



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

December 13, 2021

Honorable Viola Davis
State Representative
404-D Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 36 4452)

Dear Representative Davis:

The bill would make a number of changes to state law related to labor relations, unemployment, and income taxes. First, it would make it unlawful to reduce or eliminate benefits to an employee for responding to a subpoena, summons for jury duty, or other court order requiring attendance in a judicial proceeding. It also amends the definition of unemployed for unemployment compensation purposes to include serving for three or more days on jury duty. Finally, for personal income taxpayers, it would create an exemption for payments received for jury duty and a deduction for any incremental childcare costs incurred while serving on jury duty and create a new income tax credit for employers that hire temporary workers to replace an employee during their service as a juror. The amount of the tax credit would be actual costs incurred by the employer to recruit, train, or equip the temporary hire. The bill has no effective date, so it is assumed that income tax provisions would be effective for juror pay earned and expenses incurred after July 1, 2022.

Impact on State Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease state revenue in fiscal years 2023 by up to \$13.1 million, with the loss increasing slightly in subsequent years (Table 1). FRC noted that relevant information on Georgia juries was not available, and estimates were based on limited information regarding length of service, need for childcare, and the need for replacement workers. The estimates below represent the high-end revenue loss. The appendix provides details of the analysis.

Table 1. High-End Estimates of State Revenue Loss

(\$ millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Juror Pay Exclusion	(\$0.8)	(\$0.8)	(\$0.8)	(\$0.9)	(\$0.9)
All Provisions	(\$13.1)	(\$13.3)	(\$13.5)	(\$13.6)	(\$13.8)

Impact on State Expenditures

The Departments of Revenue (DOR) and Labor (GDOL) both estimated that the bill's provisions could be implemented with existing funds. GDOL noted that an individual on jury duty may be eligible for unemployment under current law, depending on the loss of earnings. Regardless of length of time on jury, if wages earned are in excess of the weekly benefit amount plus deductible earnings, an individual would not be eligible for unemployment even under the bill.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in black ink, appearing to read "Kelly Farr".

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/mt

Analysis by the Fiscal Research Center

After inquiries with the state Administrative Office of the Courts and the Council of Superior Court Clerks, which maintains the master jury list for the state, no source of data on jury service in Georgia could be found, whether counts of jurors summoned, jurors selected, or days served. Thus, to estimate the numbers of Georgians who serve on jury duty in a typical year, we use estimates from the National Center for State Courts, cited by survey and media firm FiveThirtyEight, on how many people nationwide receive a jury summons, respond by appearing for service, and are selected to serve on a jury. NCSC estimates that in a given year, 32 million people get summoned for jury duty, of which only 8 million report or appear in person for service. Of those who appear, only about 1.5 million are selected to serve on a jury. We share these estimates down to Georgia using the state population share from the 2020 U.S. Census.

Juror pay and duration of service vary by county and trial type, though again, no comprehensive data source could be found. Based on information available on various county court websites, the most common daily pay rate across Georgia is \$25, though some large counties were found that pay \$30 to \$40 per day, including Cobb, Dekalb (grand jury service), Glynn, and Gwinnett. Federal courts pay \$50 per day. For purposes of this note, an average daily rate of \$30 is assumed.

Web searches of county, federal and general sources found only limited mentions of typical jury trial lengths. Fulton County's jury information indicates a typical trial length of 3-5 days, while Cobb indicates an average of 3.3 days. Another source indicated a typical trial length of 2-4 days in federal courts. Grand jury service, however, is considerably longer, typically one or two days per week for a period of around two months. For purposes of this note, those selected for a jury are assumed to serve an average of four days, not including the day they first appear. All who report for service are assumed to be paid for one day for jury selection.

Regarding childcare costs, the deduction only applies to incremental childcare costs, above that which the juror would otherwise incur, thus the provision would mainly affect stay-at-home parents. U.S. Census estimates for 2020 show that about 18 percent of people with children are stay-at-home parents; assuming a similar share for Georgia, we estimate that about 164 thousand Georgians are stay-at-home parents, representing approximately 2 percent of the age 18+ population that may be summoned for jury duty, or about 5,145 stay-at-home parents reporting for jury duty and 965 serving on a jury in 2020 (i.e., as a base-year estimate, ignoring pandemic suspensions of jury trials). We further assume, based on various websites' reports of costs of occasional or "drop-in" childcare services, a cost per day of \$100.

Given the marginal nature of both the exclusion and deduction, the revenue impact in both cases assumes taxation under current law at the top marginal rate of 5.75 percent.

Lastly, with regard to the credit for temporary replacement worker costs, the estimates assume the share of jurors who must take time off from work is equal to the employed share of working-age population in Georgia prior to the pandemic, about 59.8 percent. No information is available from which to estimate the share of working jurors whose employers will hire temporary replacements, though it is assumed replacements generally won't be hired unless the worker is selected for a jury. If selected for a jury, however, hiring of temporary replacements is assumed for all, providing a likely upper bound on the number of replacement-worker days. Costs associated with the hiring of temporary workers (not including wages) are also unknown, though various business media sources suggest that typical fees for temp agencies are between 25 and 50 percent of the worker's hourly rate. At the high end of that range, a \$25 per hour replacement worker would result in \$100 of agency fees per 8-hour day. In the interest of conservatism in estimation, this figure is assumed.

Estimates for the periods covered by this note also assume juror days served grow with the state population, using OPB population projections, while juror pay, childcare costs, and employer costs per juror are assumed to grow with inflation, using Congressional Budget Office projections for the Consumer Price Index. Juror pay received and expenses incurred are assumed to impact state revenues in the fiscal

year beginning July 1 of the given calendar year. Table 2 below summarizes the analysis of the three provisions.

NOTE: Given the extremely limited information available, all estimates should be considered only rough approximations. Assumptions made for childcare and employer costs are also intentionally conservative; it is likely some stay-at-home-parent jurors will not incur childcare expenses and some employers will choose not to, or will be unable to, hire temporary replacements for their workers serving jury duty for short periods.

Table 2. Estimation Details

(\$ millions)	TY 2023	TY 2024	TY 2025	TY 2026	TY 2027
No. reporting for jury duty	267,205	270,221	273,593	276,906	280,258
No. serving on a jury	50,101	50,666	51,299	51,920	52,548
Total days served	467,609	472,887	478,788	484,585	490,452
Juror Pay Exclusion:					
Total juror pay	\$14.3	\$14.5	\$14.7	\$14.9	\$15.1
Tax @ 5.75%	\$0.8	\$0.8	\$0.8	\$0.9	\$0.9
Childcare Deduction:					
Days of childcare	9,305	9,410	9,528	9,643	9,760
Total childcare deduction	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Tax @ 5.75%	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Employer Credit:					
Days of employer costs	119,934	121,288	122,801	124,288	125,793
Total employer credits	\$12.3	\$12.4	\$12.6	\$12.7	\$12.9