



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 31, 2025

Honorable Jordan Ridley
State Representative
601-D Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 50 0775)

Dear Representative Ridley:

The bill would amend the income tax code to exempt all individuals who are 100 years of age or older. The bill does not have an effective date and, for purposes of the fiscal note, is assumed to be effective for tax years beginning on or after January 1, 2026.

Impact on State Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease state revenue as shown in Table 1. The appendix provides details of the analysis.

Table 1. Estimated State Revenue Effects of LC 50 0075

(\$ millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenue Effect	(\$0.53)	(\$1.11)	(\$1.20)	(\$1.30)	(\$1.41)

Impact on State Expenditures

The Department of Revenue would be able to implement the bill with existing resources.

Respectfully,

Greg S. Griffin
State Auditor

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

Georgia’s centenarian population receiving Social Security benefits was 1,424 in 2023, according to the Social Security Administration (SSA). Due to their advanced age, it is likely that many of these individuals lacked sufficient income beyond their social security to require filing an income tax return and would not benefit from the proposed exemption. Administrative individual taxpayer data from the Department of Revenue (DOR) indicate that during 2022 there were 923 individuals filing for the existing retirement income exclusion who were over 100 before the end of 2022. After accounting for all other current-law exemptions and deductions, this group had an aggregate taxable income of \$14 million.

The fiscal impact estimates in Table 1 are based on the following data and assumptions:

- US census estimates for 2020 and 2024 indicate that the centenarian population is currently growing at 6.1 percent annually. The estimates assume this annual growth rate for the population of impacted taxpayers through 2030.
- The Congressional Budget Office’s January 2025 economic projections forecast consumer price index (CPI) inflation at between 2.2 and 2.4 percent between 2025 and 2030, following 4.1 percent in 2023 and 3.0 percent in 2024. The estimates assume these actual and CBO-forecasted inflation rates in growing the exempted income.
- Aggregate taxable income earned by centenarians is estimated, therefore, to grow with population—6.1 percent annually—and increase with inflation, averaging 3.18 percent per year between 2022–30.

Table 2. Estimates of Taxable Income Earned by Centenarians in Georgia, TY 2026–30

<i>(\$ millions)</i>	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Taxable Income	\$19.8	\$21.4	\$23.2	\$25.2	\$27.2

Table 2 presents the estimates for aggregate taxable income of Georgia’s centenarian population from tax years (TY) 2026–30. The bill is assumed to be effective January 1, 2026, and is assumed to reduce revenue through reduced estimated tax payments, resulting in a 50-50 TY to FY split and thus a part-year effect in FY 2026. Full-year fiscal impacts start in FY 2027.

For the revenue impacts presented in Table 1, the effective reduction in taxable income shown in Table 2 is multiplied by the current-law statutory rate of 5.39 percent. This rate is scheduled to be reduced if certain requirements are met each year, beginning as early as TY 2025. If these rate reductions occur, the impact of the proposed exemption would be smaller.