



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 19, 2026

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

SUBJECT: Fiscal Note
House Bill 1159 (LC 59 0282-EC)

Dear Chairman Blackmon:

The bill exempts income received under the Farmer Bridge Assistance (FBA) Program administered by the U.S. Department of Agriculture (USDA) from taxation. For taxable years beginning on or after January 1, 2025, taxpayers may subtract from Georgia taxable income FBA payments received on or before March 31, 2026, to the extent the payments are included in federal adjusted gross income or federal taxable income. The exemption applies to electing S corporations and electing partnerships, as well as C corporations and individuals.

Impact on Revenue

Georgia State University's Fiscal Research Center (FRC) estimates the bill would reduce state revenue by approximately \$9.7 million in FY 2027. The appendix provides details of the analysis.

Impact on Expenditures

The Department of Revenue would be able to implement the bill's provisions 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

Features of the Farmers Bridge Assistance (FBA) Program

The Farmer Bridge Assistance (FBA) program was officially launched on December 8, 2025. The announcement on that date was for a one-time \$12 billion economic relief package, \$11 billion of which would be provided under the FBA program. The program is designed to act as a “bridge” to support farmers of specified field crops facing market volatility due to trade disruptions. Crop insurance participation is not required to receive FBA payments.

The remaining \$1 billion is to be directed to producers of certain specialty crops, but details of this program are not yet available.

Payments, exclusions and limitations

FBA payments are calculated based on 2025 planted acres as reported to Farm Service Agency (FSA). The deadline to verify 2025 acreage was December 19, 2025. Payments are expected to be distributed by February 28, 2026. USDA released the final payment rates on December 31, 2025. “Prevented planting” acres, grazing, cover crops, and abandoned crops are not eligible,¹ and payments are limited to \$155,000 per producer. Eligibility is restricted to those with AGI below \$900,000.

Assumptions

To determine the likelihood of producers exceeding the \$155,000 individual payment limit, we estimate the “threshold acreage” for each crop – the number of acres required to reach the cap – by dividing the \$155,000 limit by the respective crop’s payment rate.

The most recent available survey of agriculture that includes the data on total number of farm operations for each crop is for 2022. It estimates the average acres per farm at 235 acres for all crops. We used the survey data to further calculate the average acres per farm for each crop, though we omit from the table below the average for crops where acres planted is lower than the acres required to hit the cap. For crops with total acres planted in excess of that required for a single farm to reach the cap, the average acreage per farm is significantly below that threshold.

Since the \$155,000 limit applies to the sum of all FBA payments received by a single person or legal entity, large-scale and diversified farms may reach the cap even if their individual-crop acreages are modest. Due to lack of data on the specific distribution of farm sizes and crop combinations, this analysis assumes the cap is non-binding. Consequently, the actual total payout to Georgia farmers would be lower to the extent that the cap is binding for any farmers.

Estimation

Based on the 2025 USDA planted acreage data for Georgia and the finalized payment rates for eligible crops, the projected total payout is \$186,720,399. A breakdown by crop type is provided in Table 1. Assuming that, under current law, this would be taxed at the current statutory rate of 5.19 percent, excluding these payments from state income tax would reduce state revenues by approximately \$9.7 million.

¹ “Prevented planting” refers to the acres that the farmer intended to plant but was physically unable to get the equipment into the field to do so, usually due to weather-related issues. “Abandoned crops” means farmers successfully planted the crop, but they did not manage it (stopped spraying, weeding, or watering) and decided not to harvest it. This is usually because the market price dropped so low, or the crop yield was so poor, that the cost of fuel to harvest was higher than the value of the crop itself.

Table 1. Estimates by Crop

Commodity	Rate per acre	Acres planted (2025)	Acres to reach \$155,000 cap	Average acres per farm (2022)	Estimated total FBA payments
Barley	\$20.51	286	7,557		\$5,871
Canola	\$23.57	1,613	6,576		\$38,011
Chickpeas (Small)	\$26.46		5,858		\$0
Chickpeas (Large)	\$33.36		4,646		\$0
Corn	\$44.36	549,789	3,494	191	\$24,388,650
Cotton	\$117.35	825,659	1,321	559	\$96,891,108
Flax	\$8.05		19,255		\$0
Lentils	\$23.98		6,464		\$0
Mustard	\$23.21		6,678		\$0
Oats	\$81.75	48,013	1,896	172	\$3,925,063
Peanuts	\$55.65	912,421	2,785	307	\$50,776,222
Peas	\$19.60	2,494	7,908		\$48,884
Rice	\$132.89	2	1,166		\$266
Safflower	\$24.86		6,235		\$0
Sesame	\$13.68	2,101	11,330		\$28,743
Sorghum	\$48.11	51,999	3,222	178	\$2,501,665
Soybeans	\$30.88	149,746	5,019	175	\$4,624,161
Sunflower	\$17.32	2,646	8,949		\$45,829
Wheat	\$39.35	87,571	3,939	168	\$3,445,925
Total					\$186,720,399

Information on the additional \$1 billion reserved for commodities not covered under the FBA program, including sugar crops and certain specialty crops such as tree nuts, dried fruits, and horticultural, floricultural and nursery crops is limited. For Georgia, this might be impactful for crops like pecans, blueberries, and peaches. However, the payment rates and distribution dates for these crops are not yet published, and it appears unlikely that such payments would be made by March 31, 2026.