DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 27, 2025

Honorable Chuck Hufstetler
Chairman, Senate Finance
121-C State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
Senate Bill 187 (LC 59 0093)

Dear Chairman Hufstetler:

The bill would expand the maximum allowable tax credit for qualified caregiving expenses from $150 to $500. The credit is calculated at 10 percent of caregiving expenses, subject to this cap, and credit amounts cannot exceed the taxpayer's tax liability. Unused credit amounts cannot be carried forward. The bill would be effective for tax years beginning on or after January 1, 2025.

Impact on 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 SB 187 LC 59 0093

($ *millions*)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Net Revenue Effect	($0.65)	($0.68)	($0.70)	($0.73)	($0.76)

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 bill proposes to amend O.C.G.A. § 48-7-29.2, the existing qualified caregiving expense credit, by increasing the maximum allowable credit from $150 to $500 for all taxable years beginning on or after January 1, 2025. The credit is based on 10 percent of caregiving expenses, subject to the annual credit limit.

To estimate the revenue effects of this provision, the projected tax expenditure baselines from the Georgia Tax Expenditure Report for FY 2026 are extended through FY 2031 based on over-65 population projections from the Office of Planning and Budget (OPB).

The estimated increase in utilization of this credit under SB 187 LC 59 0093 are based on the following data and assumptions:

- Using DOR administrative data on the usage of the credit, aggregate credits generated would increase by 195.2 percent over current law after accounting for 10 percent of qualified expenses and the $500 limit.
- Historical utilization of this credit against current tax liabilities has averaged 95 percent of the gross credits generated each year, on average, since 2015. Using tax year (TY) 2022 personal income tax data for individuals claiming this credit to simulate the amount of credits generated at the higher individual credit cap, the share of generated credits that taxpayers could utilize against current tax liabilities is estimated to fall to 88 percent.
- Credits are assumed to impact the following fiscal year at the time of filing.

Baseline tax expenditures and pro forma projections with the proposed modifications are provided in Table 2.

Table 2. Baseline and Pro Forma Tax Expenditures and Net Revenue Impact of Section 2

($ *millions*)	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2033**
Baseline	$0.68	$0.71	$0.74	$0.77	$0.80
Pro Forma	$1.34	$1.39	$1.44	$1.50	$1.55
Net Revenue Effect	**($0.65)**	**($0.68)**	**($0.70)**	**($0.73)**	**($0.76)**