

The Special Joint Committee on Revenue Structure met for their fourth meeting today, March 24th, to discuss the tax changes that will be presented to the Georgia General Assembly. The Committee plans to introduce the legislation, Monday, March 28th. However, it is still unsure as to the date the Legislature will take up the tax changes for a vote. The Committee stressed that this legislation will be known as the "Jobs Bill" and will continue with the Council's intention to be revenue neutral, as well as support the creation of growth in Georgia.

The Committee plans to flatten the Georgia personal income tax rate to at least 4.5%. They will continue to run numbers from the Georgia Department of Revenue and other Georgia and Federal revenue sources in attempts to decrease the rate to 4% by the legislation's introduction on Monday. With the large decrease in personal income tax, the Committee will enact the following new taxes to maintain a revenue neutral tax structure:

New Taxes:

- Elimination of franchise fees on video and communication services & replace with a 7% tax on all "telecommunication services"
- New tax on the sale of all automobiles & boats (with an exemption of sales between immediate family members)
- New tax on automotive repairs

The Committee, however, will NOT be enacting any taxes on the following items:

- Groceries
- Cigarettes
- Prescriptions
- Non Profit Organizations
- Club Memberships
- Services
- College Savings Plans

Other Tax Council recommendations:

The legislation will also include the elimination of tax on energy used in manufacturing and agriculture. The Tax Council had also recommended a repeal of the retirement income exclusion increases. However, the Committee will not eliminate the senior income tax cut.

Due to the extensive work and time needed on such issues as HOPE and the current Georgia budget, the Committee was unable to review all Georgia tax exemptions and credits this year. The Committee plans to spend the interim, as well as, next year reviewing these measures. In the mean time, the current Georgia exemptions and credits will stay in place. The Committee also plans to spend the interim researching HB100, a measure which will create an independent tax court.

We will continue to keep you advised as to future meeting dates of the Committee, recommendations of the Committee, and legislative updates. If you have any questions, please let us know.