



DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

March 9, 2022

Honorable Shaw Blackmon
Chairman, House Ways and Means
133 State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 1302 (LC 43 2289-ECS)

Dear Chairman Blackmon:

The bill would provide a personal income tax rebate of a portion of tax year (TY) 2020 income taxes paid for those who also file a 2021 income tax return. The rebate will be \$250 for a single or married filing separate filer, \$375 for head of household, and \$500 for a couple filing jointly, though it cannot exceed the filer's 2020 income taxes paid. For part-year and nonresident filers, the rebate would be prorated using the ratio of income subject to Georgia taxation to total.

To qualify for the rebate, a taxpayer must have timely filed a Georgia income tax return for TYs 2020 and 2021 and cannot have been claimed as a dependent on another taxpayer's federal or state tax return for TY 2020. Estates and trusts are also excluded.

Impact on State Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would cost approximately \$1.144 billion. While some rebate costs may be incurred in FY 2022, it is assumed that most will be incurred during FY 2023. For filers receiving extensions, rebate payments could be delayed to later years.

FRC's estimation was done using TY 2019 administrative tax return data from the Department of Revenue (DOR) to simulate tax liability under 2020 law, as well as the rebate for which the filer would be eligible. FRC assumed a 2.5 percent growth in filers from TY 2019 to 2020. This was the average growth in returns filed from 2015 to 2019, according to the DOR Annual Statistical Report for FY 2020.

Impact on State Expenditures

DOR would be able to implement the provisions of the bill with existing funds.

Respectfully,

Greg S. Griffin
State Auditor

Kelly Farr, Director
Office of Planning and Budget