



# DOAA

Georgia Department  
of Audits & Accounts

**Greg S. Griffin**  
State Auditor

February 19, 2025

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

SUBJECT: Fiscal Note  
House Bill 153 (LC 50 1014)

Dear Chairman Blackmon:

The bill would extend the sales tax exemption under O.C.G.A. § 48-8-3.2(e)(12) for maintenance and replacement parts of equipment used to mix, agitate, and transport freshly mixed concrete from its current sunset date of June 30, 2026, to June 30, 2031.

### Impact on Revenue

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

**Table 1. Estimated State and Local Revenue Effects from HB 153 LC 50 1014**

(\$ millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<b>State Revenue Effects</b>					
High	-	(\$2.0)	(\$2.0)	(\$2.1)	(\$2.2)
Low	-	(\$1.7)	(\$1.7)	(\$1.8)	(\$1.8)
<b>Local Revenue Effects*</b>					
High	-	(\$1.7)	(\$1.8)	(\$1.8)	(\$1.9)
Low	-	(\$1.5)	(\$1.5)	(\$1.5)	(\$1.6)

\* Assumes a 3.4-percent average local rate

### Impact on Expenditures

The Department of Revenue (DOR) 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

The proposed bill would amend O.C.G.A. § 48-8-3.2(e)(12) to extend the expiration of the sales and use tax exemption for maintenance and replacement parts for equipment used to mix, agitate, and transport freshly mixed concrete (understood to consist primarily of concrete mixing trucks, and the components and equipment thereof). Under current law, the exemption would expire on June 30, 2026; the bill would extend it until June 30, 2031.

According to the most recent National Ready Mixed Concrete Association (NRMCA) Fleet Benchmarking survey, there were an estimated 73,000 concrete mixing trucks in the United States in 2022. Based on Census County Business Patterns data on industry establishments and employment for 2022, Georgia’s share of the national ready mixed concrete fleet is assumed to be between 3.7 and 4.2 percent.

The same survey reported that maintenance costs for the industry’s truck fleet national were estimated to be \$4.27 per cubic yard in total and \$2.56 per cubic yard for parts and components—the purchase of which would be exempt from state and local sales tax in Georgia under current law. This latter figure is assumed, for the purposes of this fiscal note, to represent exempt maintenance costs per cubic yard delivered in Georgia as of calendar year 2022. Maintenance costs for 2023 and 2024 are assumed to grow with the observed producer price index for the concrete industry, an average of 5.4 percent per year. The high-case estimates assume maintenance costs will grow in line with inflation projections from the Congressional Budget Office, an average annual increase of 2.1 percent through 2031. The low-case estimates assume that growth in maintenance costs over the period of the estimates is equal to the 1.5 percent annual average increase from 2017 to 2022, the rate implied by costs reported in previous NRMCA surveys.

NRMCA also reports that the average annual volume of concrete delivered per truck was 5,356 cubic yards in 2022. This figure is assumed to remain constant for subsequent periods. This figure is multiplied by the estimated taxable maintenance cost per cubic yard to estimate the annual cost per truck. Fleet growth through 2031 is assumed to follow the average annual growth observed from 2017–22, approximately 0.8 percent per year. Table 2 summarizes the fleet and maintenance cost estimates.

**Table 2. Georgia Ready-Mix Truck Fleet and Taxable Maintenance Costs**

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>GA Mixing Truck Fleet</b>					
High	3,192	3,217	3,242	3,268	3,294
Low	2,800	2,822	2,844	2,866	2,889
<b>Taxable Maintenance Cost/Truck</b>					
High	\$15,615	\$15,927	\$16,245	\$16,570	\$16,902
Low	\$15,238	\$15,470	\$15,705	\$15,943	\$16,185
<b>Total Taxable Maintenance Costs (\$ millions)</b>					
High	\$49.8	\$51.2	\$52.7	\$54.1	\$55.7
Low	\$42.7	\$43.6	\$44.7	\$45.7	\$46.8