



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 2, 2026

Honorable Sam Park
State Representative
609 Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 316 (LC 59 0092)

Dear Representative Park:

The bill would create a nonrefundable state income tax credit equal to 20% of the federal earned income tax credit (EITC). As written, the bill would be applicable for tax years beginning January 2025.

Impact on Revenue

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

Table 1. Estimated State Revenue Effects of LC 59 0092

(\$ millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net Revenue Effect	(\$162)	(\$169)	(\$175)	(\$181)	(\$186)	(\$192)

Impact on Expenditures

The Department of Revenue would be able to implement the bill's provision with existing resources. The agency noted that modifications to information systems by existing staff would take 16 weeks, which would be equal to \$152,000.

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 a nonrefundable state earned income tax credit (EITC) that would be equal to 20 percent of the federal EITC, with taxpayer eligibility based on income limits after adding back net operating loss (NOL) carryforwards deducted on their federal return in arriving at federal adjusted gross income (AGI). Eligibility for the federal EITC depends on, among other things, AGI limits, filing status, and the number of eligible dependents. Based on these factors, the maximum EITC for that taxpayer or household is determined.

Based on administrative tax return data from the Department of Revenue (DOR) for which federal data are available (roughly 95 percent of all returns), approximately 942,000 Georgia taxpayers claimed the federal EITC in tax year (TY) 2023, including about 880,000 full-year residents, 26,000 part-year residents, and 32,000 nonresidents. The total amount of federal EITC claimed was approximately \$2.8 billion, \$2.7 billion of that by full-year residents. For the purposes of this fiscal note, it is assumed that the Georgia EITC would be adjusted for part-year and nonresident filers, as are most deductions and exemptions, to reflect the filer's Georgia share of total AGI shown on the Georgia return's Schedule 3, line 9.

Approximately 30,000 filers claiming the EITC also reported federal NOL carryforwards on their Georgia returns, where they are an addition to federal AGI in arriving at Georgia AGI and taxable income. Reported NOL carryforwards are added to reported federal AGI for comparison to the relevant EITC eligibility limits.

Using a microsimulation model of the proposed credit, together with the DOR return data for TY 2023, it is estimated that about 932,000 Georgia filers would have received the Georgia EITC in an aggregate amount of approximately \$136 million under the current law of TY 2025. This amount is projected forward using the rate of population growth projected by the Office of Planning and Budget as of 2025, plus inflation at an actual rate through 2024 and CBO projections thereafter (September 2025 10-Year Economic Projections).

Credits are assumed to impact state revenues at the time of filing returns. Given that TY 2025 is the first tax year affected, the first state fiscal year impacted is assumed to be FY 2026.