



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

March 11, 2026

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

SUBJECT: Fiscal Note
Senate Bill 410 (LC 59 0402S)

Dear Chairman Hufstetler:

Part I of the bill would require certain terms and conditions to be included in contracts between electric utilities and large load customers, while Part II would cease the issuance of new certificates of exemption to high-technology companies or high-technology data centers, which are currently allowed under O.C.G.A. § 48-8-3(68) and § 48-8-3(68.1). The bill would become effective upon enactment. For the purposes of this analysis, the bill is assumed to become effective July 1, 2026.

Impact on Revenue

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

Table 1. Estimated Revenue Effects of SB 410 LC 59 0402S

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
State Impact					
High Estimate	\$597.7	\$750.8	\$644.4	\$523.7	\$530.2
Low Estimate	\$418.4	\$525.6	\$451.1	\$366.6	\$371.1
Local Impact					
High Estimate	\$521.5	\$655.1	\$562.2	\$457.0	\$462.6
Low Estimate	\$365.0	\$458.6	\$393.6	\$319.9	\$323.8

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

Part I of the subject bill defines the term large load customer as a customer with an expected total peak demand of at least 100 megawatts at one or more premises located on one tract of land or contiguous tracts of land. The bill requires each contract between an electric utility and a large load customer for the provision of electric service to include certain terms and conditions designed to protect residential and retail customers from increased costs associated with meeting the demand of large load customers. This section is not expected to impact state revenues.

Part II of the subject bill proposes to cease the issuance of new certificates of exemption for the high-technology computer equipment (HTCE) and high-technology data centers (HTDC) sales tax exemptions, currently provided for by O.C.G.A. § 48-8-3(68) and (68.1), respectively. Any certificates issued prior to the effective date of the bill will continue to be governed by current law.

A detailed evaluation study of the high-technology data center (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 foregone state sales tax revenue from this exemption was estimated to be \$474.2 million in 2025, increasing to \$866.7 million in 2030. To establish the baseline foregone revenue attributable to these exemptions, utilization data from the Department of Revenue (DOR) for paragraph (68) were combined with data and projections from the 2025 tax incentive evaluation study for paragraph (68.1).

Existing certificate holders will continue to be governed by current law. Certificates for the HTCE exemption provided by (68) are required to be renewed each year. Thus, disallowing new certificates effectively repeal the exemption completely. Additionally, under current law, the HTCE exemption is scheduled to expire on December 31, 2028.

Industry sources cited in the HTDC evaluation study indicated that 20 percent of data center equipment requires replacement every year. The estimate assumes, based on these findings, that \$33.96 billion in exempted value will have been placed into service within existing data centers before July 1, 2026. Thus, 20 percent of this value, when replaced annually, will continue to be exempted. Our estimates assume that all maintenance and replacement costs, and half of the initial build costs, remain exempt for calendar year (CY) 2026. For CY 2027 and beyond, only estimated maintenance costs will remain exempt.

These figures are used to calculate the baseline and pro forma exempt spending. 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. Thus, a 30 percent “but-for” reduction is applied to form the basis of the low estimate in Table 2. Calendar years are converted to fiscal years assuming a 50/50 fiscal split.

Table 2. Baseline and Pro Forma Exempt Purchases

(\$ millions)	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
(68) Exempt Spending – Baseline	\$6,641	\$7,068	\$7,484	\$0.0	\$0.0
(68.1) Exempt Spending – Baseline	\$15,628	\$19,040	\$19,729	\$21,260	\$21,668
Less:					
Grandfathered Purchases	\$10,719	\$7,773	\$8,007	\$8,247	\$8,494
Newly Taxable Purchases – High	\$11,550	\$18,334	\$19,206	\$13,013	\$13,174
Newly Taxable Purchases – Low	\$8,085	\$12,834	\$13,444	\$9,109	\$9,222