



# DOAA

Georgia Department  
of Audits & Accounts

**Greg S. Griffin**  
State Auditor

January 27, 2025

Honorable Nabilah Islam Parkes  
State Senator  
320-B Coverdell Legislative Office Building  
Atlanta, GA 30334

SUBJECT: Fiscal Note  
Senate Bill (LC 59 0053)

Dear Senator Islam Parkes:

This bill would exempt a defined list of baby products from state and local sales taxes. The products include diapers, therapeutic or preventive creams and wipes, booster seats, cribs, and strollers. The exemption is assumed to be effective from July 1, 2025.

### Impact on State Revenue

Georgia State University's Fiscal Research Center estimated that the bill would reduce state and local revenue by the amounts shown in Table 1. The appendix provides details of the analysis.

**Table 1. Estimated State and Local Revenue Effects from LC 59 0053**

(\$ millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
State	(\$16.9)	(\$17.5)	(\$18.1)	(\$18.5)	(\$18.9)
Local	(\$14.2)	(\$14.8)	(\$15.2)	(\$15.6)	(\$15.9)

### Impact on State Expenditures

The Department of Revenue can implement the provisions of 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**

According to Statista, the total U.S. market for the above-mentioned baby products in 2024 was estimated to be \$11.9 billion. Sharing that amount down to Georgia based on the state population share of children below five years old in the 2023 U.S. Census (approximately 3.4 percent), Georgia sales for 2024 on baby products in FY 2024 were approximately \$407 million.

This amount is assumed to grow with inflation and the population growth rate of children between 0–4 years to the amounts shown in Table 2. Using the Congressional Budget Office (CBO) projections for inflation and the population growth forecasts of children below the age of five years from the Governor’s Office of Planning and Budget (2024 vintage estimates), it is estimated that the total revenue lost from exempting baby products from the state sales tax base will be \$90 million over FY 2026–30, at an average of \$18 million per year. The total revenue lost at the state and local level is estimated to be \$166 million over the same period at an average of \$33 million per year.

**Table 2. Estimated Exempt Sales from LC 59 0053**

(\$ millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Exempt Sales	\$414.7	\$429.9	\$444.7	\$456.8	\$477.5