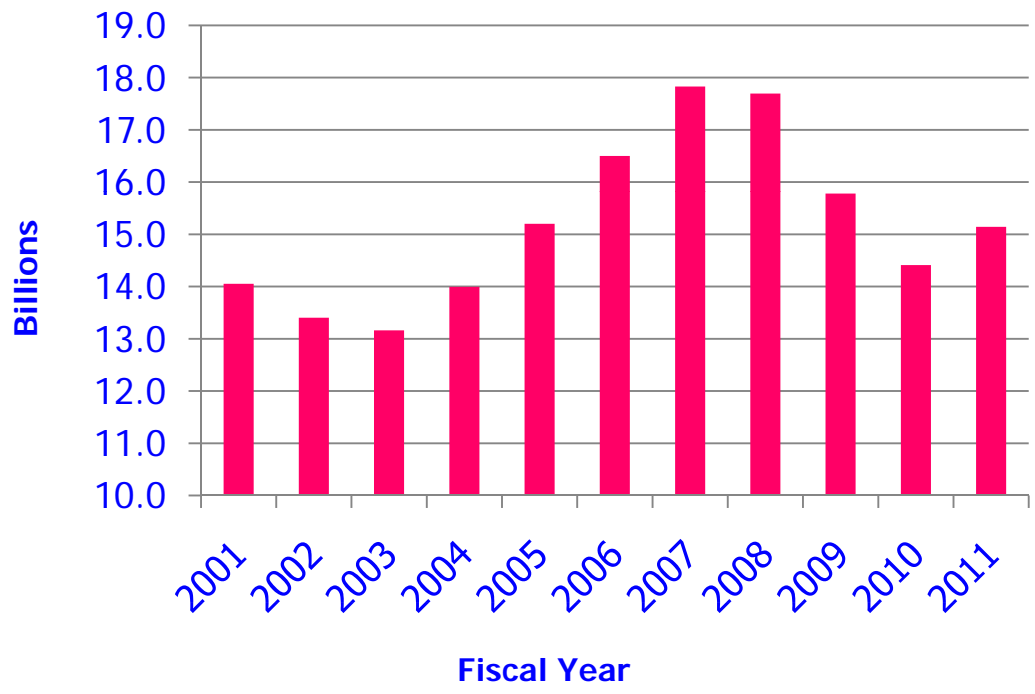
Personal Income	7,814,552,113	43.8%
General Sales and Use	5,306,490,689	29.8%
Motor Fuels	884,091,188	5.0%
Corporate Income and License	694,718,310	3.9%
Insurance Premium	314,338,992	1.8%
Motor Vehicle License	283,405,915	1.6%
Tobacco	230,271,910	1.3%
Alcoholic Beverage	169,668,539	1.0%
Property	83,106,994	0.5%
Estate	82,990	0.0%
Total Tax Revenue	15,780,727,640	88.5%

Other Revenue

Fees, Interest, and Sales	985,934,164	5.5%
Lottery	884,642,058	5.0%
Tobacco Settlement Funds	177,370,078	1.0%
Miscellaneous	3,691,674	0.0%
Total Other	2,051,637,974	11.5%

Grand Total 17,832,365,614 100.0%

State Tax Revenue



Georgia Tax Revenue by Source, 2007

	Total	Local
Property Tax	28.7%	63.6%
Sales Tax	29.8%	26.8%
Motor Fuel	3.3%	0.0%
Alcoholic Beverage	0.9%	0.9%
Tobacco Products	0.7%	0.0%
Public Utilities	0.8%	1.8%
Other Selective Sales	3.0%	3.7%
Individual Income Tax	26.5%	0.0%
Corporate Income Tax	3.1%	0.0%
Motor Vehicle License	0.9%	0.0%
Other Taxes	2.3%	3.2%
Total	100.0%	100.0%

STATE AND LOCAL TOTAL REVENUE, 2007

Rank	State	\$ per capita
1	Alaska	\$22,673
2	Wyoming	\$16,218
3	New York	\$15,066
<i>Top Quintile Cutoff</i>		<i>\$10,688</i>
19	Mississippi	\$10,089
<i>50-State Mean</i>		<i>\$9,996</i>
<i>Nat'l Median</i>		<i>\$9,544</i>
28	Florida	\$9,494
30	Virginia	\$9,154
<i>AAA Mean</i>		<i>\$9,152</i>
33	South Carolina	\$8,947
<i>SE Mean</i>		<i>\$8,916</i>
35	Alabama	\$8,779
37	Tennessee	\$8,504
<i>Last Quintile Cutoff</i>		<i>\$8,384</i>
41	North Carolina	\$8,384
46	Georgia	\$7,978
48	Arkansas	\$7,941
49	New Hampshire	\$7,895
50	Indiana	\$7,732



STATE AND LOCAL OWN SOURCE REVENUE, 2007

Rank	State	\$ per capita
1	Alaska	\$15,330
2	Wyoming	\$9,997
3	New York	\$9,133
<i>Top Quintile Cutoff</i>		<i>\$6,585</i>
16	Virginia	\$6,166
<i>50-State Mean</i>		<i>\$6,164</i>
19	Florida	\$6,084
<i>AAA Mean</i>		<i>\$5,866</i>
<i>Nat'l Median</i>		<i>\$5,848</i>
32	South Carolina	\$5,503
<i>SE Mean</i>		<i>\$5,355</i>
36	North Carolina	\$5,309
<i>Last Quintile Cutoff</i>		<i>\$5,108</i>
42	Georgia	\$5,096
43	Alabama	\$5,071
46	Tennessee	\$4,824
47	Mississippi	\$4,791
48	Kentucky	\$4,776
49	South Dakota	\$4,671
50	Arkansas	\$4,654



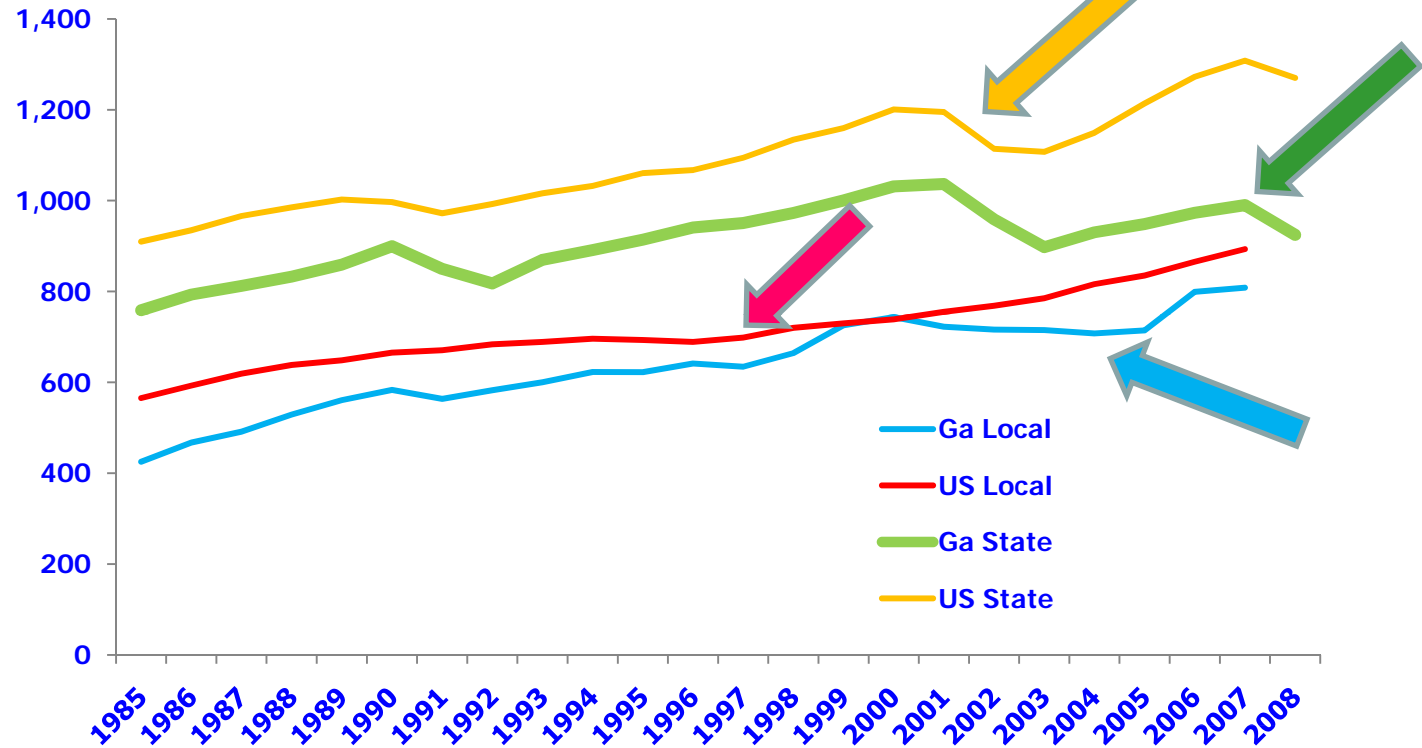
Total State and Local Taxes, 2007

Rank	State	\$ per capita
1	Alaska	\$7,268
2	Wyoming	\$6,205
3	New York	\$6,898
<i>Top Quintile Cutoff</i>		<i>\$4,714</i>
18	Virginia	\$4,205
<i>50-State Mean</i>		<i>\$4,096</i>
<i>Nat'l Median</i>		<i>\$4,011</i>
26	Florida	\$4,009
<i>AAA Mean</i>		<i>\$3,849</i>
33	North Carolina	\$3,586
34	Georgia	\$3,481
<i>SE Mean</i>		<i>\$3,415</i>
<i>Last Quintile Cutoff</i>		<i>\$3,312</i>
46	South Carolina	\$3,134
48	Tennessee	\$3,005
49	Mississippi	\$2,989
50	Alabama	\$2,909

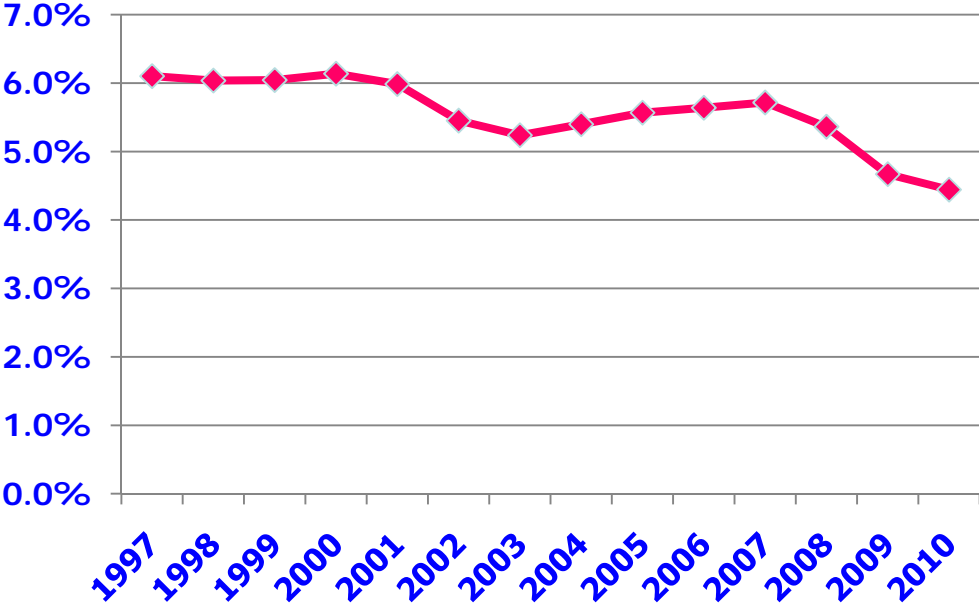


Historic Trends

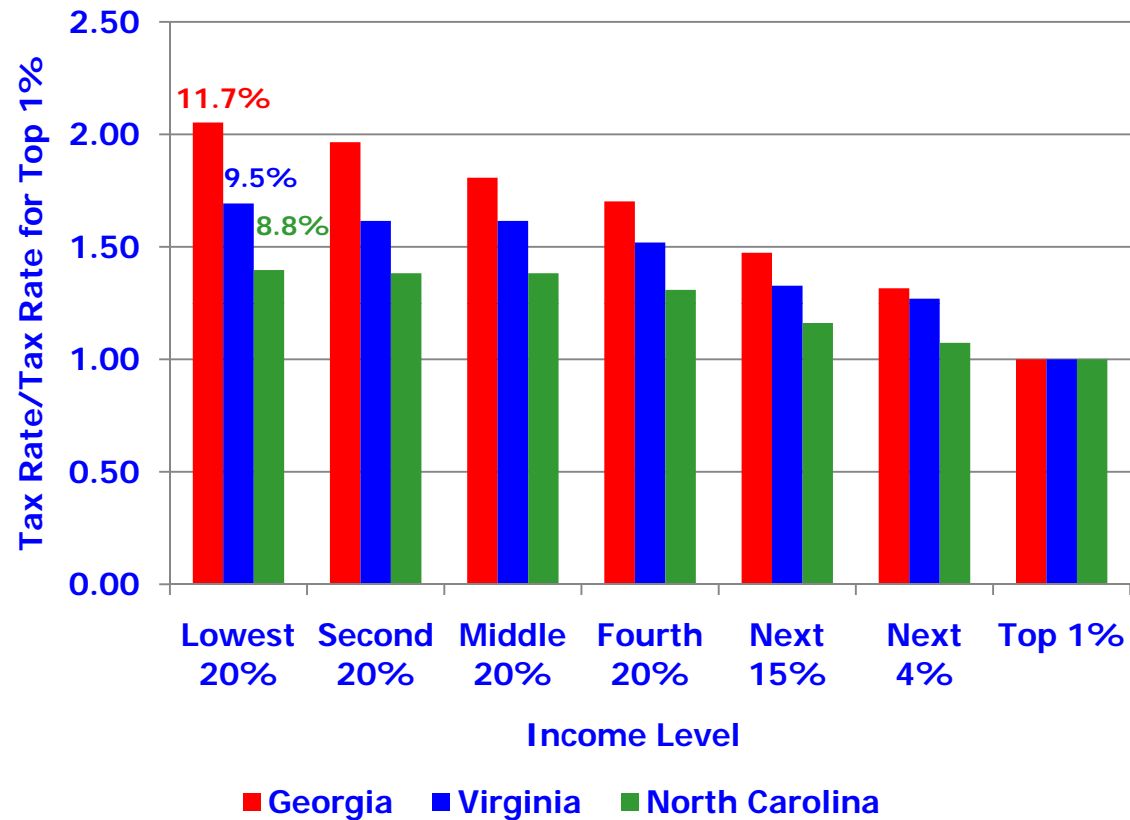
State and Local Tax Revenues Per Capita (1985 Constant \$)



Taxes Per Dollar of Income



Relative State and Local Tax Burden, 2007 (Non-elderly, married couple)



Source: Institute on Taxation & Economic Policy, 2009

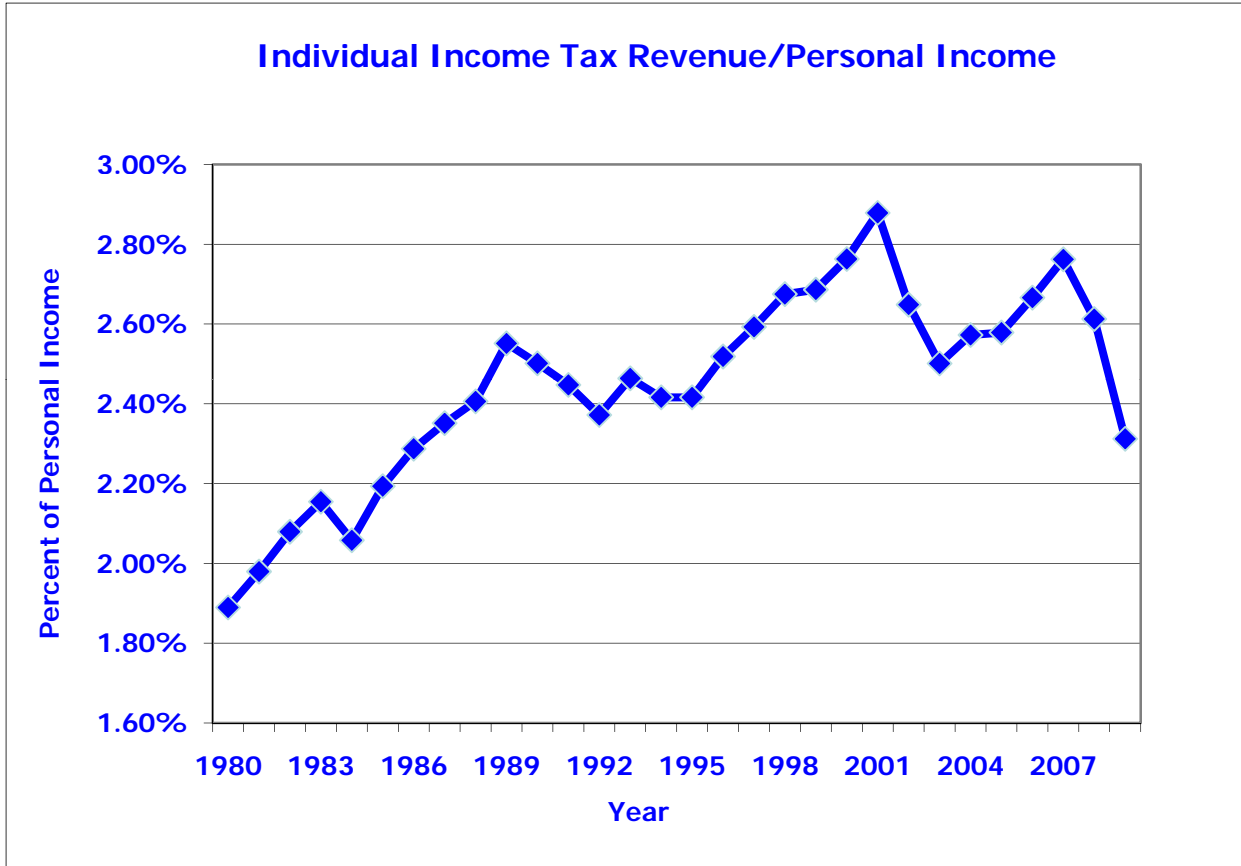
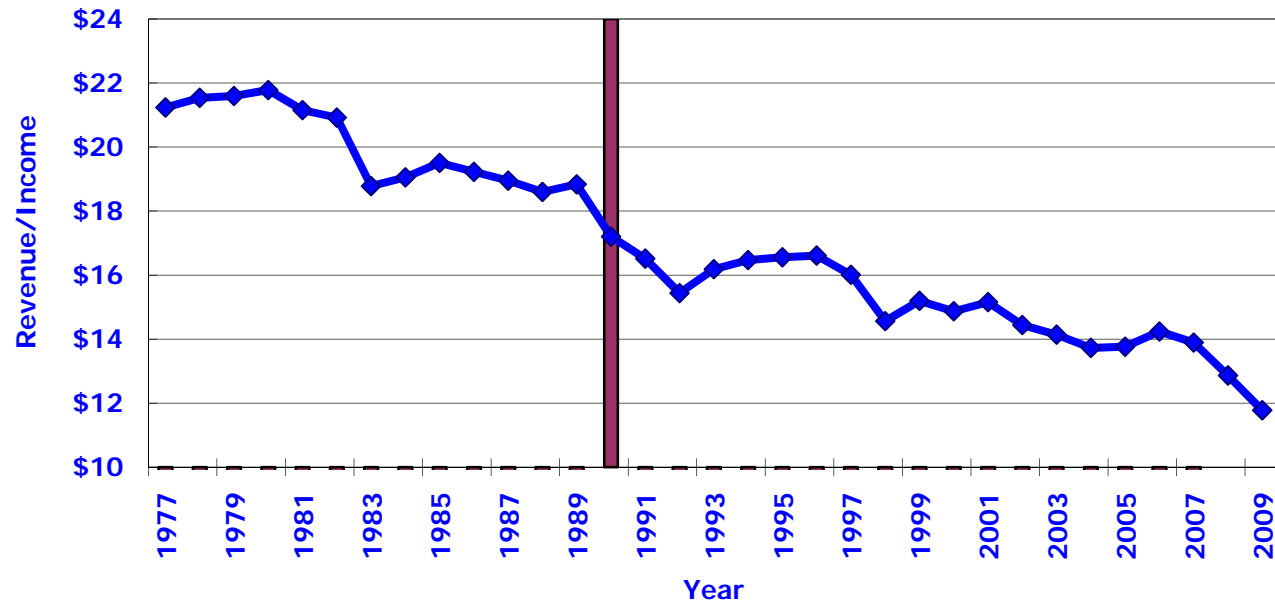
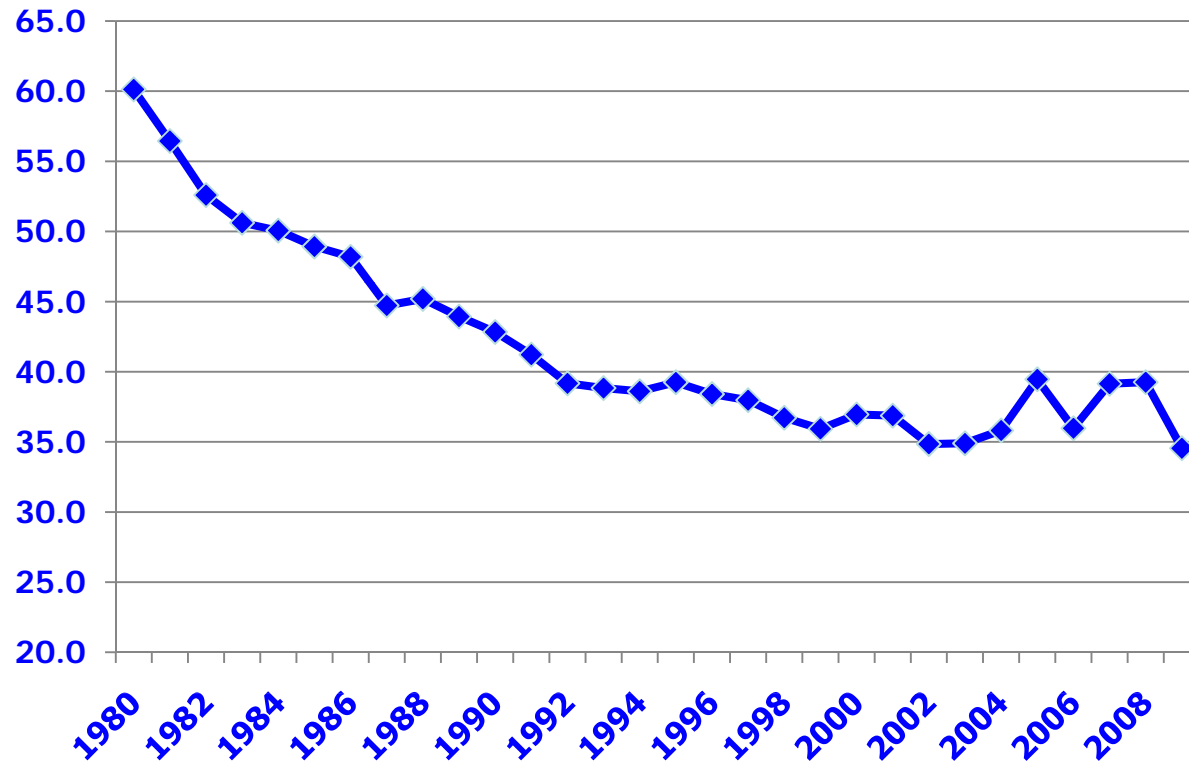
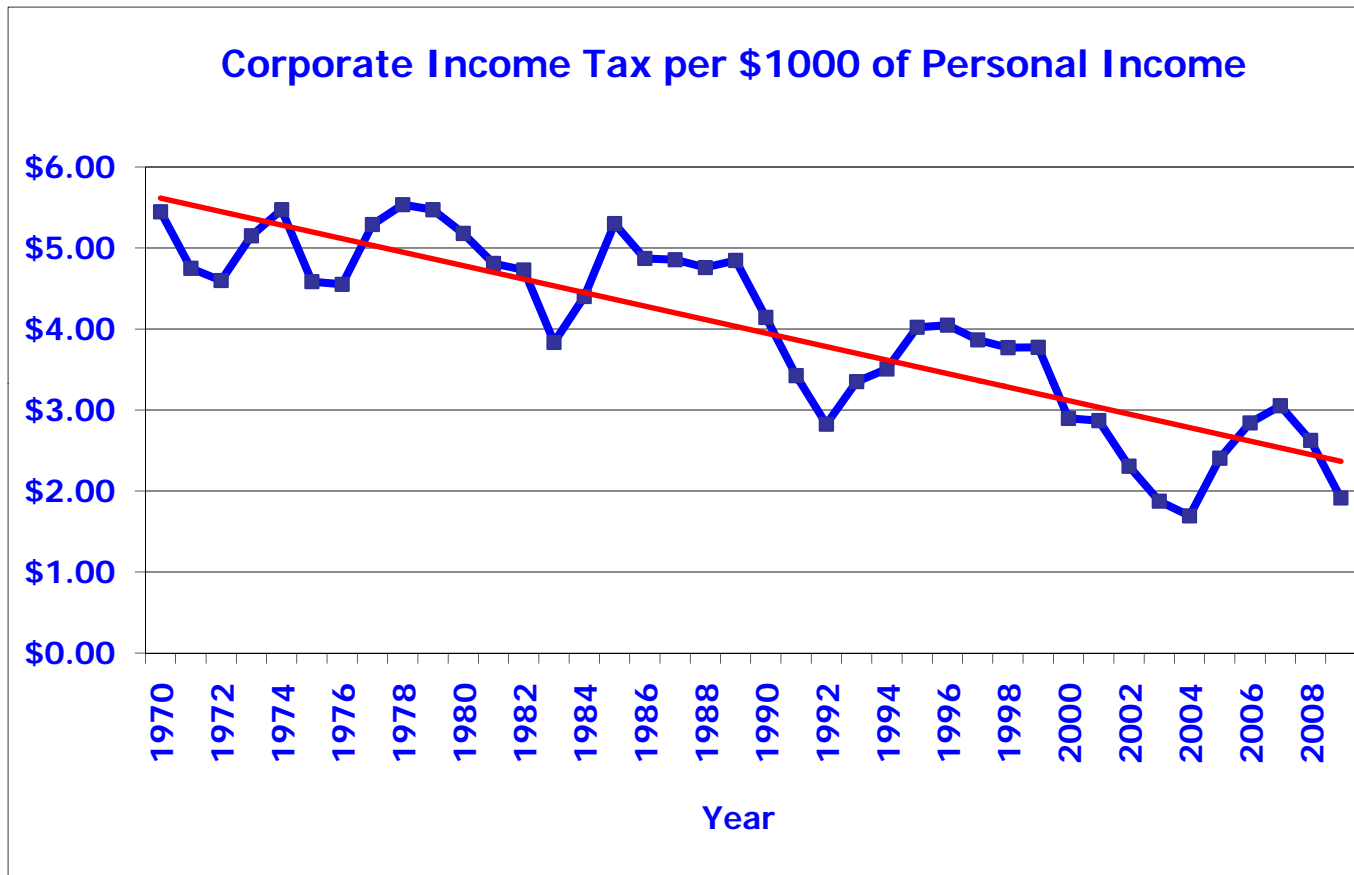


Figure 3. Sales Tax per \$1000 of Personal Income
(Adjusted for Tax Rate Increase)



Fuel Tax Revenue Per Capita (1980\$)





2010 Legislative Actions

Major Revenue Action by General Assembly	Revenue Effect (in millions)
• Phase out state property tax	-\$94.5 (in FY 2016)
• Expand retiree income exemption	-\$149.5 (in FY 2016)
• 50% exclusion of LT capital gains	-\$346.0 (in FY 2015)
• Eliminate corporate net worth tax	-\$33.6 (in FY 2013)
• Tax credit for tourism projects	-\$29.7 (in FY 2012)
• Eliminate refundability of LI tax credit	+\$21.8 (in FY 2012)
• Increase fees and charges	+\$99.5 (in FY 2011)
• Impose "bed tax" for 3 years	+\$229.0 (in FY 2012)
• Streamline Sales Tax	+\$23.5 (in FY 2011)
• Subject HMOs to Insurance Prem Tax	+\$68.0 (in FY 2011)

Special Council on Tax Reform and Fairness for Georgians

What might be, should be considered?



ANDREW YOUNG SCHOOL
FISCAL RESEARCH CENTER

Sales Tax

- Put food back in the base
- Add personal services
- Eliminate some exemptions
- Convert ESPLOST

Income Tax

- Eliminate the income tax
- Extend the bracket ranges
- Add a 7 percent rate bracket for incomes over, say, \$250,000
- Add a refundable credit for home food

Property Tax

- Statewide assessment freeze
- Exempt all inventory
- Exempt motor vehicles
- Eliminate most education property tax
- Adopt a property tax circuit breaker

Corporate Income Tax

- Eliminate it
- Replace it with a value added tax
- Reform the tax credit program
- Combined reporting

Insurance Premium Tax

- Reduce the rate

Motor Fuel Tax

- Increase the rate
- Switch to a VMT tax

Telecommunication Taxes

- Change to reflect new industry reality

Other Changes

- State funding of education
- Reduce non-education property taxes
 - Local grant-in-aid program
 - Local option income or payroll tax
- Increase audit program
- Use net revenues to
 - Lower sales tax rate
 - Adjust the tax system's equity

Thank you for your attention



ANDREW YOUNG SCHOOL
FISCAL RESEARCH CENTER