



# DOAA

Georgia Department  
of Audits & Accounts

**Greg S. Griffin**  
State Auditor

April 1, 2026

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

SUBJECT: Fiscal Note  
Senate Bill 530 (LC 59 0341)

Dear Chairman Hufstetler:

The bill proposes multiple changes to the state tax code. First, it creates a separate fund in the state treasury known as the Georgia Property Tax Fairness Fund (PTFF), funded by insurance premium tax (IPT) collections, high-technology data center (HTDC) sales and use tax collections, General Assembly appropriations, and other dedicated moneys. The fund would be used to support homeowners in two ways. First, it would provide refundable income tax credits to qualifying homeowners and renters. Second, it would receive HTDC sales and use tax collections that would fund local ad valorem property tax credits of up to \$2,500 for qualifying homesteads within the taxing jurisdiction of a data center, limited to properties valued at or below \$500,000.

The bill also ceases the issuance of new sales and use tax exemption certificates for high-technology data centers under O.C.G.A. § 48-8-3(68.1) and repeals certain IPT credits and abatements for insurance companies. The bill would take effect January 1, 2027, contingent on voter ratification of a constitutional amendment at the November 2026 statewide general election (proposed in Senate Resolution 811/LC 59 0340).

### **Impact on Revenue**

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease revenue as shown in Table 1 on the following page.

It should be noted that the analysis assumes an error in the drafting of lines 58 to 66 of the bill. As discussed in the appendix, the bill states that to qualify for a tax credit, the taxpayer's *income tax liability* must exceed 5 percent of federal adjusted gross income (FAGI) for homeowners or 33% for renters. FRC determined that no one would qualify for the credit under these criteria. Based on the language defining qualifying households, FRC's analysis assumes the credit was intended to equal the amount by which a homeowner's property taxes and homeowner's insurance exceeded 5 percent of their FAGI. For renters, the credit is assumed to be the amount that their rent paid exceeded 33 percent of their FAGI.

The appendix provides details of the analysis.

**Table 1. Estimated Fiscal Effects of SB 530 LC 59 0341/SR 811 LC 59 0340**

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>HTDC Sales Tax Revenues for Property Tax Credits:*</b>					
High Estimate	\$20	\$61	\$297	\$512	\$513
Low Estimate	\$14	\$43	\$208	\$359	\$359
<b>IPT Revenues for Property Tax Fairness Fund (PTFF):</b>					
Current-Law IPT Revenue	\$382	\$794	\$824	\$855	\$888
IPT Credit and Abatement Repeals	\$311	\$624	\$634	\$649	\$661
PTFF Revenues for PIT Relief	\$693	\$1,417	\$1,458	\$1,504	\$1,548
Cost and Rent-Burdened Tax Credits	-	(\$5,161)	(\$5,334)	(\$5,507)	(\$5,682)
<b>PTFF Annual Surplus (Shortfall)</b>	<b>\$693</b>	<b>(\$3,744)</b>	<b>(\$3,876)</b>	<b>(\$4,002)</b>	<b>(\$4,134)</b>
<b>General Fund Impacts:</b>					
Current-Law IPT Revenues	(\$382)	(\$794)	(\$824)	(\$855)	(\$888)
PTFF Shortfall (net of prior surplus)	-	(\$3,051)	(\$3,876)	(\$4,002)	(\$4,134)
<b>Total General Fund Impact</b>	<b>(\$382)</b>	<b>(\$3,844)</b>	<b>(\$4,700)</b>	<b>(\$4,857)</b>	<b>(\$5,021)</b>

\* Net effect of sales tax collections from HTDC's on PTFF balances after payment of credits and on general fund revenues is zero.

**Impact on Expenditures**

The Department of Revenue (DOR) would require additional funding to comply with the bill's provisions, which include the issuance of income tax credits, development and processing of a new tax credit schedule, and additional audit and compliance work. As shown in **Table 2**, the bill is estimated to require four additional staff in various functions at a cost of approximately \$402,000 annually. An additional \$614,000 is expected for printing and postage associated with the new tax credit.

**Table 2. DOR Costs to Implement LC 59 0341**

	One-Time Costs	Annual Costs
Auditors (2)	\$3,650	\$200,000
Local Government Compliance Specialist (1)	\$2,025	\$123,000
Revenue Agents (1)	\$1,825	\$79,000
Printing and Postage		\$614,000
<b>Total</b>	<b>\$6,500</b>	<b>\$1,016,000</b>

Additionally, DOR indicated that changes to information systems would require approximately 22 weeks for existing staff, equating to \$265,000 in staff time.

Respectfully,



Greg S. Griffin  
State Auditor



Richard Dunn, Director  
Office of Planning and Budget

## Analysis by the Fiscal Research Center

### Section 1-1

#### *Georgia Property Tax Fairness Fund*

Section 1-1 of the subject bill proposes to create a separate fund in the state treasury known as the Georgia Property Tax Fairness Fund (PTFF) that would be funded by insurance premium tax (IPT) collections, high-technology data center (HTDC) sales and use tax collections, appropriations by the General Assembly, and moneys from any other source dedicated to the fund for resident tax relief. Due to uncertainties of future appropriations and potential additional dedicated funding sources, this analysis includes only estimated revenues from IPT collections and HTDC sales and use tax collections.

#### *Income Tax Credits*

This section also provides a refundable income tax credit to certain homeowners and renters, as follows:

- Homeowners whose prior fiscal year's combined property tax and homeowner's insurance payments exceed 5% of federal adjusted gross income (FAGI), and who in the prior fiscal year claimed the standard deduction and had FAGI of less than \$120,000 if married filing jointly or \$60,000 for other filers.
- Renters whose prior fiscal year's annual rent exceeds 33% of FAGI for the prior fiscal year, with no income cap or standard deduction requirement.

Credit amounts are defined in proposed paragraph (d), lines 58-66 of the bill, to be "equal to the amount such [income tax] liability exceeded:

"(1) For [homeowners] ... 5 percent of such taxpayer's [FAGI] for the prior year; or

"(2) For [renters] ... 33 percent of such tenant's [FAGI] for the prior fiscal year."

Note that a literal reading of this language would suggest that otherwise qualifying homeowners would receive a credit only to the extent that their income-tax liability exceeds 5 percent of FAGI, which for taxpayers at qualifying income levels who take the standard deduction, and given the current-law tax rate of 5.19 percent and standard deduction amounts, would imply no one would receive this credit. Similarly, no renter would have income-tax liability exceeding 33 percent of FAGI. Thus, we assume the intent was to set the credit equal to the following:

- For homeowners, the amount by which costs paid for property taxes and homeowner's insurance exceeded 5 percent of FAGI in the prior tax year; and
- For renters, the amount by which rent paid exceeded 33 percent of FAGI in the prior tax year.

In the cases of both homeowners and renters, all taxpayers residing in the qualified home are eligible for the same 5 or 33 percent of FAGI tax credit. These income-tax credits may exceed the taxpayer's income tax liability for the year and are refundable.

Note that, for purposes of the analysis, references to the "prior fiscal year" in the bill language for qualifying homeowners and renters for these credits are treated as scrivener errors and are assumed to refer to the prior tax year of the homeowner or renter.

#### Income tax relief credit

The cost of income-tax credits under the bill are estimated using household-level data from the U.S. Census Bureau's American Community Survey (ACS) 1-Year Public Use Microdata Sample (PUMS) for Georgia. These data were used to estimate the number of qualified households and renters based on their income, property tax, rent, and home insurance survey responses. In addition to identifying the number of households and renters that would likely qualify these data allow for the calculation of an estimated credit for each survey respondent which is equal to their qualified expense above 5 or 33 percent for homeowners and renters, respectively.

Since the bill's eligibility thresholds are based on federal adjusted gross income (FAGI), which is not reported in ACS data, household income was adjusted to approximate FAGI using a ratio derived from Georgia Department of Revenue tax return data. Georgia DOR records show mean FAGI of \$82,252 against mean ACS household income of \$99,863, yielding an adjustment factor of 82 percent, which was applied uniformly across the sample. This ratio was consistent, with noise, at all income levels.

Using Georgia DOR tax return data, 85.4 percent of eligible married filers and 88.5 percent of eligible other filers took the standard deduction, and these rates were applied to adjust the estimate. Based on the ACS calculations, including their relevant population weights, and the taxpayer counts of standard deduction takers from the DOR data an estimated 875,032 Georgia homeowner households would qualify for this proposed credit, representing 33 percent of owner-occupied households statewide. The mean credit is estimated to be \$2,243 per household, for a total estimated annual fiscal exposure of \$1.96 billion.

Using the same data and calculations, an estimated 491,632 Georgia renter households qualify, representing 42 percent of renter households statewide. The mean credit is \$5,389 per household, for a total estimated annual fiscal expenditure of \$2.649 billion. Both of these values represent the value of these credits if they were in place during 2024. The homeowner credit and renter credits are aggregated and grown by the population projections from OPB, as a function of tax and insurance expenses relative to income. This is expected to grow with inflation. These amounts were increased based on the Congressional Budget Office's (CBO) February 2026 inflation projection through 2031.

Given the bill's effective date of January 1, 2027, it is assumed that credits could first be earned in tax year (TY) 2027, based on property tax and insurance, or on rent expenses, relative to FAGI in the prior year, TY 2026, with such credits first reducing collections in FY 2028. Table 3 shows the estimated state expenditure on the two credits for qualified homeowners and renters.

**Table 3. Estimated Income Tax Credits for Qualified Homeowners and Renters**

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
State Revenue Effect	–	(\$5,161)	(\$5,334)	(\$5,507)	(\$5,682)

**Section 2-1**

Section 2-1 of the subject bill proposes to cease the issuance of new certificates of exemption for the high-technology data centers (HTDC) sales tax exemption. A detailed evaluation study of the HTDC exemption, conducted in accordance with the Tax Expenditures Transparency Act of 2024 (SB 366), was completed in December 2025 by the Carl Vinson Institute of Government at the University of Georgia and published by the Georgia Department of Audits and Accounts. The evaluation projected the state revenue impact of the existing HTDC exemption, and forgone state sales tax revenue from this exemption was estimated to be \$474.2 million in 2025, increasing to \$866.7 million in 2030, as shown in Table 4.

**Table 4. Estimated State Revenue Effects of HTDC Exemption Prior to Proposed Changes**

(\$ millions)	TY 2025	TY 2026	TY 2027	TY 2028	TY 2029	TY 2030
State Revenue Effect	(\$474.2)	(\$625.1)	(\$761.6)	(\$789.1)	(\$850.4)	(\$866.7)

A critical factor in the analysis herein is that under current law, O.C.G.A. § 48-8-3(68), computer purchases over \$15 million by companies classified under specified NAICS codes are exempt from state and local sales taxes under the high-technology computer equipment (HTCE) exemption. The NAICS code for data centers, 518210, is an eligible code, thus most high-technology data center equipment (HTDCE) qualified under the HTDC exemption would also be eligible under the HTCE exemption, provided the \$15 million threshold is met. Based on data obtained from the evaluation study, an estimated 82.4 percent of HTDCE purchases would also be eligible for the HTCE exemption, thus reducing the revenue gains under this bill as shown in Table 5 below. Note, however, that the HTCE

exemption is set to expire under current law and will no longer be available for purchases after December 31, 2028.

In addition, HTDCE purchases at centers that currently hold exemption certificates will continue to gain exemption under § 48-8-3(68.1) through 2031. Industry sources cited in the evaluation study indicated that 20 percent of data center equipment requires replacement every year. The estimate assumes, based on these findings, that \$38.9 billion in exempted value will have been placed into service within existing data centers before January 1, 2027. Thus, 20 percent of this value, when replaced annually, will continue to be exempted.

These maintenance-related exempted purchases would grow with price inflation at the existing data centers. The goods input price inflation for the data processing, hosting, and related services industry (NAICS 518) averaged 4.4 percent per year between FY 2020 and FY 2025. Though specific technology may reduce in price through innovation and economies of scale, data centers could also purchase more advanced equipment or otherwise expand. The estimates assume that maintenance and repair spending of the existing HTDC's will grow by 4.4 percent per year, the expected input price inflation. Purchases are assumed to occur ratably over the year.

Additionally, based on the typical timeline of data center construction, half of initial build costs projected for CY 2027 are expected to remain exempt as existing certificate holders continue to benefit from this exemption. For CY 2028 and beyond, only maintenance related expenses are expected to remain exempt.

**Table 5. Estimated HTDCE Purchases Total and Impacted by SB 530 LC 59 0341**

(\$ millions)	TY 2027	TY 2028	TY 2029	TY 2030	TY 2031
Baseline HTDCE Purchases (68.1)	\$19,039.6	\$19,728.7	\$21,259.8	\$21,668.2	\$22,084.5
Less:					
Purchases for existing HTDC	\$13,406.5	\$8,115.5	\$8,472.6	\$8,845.4	\$9,234.6
Amt. Qualified as HTCE (68)	\$4,640.0	\$9,566.0	\$0.0	\$0.0	\$0.0
Taxable Purchases Net Change	\$993.0	\$2,047.2	\$12,787.2	\$12,822.8	\$12,849.9

For the fiscal impact estimates in Table 6, a 50-50 fiscal year split is used as purchases are assumed to occur evenly throughout the year. The HTDC evaluation estimated that 70 percent of data center construction activity would occur but for the exemption, and the remaining 30 percent is directly caused by the exemption. The high estimates are the fiscal impact if no such behavioral impact occurs. The low estimates assume that the amount of expected activity that would no longer be exempted is reduced by 30 percent due to the changes proposed in this bill.

**Table 6. Projected PTFF Revenue for Property Tax Relief**

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
State Revenue Increase					
High	\$19.9	\$60.8	\$296.7	\$512.2	\$513.5
Low	\$13.9	\$42.6	\$207.7	\$358.5	\$359.4

Property tax relief credit

Revenues generated from HTDC's under this bill will be included in the PTFF rather than the general fund, which is customary for sales and use tax revenues. These revenues will be provided to local jurisdictions that have a HTDC located within them for property tax relief. Within these counties, funds are to be disbursed equally in the form of property tax relief credits to all residents of owner-occupied single-family residences with a fair market value of less than \$500,000.

Detailed data on the city and county location of existing data centers was not available for this fiscal

note analysis. Though not necessary for the state revenue implications from this bill, that information is necessary to determine the expected amount of property tax relief. Aggregated data from the UGA study did indicate that most data center capacity currently in place is in Fulton, Douglas, Fayette, Walton, and Cobb counties. This bill, however, would impact homeowners in jurisdictions where HTDC’s will be located and growth in this area is expected to be robust.

County and city specific estimates of property tax relief under this bill cannot be confidently presented due to the data limitations. These high and low estimates of revenue from HTDC’s represent the state-level amount of estimated property tax relief for the PTFP from HTDC activity.

**Section 2-2 through 2-6**

Sections 2-3 to 2-6 propose to eliminate a range of insurance premium tax (IPT) preferences. By removing these benefits, the bill increases state revenues relative to current law. The largest components of the estimated gain are the repeal of the insurance premium tax abatement, and the county and municipal tax credit for life insurance companies.

Table 7 presents the estimated state revenue impact associated with the repeals of premium tax abatements, and related offsets specified in Sections 2-2 through 2-6 of the bill. It also includes the projections of statewide collection of insurance premium tax from OPB. The pro forma total of IPT collections beginning January 1, 2027, are proposed to be dedicated to the PTFP to be used to fund the income-tax credits in Section 1-1. A 50-50 tax year to fiscal year split is assumed resulting in a half fiscal year of IPT revenues being diverted to the PTFP in FY 2027.

Overall, these repeals are estimated to increase state revenues by approximately \$311 million in FY 2027, growing to \$661 million by FY 2031. It is assumed that since the proposed changes take effect January 1, 2027, FY 2027 reflects a half-year impact based on a 50/50 split. It is further assumed that carryforward provisions under current law will remain in place, and therefore credits generated in prior tax years may continue to be utilized in future years.

Together with insurance premium tax collection projections, state revenue is estimated to increase by \$1.1 billion in FY 2027.

**Table 7. Estimated IPT Revenues Available to Fund PTFP**

<b>Bill Section (O.C.G.A Provision)</b>	<b>Description</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
2-2 & 2-3 (33-8-4.1 & 4.2)	GA Job Tax Credit (IPT only)	\$1.6	\$3.2	\$3.2	\$3.3	\$3.3
2-4 (33-8-5)	Insurance abatements	\$166.7	\$332.9	\$338.4	\$347.2	\$352.7
2-5 (33-8-8)	Municipal license fees credit (life only)	\$1.9	\$3.9	\$3.9	\$4.0	\$4.1
2-6 (33-8-8.1)	County and Municipal Tax Credit for local tax (life only)	\$140.8	\$283.6	\$288.7	\$294.7	\$300.5
	<b>Sub-Total</b>	<b>\$311.0</b>	<b>\$623.6</b>	<b>\$634.2</b>	<b>\$649.2</b>	<b>\$660.6</b>
	Current-Law IPT Collections	\$382.3	\$793.6	\$823.7	\$855.0	\$887.5
	<b>Pro Forma IPT Collections for PTFP</b>	<b>\$693.2</b>	<b>\$1,417.2</b>	<b>\$1,457.9</b>	<b>\$1,504.2</b>	<b>\$1,548.1</b>