DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

July 18, 2025

Honorable Karen Lupton
State Representative
611-C Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 930 (LC 50 1270)

Dear Representative Lupton:

The bill would make multiple changes to state income and excise taxes in Georgia.

- Part I would create a refundable tax credit of $1,000 each for all taxpayers and dependents in Georgia, intended to offset grocery, transportation, and utility costs.
- Part II would create a $1,000 refundable tax credit to offset workforce training expenses on programs identified by the State Workforce Development Board as being associated with high-demand careers.
- Part III creates a non-refundable tax credit of $5,000 for attorneys who choose to practice in rural counties. The credit would expire December 31, 2029.
- Part IV expands the existing low-income housing tax credit (LIHTC) to include 25 percent more projects.
- Part V establishes a 0.2-percent excise tax on the retail sale value of all transactions facilitated by a marketplace facilitator.

The first four parts of the bill would be effective for tax years beginning on or after January 1, 2026. The fifth part would be effective July 1, 2026.

Impact on Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease revenue by more than $10 billion annually as shown in **Table 1**. Much of the decrease is associated with the refundable per-person tax credit. The appendix provides details of the analysis.

Table 1. State Revenue Impact for HB 930 LC 50 1270

(*$ in millions*)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Part I: Refundable Per-Person Credit	($10,026.2)	($10,126.4)	($10,223.9)	($10,319.1)	($10,411.7)
Part II: Workforce Training Credit (*Upper Bound*)	($275.4)	($278.8)	($282.2)	($285.6)	($289.1)
Part III: Rural Attorney Credits	($0.04)	($0.3)	($0.7)	($1.0)	($1.2)
Part IV: Expanded Existing LIHTC	$0.0	$0.0	($0.2)	($0.7)	($1.3)
Part V: Marketplace Facilitator Excise Tax	$46.0	$49.7	$52.6	$55.7	$58.9
Total Estimate	**($10,255.7)**	**($10,355.7)**	**($10,454.5)**	**($10,551.4)**	**($10,645.4)**

Note: May not sum to total due to rounding

Impact on Expenditures
The Department of Revenue (DOR) would incur one-time and annual costs associated with the bill (see Table 2). The Audits Division would require annual funding for five additional auditors and the costs for the printing and postage of expected inquiry letters, initial notices, and assessments. The Taxpayer Services would require an additional tax examiner and would also have printing and postage costs related to paper refunds. One-time costs are associated with the equipment needed by new staff.

Table 2. DOR Costs Associated with HB 930 LC 50 1270

(*$ in millions*)	One-Time	Annual
Audits Division		
Salary/Benefits (5 auditors)		$445,995
Printing and Postage		$52,121
Computers, Accessories, Phones	$9,125	
Taxpayer Services Division		
Salary/Benefits (1 tax examiner)		$142,032
Printing and Postage		$580,282
Computers, Accessories, Phones	$3,650	
Total Cost	**$12,775**	**$1,220,430**

Respectfully,

Greg S. Griffin
State Auditor

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

Part I: Refundable Per-Person Tax Credits

The subject bill proposes to establish a refundable tax credit against the personal income tax intended to offset grocery, transportation, and utility expenses. These refundable credits are equal to $2,000 for married filing jointly returns and $1,000 for other returns, plus $1,000 per dependent claimed on the return. Though not stated in the bill, the estimate assumes that part-year and non-resident filers earn a credit adjusted by the Georgia-residence ratio reported on their return. Additionally, each dependent earns a refundable credit of $1,000, which the estimate also assumes is also adjusted by the taxpayer's residence ratio for part-year and non-resident filers.

The estimated tax credits and revenue impact of this section of the subject bill are based on the following data and assumptions:

- According to administrative individual income tax data from the Georgia Department of Revenue (DOR), there were 1.5 million married filing jointly tax returns, and 4.5 million single-taxpayer returns filed in TY 2022 for full-year residents. After adjusting for part-year and non-residents based on their residency ratio, there were 6.2 million full-year-resident (FYR)-equivalent individual taxpayers in TY 2022.
- The DOR data also indicate, after adjusting for residency, there were 3.4 million FYR-equivalent dependents on TY 2022 returns.
- These data and calculations result in an estimated 9.7 million individual $1,000 credits would be generated, based on the number of filers in TY 2022.
- This amount is assumed to grow with the state's resident population. The US Census' population estimates for Georgia were used to increase the TY 2022 number of FYR-equivalent taxpayers and dependents through 2024. The Office of Planning and Budget's (OPB) population projection estimates were used to project through TY 2030.

Table 3 summarizes the estimated number of individual credits generated based on these data and assumption for TY 2026–30. For the revenue impact in Table 1, these amounts are multiplied by $1,000 and then assumed to fully impact the following fiscal year upon filing.

Table 3. Estimated Individual Credits Generated

(millions)	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Number of FYR-Equivalent Credits	10.03	10.13	10.22	10.32	10.41

Part II: Tax Credit for High-Demand Workforce Training

Section 2-1 of the subject bill proposes to create a state income tax credit for certain workforce training expenses. The bill defines workforce training expenses as amounts paid as tuition or fees to participate in a workforce training program approved for the taxpayer's local workforce development area by State Workforce Development Board (SWDB). Section 2-2 stipulates the SWDB shall publish a high-demand workforce training list, which identifies eligible training programs, on or before December 31 of each year.

The proposed provision would allow taxpayers an income tax credit for up to $1,000 of eligible training expenses incurred on or after January 1, 2026. No taxpayer would be allowed to receive the proposed credit more than once. The proposed credit would be refundable and would not be considered taxable income for Georgia individual income tax purposes.

Absent the list of eligible workforce training programs from SWDB, a precise estimate of the revenue impact of such a credit is not possible. Thus, an upper bound is estimated using the available information.

In December 2024, the SWDB published a list of high-demand careers for the State of Georgia. This list includes 242 Standard Occupational Classification (SOC) codes which were determined to be high-demand jobs.

The University System of Georgia (USG) publishes data on enrollment counts by Classification of Instructional Programs (CIP) for each fiscal year. The National Center for Education Statistics allows for a crosswalk, which matches occupations to associated instructional programs. Absent a list of eligible workforce training programs, these estimates assume all enrollees from programs associated with a high-demand SOC will be eligible for a $1,000 refundable credit.

Filtering the enrollment data to only programs associated with a high-demand SOC results in an estimated 268,766 eligible enrollees in FY 2024. The Georgia Department of Labor (DOL) publishes a Long-Term Occupational Outlook every other year for the state. Data from the most recent outlook indicates a weighted average annual growth rate of 1.2 percent for high-demand jobs. Thus, we grow the FY 2024 estimate by this percentage annually through FY 2031. Table 4 summarizes the fiscal impact of Section 2 of the subject bill below.

Table 4. Upper Bound for Workforce Training Credits

($ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Enrollment Associated with High-Demand SOC Codes	275,383	278,753	282,164	285,616	289,111
State Fiscal Impact (Upper Bound)	($275.4)	($278.8)	($282.2)	($285.6)	($289.1)

Part III: Rural Attorney Tax Credit

Part III of the subject bill proposes to create a state income tax credit for rural attorneys, defined as any attorney licensed to practice law in Georgia who practices in wills and estates or landlord-tenant law in a rural county. The definition of rural attorney further stipulates that the attorney must reside in the rural county in which they practice or in a county contiguous to that county.

The subject bill defines a rural county as a county in the state that has a population of less than 50,000 according to the most recent U.S. decennial census. For the purposes of this definition, counties with a military base or installation shall not include military personnel or their dependents living in such county in the population count.

This provision would allow any person qualifying as a rural attorney after July 1, 2026, a state income tax credit in an amount not to exceed $5,000, for each 12-month period of employment as a rural attorney. This amount would be prorated on a monthly basis for the first year during which a person qualifies as a rural attorney. The proposed credit could be claimed each year for up to five years, provided that the taxpayer continues to qualify as a rural attorney. The credit would be nonrefundable, with no carryforwards allowed, and would stand repealed on December 31, 2029.

No attorney who, on July 1, 2026, is currently practicing in a rural county would be eligible for the credit proposed in this section. Furthermore, no attorney who has previously practiced in a rural county would be eligible for the credit unless that attorney returned to practicing in a rural county after having practiced in a non-rural county for at least three years.

The estimated revenue impacts associated with the proposed credit are based on the following data and assumptions:

- Data from the American Bar Association (ABA) indicates that in 2024, there were 34,307 resident attorneys in Georgia, representing approximately 2.7 percent of the national figure.
- The 2020 ABA profile of the legal profession indicated approximately 6.8 percent of Georgia attorneys worked in qualifying rural counties.

- DOL estimates that there will be, on average, 1,171 attorney job openings per year in Georgia between 2022–32. Using the above data to share this figure down to rural Georgia results in an estimated 79.9 average yearly job openings for attorneys in qualifying rural counties.
- Assuming attorneys qualify ratably over the year, the TY 2026 cohort will be half the estimated size. Based on the same assumption, first-year credits will average $1,250 for the TY 2026 cohort and $2,500 for subsequent cohorts. Credits for years 2–5 are assumed to be $5,000.
- Due to a shortage of attorneys in rural areas, rural practitioners often take on a wide variety of cases. The fiscal note assumes 90 percent of rural attorneys will practice in at least one of the qualifying practice areas.
- State fiscal impacts are assumed to occur only at the time of filing.
- Assuming 95 percent of eligible attorneys claim the credit.

Table 5. Estimated Fiscal Impact of Rural Attorney Tax Credit

	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Rural Attorney First-Year Cohort	34.1	68.3	68.3	68.3	0.0
Accumulating Cohorts Years 2–5	0.0	34.1	102.4	170.7	239.0
(*$ in millions*)	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Fiscal Impact	($0.04)	($0.3)	($0.7)	($1.0)	($1.2)

Part IV: Expansion of the Low-Income Housing Tax Credit

Under current law, the state low-income housing tax credit (LIHTC) is equal to 100 percent of the federal LIHTC. Reportedly, some Georgia projects meet the state's qualifications but do not gain approval and generate credits because the federal allocation of such credits to Georgia are limited. The federal allocation for each state is available for 9-percent credits; thus, this analysis assumes the proposed bill is relevant to the 9-percent credits. The subject bill proposes to expand the current state LIHTC program by allowing for credits for projects that would have qualified if the federal allocation were 25-percent larger.

The federal LIHTC cap for each state is published annually by the Internal Revenue Service. For TY 2025, each state's LIHTC allocation is the greater of 1) $3.00 multiplied by the state population, or 2) $3,455,000. According to the Congressional Research Service Report (2023), the per-capita limit for each state is indexed to inflation. Based on the 10-year projection from the Congressional Budget Office and the Georgia population projection from OPB, the total state cap for Georgia is forecasted.

According to the Qualified Allocation Plan, the Department of Community Affairs (DCA) conducts scoring criteria review for applications that are complete and score highly enough to have a reasonable chance to receive an award. DCA publishes the applications for funding and funding cycle selections on its website. Georgia LIHTC for selected projects is taken from applications annually. DCA data on approved applications includes non-selected projects and requested funding. All qualified projects receive a DCA score, based on their qualifications, which are compared to the available amount of funding. Many projects receive high-qualifying scores but do not meet the threshold for selection. The average amount requested for the non-selected projects is approximately $33 million yearly.

To estimate the fiscal impact of this proposed expansion, the estimates assume that sufficient qualified projects will exist to utilize the newly available credit amounts. The ratio between Georgia funding for selected projects and the federal LIHTC cap for the state is calculated. The historical average of the ratio is multiplied by the projected federal cap to estimate Georgia's funding for selected projects from TY 2024 onwards.

For the proposed change, the federal cap is multiplied by 1.25 to estimate the expanded cap for the state. The expansion will increase the credit, on average, by $9.3 million per year. This amount is below the average amount requested for the non-selected projects at $33 million per year. Thus, it is assumed that the expanded credit limit will be fully reached.

Generally, tax credits are claimed in equal amounts for 10 years, beginning with the taxable year in which the project is placed in service. Typically, housing is constructed within two years of the award. Accounting for these factors, a cohort-style credit allocation analysis is conducted for both baseline and projected credit amounts. The credit amount is then summed for each cohort to arrive at an estimate for both baseline and pro forma changes. Thus, the full effect of the proposed change will not be realized until TY 2037. Table 6 shows the baseline and pro forma credit amounts after for TY 2026–30.

Table 6. Estimated Baseline and Pro Forma LIHTC Amount

(*$ in millions*)	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
Baseline	$27.8	$28.5	$29.5	$31.6	$32.6
Pro Forma	$27.8	$28.5	$30.4	$33.4	$35.3
Revenue Impact	**$0.0**	**$0.0**	**($0.9)**	**($1.8)**	**($2.7)**

The fiscal-year impact is estimated based on a 50/50 tax-year split. Under current law, LIHTC can be taken against corporate and personal income taxes as well as the insurance premium tax. Section 4-1 of the subject bill authorizes insurance companies to access the expanded credit limit, while Section 4-2 allows individuals and corporations to access it. The revenue impacts are split across corporations, individuals, and insurance companies, based on historical credit utilization: 44 percent for corporates/individuals and 56 percent for insurance companies.

Table 7. Estimated Revenue Effect from Georgia LIHTC Expansion

($ in millions)	FY 2026	FY2027	FY2028	FY2029	FY 2030
Income Tax Effect	$0.0	$0.0	($0.2)	($0.7)	($1.3)
Insurance Premium Tax Effect	$0.0	$0.0	($0.2)	($0.6)	($1.0)
Total Impact	**$0.0**	**$0.0**	**($0.2)**	**($0.7)**	**($1.3)**

Part V: Marketplace Facilitator Excise Tax

Under current law, a marketplace facilitator is a person or company that contracts with a seller to facilitate a taxable retail sale by processing the payment and providing a service to facilitate the retail sale. These facilitators are defined as dealers for the sales tax and are required to collect and remit state and local sales taxes.

The subject bill proposes to establish a new excise tax of 0.2 percent of the retail sales price for transactions that are facilitated by a marketplace facilitator. The estimated revenue impact of this provision is based on the following data and assumptions:

- DOR data for FY 2024 indicate that $1,163 million of state and local taxes were generated by transactions through marketplace facilitators.
- The Tax Foundation calculates the January 1 statewide effective local tax rates annually for Georgia. These were used to calculate the estimated state sales tax base for transactions through marketplace facilitators.
- For FY 2021 through 2024, after adjusting for the effective state and local tax rates, the state sales tax bases through marketplace facilitators were $9,464 million, $11,292 million, $13,244 million, and $15,761 million, respectively. This indicates that the sales generated through these facilitators has been growing at 18.6 percent annually over recent years.
- Partial-year data from DOR for FY 2025 indicate that collections grew by 17.6 percent between FY 2024 and FY 2025.

- Statista, a business intelligence platform, expects US retail e-commerce to increase by 12.6 percent between FY 2025 and FY 2026. Strong growth is expected to continue, but at slowing rates in later years. By FY 2030, annual growth is expected to be 5.7 percent. Statista's year-over-year projected growth rate, adjusted to fiscal years after 2025, are used to project marketplace facilitator sales through FY 2030.

Table 8 presents the projected the retail sales associated with marketplace facilitators through FY 2031 based on these data and assumptions. For the FY 2027–31 revenue impacts in Table 1, the proposed excise tax rate of 0.2 percent was used.

Table 8. Retail Sales by Marketplace Facilitators

(*$ in millions*)	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Retail Sales by Facilitators	$22,992	$24,875	$26,313	$27,834	$29,443