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The Honorable Nathan Deal, Governor
The Honorable Casey Cagle, Lieutenant Governor
The Honorable David Ralston, Speaker of the House of Representatives
Members of the General Assembly

Ladies and Gentlemen:

I am pleased to submit to you the Georgia Tax Expenditure Report for FY2015 prepared by Georgia State University on behalf of the Department of Audits and Accounts. This report was prepared for inclusion in the Governor's Budget Report as required by Georgia Code §45-12-75. A copy of this report will be made available to the public on the Governor's Office of Planning and Budget's website and is also filed as a permanent record with the State Auditor.

This report provides a comprehensive listing of the State's statutory tax provisions ("tax expenditures") that allow preferential tax treatment of certain types of taxpayers or activities. Although not direct government expenditures, tax expenditures represent an allocation of government resources in the form of taxes that could have been collected (and appropriated) if not for their preferential tax treatment. To the extent possible, the dollar value of each tax expenditure has been included in this report. It is important to note, however, that data for numerous tax expenditures is not captured by the Department of Revenue. In these instances, the lack of available information is either noted or an estimate if possible, is provided. The data included in this report has not been verified or validated by the Department of Audits and Accounts and no opinion or other form of assurance is expressed in this data.

We appreciate the staff of the Georgia State University Fiscal Research Center for preparing this report.

Respectfully submitted,

Greg S. Griffin
State Auditor

Georgia Tax Expenditure Report for FY2015

Prepared by the Fiscal Research Center of the
Andrew Young School of Policy Studies at
Georgia State University

December 2013

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Introduction

Tax expenditures are provisions in the tax code that allow for special treatment of a source of income or a certain type of expense. Such treatment usually results in a reduction in tax liability for the taxpayer. In principle, these tax benefits could be provided by direct appropriation, thus these provisions are referred to as "expenditures". They represent tax revenues that would have been otherwise generated if not for this preferential treatment in the tax code.

Like direct government expenditures, tax expenditures are an allocation of government revenue that are intended to achieve a particular policy outcome or generate some activity. The value of a tax expenditure can be thought of as representing the amount of money that would be needed in the budget to provide the same level of financial support in the form of a government grant instead of through the tax code. Tax expenditures are received by businesses and individual taxpayers and are present in all of Georgia's major taxes, including the individual income tax, corporate income tax, and sales tax.

Tax expenditures, also referred to as tax preference items, can take several forms. Many are structured as tax credits and deductions, such as the corporate credit for hiring a new worker or the individual deduction for the mortgage interest paid on a primary residence. Other expenditures are in the form of exclusions of income. For example, at the state level, individuals in Georgia are allowed to exclude Social Security income from the calculation of Georgia taxable income. Lastly, some tax expenditures may be provided in the form of reduced rates for selected items in the tax base, such as the partial sales tax exemption for jet fuel.

Tax Expenditure Report

Preparation of a tax expenditure report is required by Title 45, Chapter 12, Article 4 of the Official Code of Georgia. The purpose of the report is to list all tax expenditures and their value. In this way, these items can be tracked over time in a fashion analogous to a budget of direct governmental expenditures.

While direct expenditures for such items as education or transportation are reviewed annually with every budget, it is usually the case that tax expenditures are not subject to such periodic

review. It is important to monitor the value associated with these provisions as they are a reduction in tax revenue and their presence results in special treatment for some taxpayers relative to others. For example, the state government supports education through direct expenditure programs and through HOPE scholarships but also allows a tax deduction for certain educational expenses borne by the taxpayer or paid by an employer. Both the direct expenditure and the tax expenditure represent an allocation of government resources toward education, but only the direct expenditures are listed in an annual budget and subject to annual review.

Leaving tax expenditures out of the annual budgetary review process creates two types of distortions. First, it under-represents the amount of government resources allocated for a given purpose. Second, it incorrectly represents the distribution of the benefits of government expenditures. The benefits of tax expenditure provisions are usually targeted to higher income taxpayers compared to direct expenditure programs, so that the absence of tax expenditures in the overall analysis may lead to the conclusion that government resources are targeted toward less affluent taxpayers. In addition, not all tax expenditure programs have a direct budget counterpart, thus without a tax expenditure report, these provisions and their distributional effects escape notice.

The presence of tax expenditures are not necessarily bad tax policy. However, not recognizing or monitoring the resources allocated through the tax system is not good fiscal policy. In this regard, it is important to note that this tax expenditure report does not provide any information on how effective the provision may be in terms of fulfilling its purpose. For instance, while the value of the Research and Development (R&D) credit may be reported annually in the tax expenditure report, there is no accompanying analysis to determine the extent to which more research activities have been undertaken due to the presence of the special provision.

Identifying Tax Expenditures

In most cases, identifying a tax expenditure is straightforward. Tax expenditures are deviations or special exceptions from the generally defined tax base, sometimes referred to as the normal tax base or the reference tax base. However, there may be disagreement as to what constitutes the normal or reference tax base. Even at the federal level, the list of tax expenditure items

included by the Administration differs from the list estimated by Congress because each works from a different definition of the standard tax base. The appropriate norm against which tax expenditures are defined is somewhat subjective and may, in some cases, be driven by the intent of the policy underlying the legislation. For example, we would not consider the difference between the current top income tax rate of six percent and the tax rate of one percent a tax expenditure.

Tax credits and deductions for certain types of activities, such as the jobs tax credit or the low-income housing credit, are always classified as tax expenditures. This is also the case for items that are taxed at a reduced rate. In addition, specific exclusions from the tax base are, in most cases, considered tax expenditures. Because the Georgia individual and corporate tax systems are both tied to the federal individual and corporate bases, exclusions or deductions at the federal level apply to the state tax base as well. In some cases, Georgia chooses not to conform to federal provisions, such as the Section 199 deduction for domestic production activities. In these cases, we do not include the provision as a tax expenditure. It is also important to note that tax expenditures are not computed for revenue that is due but not collected.

There are instances when it is unclear whether a given tax provision should be listed as a tax expenditure. This is because it is unclear what constitutes the general rule and therefore, it is sometimes difficult to determine which provisions are exceptions to that rule. Consider the personal income tax exemption. Individuals are allowed to exclude an amount of income for each taxpayer included on the return but this exemption of income is not considered a tax expenditure by all states. Another example is the provision allowing for the use of a single-factor apportionment formula in allocating income earned by corporations operating in more than one state. On one hand, because the general rule of the single-factor apportionment formula has been established at the state level, only deviations from that rule would be listed as a tax expenditure. Alternatively, if one considers the status-quo method of apportionment to be the equally weighted three-factor apportionment formula, any deviation from that rule, such as the double-weighted three factor or single-factor apportionment formula, would be reported as a tax expenditure. This sort of problematic classification of tax expenditures also applies to the taxation of services under the state sales tax. Because state legislation refers to the purchase of tangible goods, the exclusion of services from the base may not be seen as a deviation from the

general rule. On the other hand, if it is really the intent of the general rule to tax all consumption, then the exclusions provided to the consumption of services should be listed as a tax expenditure. In this report we attempt to incorporate as comprehensive a definition as possible.

Defining a tax expenditure in the case of the sales tax requires particular discussion. Because there is no federal sales tax, there is no list of federal sales tax expenditures to use as a starting point. For this report, we use the state tax statute as the basis for identifying sales tax expenditures. Therefore, if an exemption specifically exists in the state statute, it is listed as a sales tax expenditure. This has the advantage of being a very straightforward and non-subjective rule to apply. As a second advantage, this method provides a comprehensive list of all statutory exemptions allowing for comparison between provisions affecting taxpayers and industries.

On the other hand, this rule has the disadvantage of identifying many sales tax provisions as tax expenditures that would not be identified as tax expenditures under the rule of good tax policy. This is particularly true in the case of business inputs. There are several business inputs, such as the exemption for energy used in manufacturing, that are listed in this report as tax expenditures but are not activities that should be included in the tax base, if the base were defined using the best economic principles. When business inputs are included in the sales tax base, those inputs are taxed and the tax is included in the price when the input is sold to the next stage of production. The more these inputs are taxed at the intermediate stages of production, the more the tax is imbedded in the price of the item. This imbedded tax distorts prices and influences economic decisions. Therefore, it is important to understand that while some business exemptions are listed as tax expenditures in this report, policymakers may find it helpful to distinguish the business inputs from tax expenditures that are provided for more societal reasons, such as the tax exemption for public school lunches or for the sale of food for off-premises consumption. To aid policy makers, this report identifies sales tax expenditure provisions that are considered business inputs.

Tax Expenditures vs. Revenue Estimates

The estimate associated with a tax expenditure provision does not necessarily represent the revenue that would be gained from the repeal of the enabling legislation. Instead, the cost of the tax expenditure represents the value of the deduction or credit taken via the provision. Although the presence of one provision may interact with the use of another provision, tax expenditures are estimated as independent provisions. For instance, if the federal Research and Experimentation credit were repealed, federal revenues would not increase by the amount of the federal tax expenditure estimate but by a smaller amount. This is because some of the R&D expenditures claimed through the federal Research and Experimentation tax credit would be shifted over to another tax deduction or credit so that the savings to the government would be less than the value of the tax expenditure estimate. In addition, tax expenditure estimates do not incorporate behavioral effects that may occur due to the elimination of a provision. For instance, the tax expenditure estimate associated with the deduction for charitable giving is based on a current level of charitable contributions. If the deduction for charitable contributions were eliminated, the revenue effect presented in the fiscal note would incorporate both the initial value of charitable contributions from the tax expenditure estimate and a timing effect that would result from people speeding up their level of contributions in response to the future loss of the deduction. Thus, tax expenditure estimates can only act as an indication of the revenue effect that would occur if the provision were eliminated or modified.

Data Sources and Reliability of Estimates

To the extent possible, data from the Georgia Department of Revenue (DOR) is used to estimate the expenditures included in this report. Unfortunately, the required information is not always collected or available. When it is not, other data sources, such as information from the U.S. Census Bureau, the U.S. Bureau of Economic Analysis, or the U.S. Bureau of Labor Statistics, are used. Every effort is made to provide reliable, well supported estimates of the provisions. Because of the time lag in processing income tax returns, the most recent data available from the Georgia Department of Revenue is calendar year (CY) 2011. Therefore, even in cases where DOR data is used as the primary data source, the tax expenditures presented in this report are estimates.

Two subjective measures of reliability are provided in this report, the estimate reliability and the data reliability. The reliability of both the estimate and data are categorized into three classes, A, B, and C. Class A estimates and data sources are considered the most reliable. Data sources with a Class A status consist of data from the U.S. statistical agencies or from the Georgia Department of Revenue. Estimates with a Class A status are typically those estimates that are based on Class A data that is particularly applicable to the expenditure provision. For instance, most of the state business tax credit expenditures are listed as Class A estimates. They are based on tax credit data provided by the Georgia Department of Revenue that specifically addresses or measures the tax expenditure provision. On the other hand, most sales tax estimates are given a Class B status. While these provisions may be based on Class A data sources, such as the Economic Census or the Consumer Expenditure Survey from the Bureau of Labor Statistics, the data may only be available at a national level, or the data may refer to more activities than is covered by the tax expenditure provision. In these cases, the data must be adjusted to represent the specific activity associated with the expenditure provision and scaled down to represent the value of the activity within Georgia. Because of these adjustments, the estimate is given a Class B status even though it is based on Class A data. Class C estimates are believed to provide reasonable estimates and are based on the best data available. For some items, no reliable information is available. In these cases, no estimate for the expenditure is provided.

Class of Estimate/Class of Data	Description of Estimate Reliability	Examples of Data Sources by Reliability Status
Class A	Based on data specifically related to the tax expenditure provision and to Georgia taxpayers	Data from Department of Revenue, Bureau of Labor Statistics Consumer Expenditure Survey, Bureau of Economic Analysis, U.S. Census Bureau datasets
Class B	Based on national data which has been modified to represent Georgia and the specific tax activity covered by the expenditure	Industry surveys and trade magazines, most proprietary information
Class C	Represents best available estimate at this time	Newspaper articles, secondary sources

Local Government Effects

In addition to the state estimates, this report attempts, where possible, to estimate the effects on local government revenues. There are many state exemptions that have local ramifications, such as numerous exemptions from the sales tax base. The local estimates that are provided represent the aggregate value of the exemptions that would accrue to the counties, municipalities, special service districts, including tax allocation and community improvement districts, and school districts.

Consistency with prior estimates

This is the fourth year in which the tax expenditure report has been produced. The report for FY2014 provided estimates for FY2012-FY2014. The current report presents estimates for FY2013-FY2015. In most cases the estimates between the current and past reports are consistent, with the latest report continuing the same trend in the value of the estimates that was established in earlier reports. On the other hand, there are some cases where the estimate presented in the FY2015 report differs significantly from that presented in the past reports. This usually occurs because new information has become available or because a new forecast of economic activity is relied upon to predict future values. The updated estimates are included in the current report and any major inconsistency with prior reports is noted in the discussion relating to the expenditure.

Outline of the Report

The report continues with a summary table containing a title of each tax expenditure provision, the tax base it is associated with, the type of expenditure and the estimated value for FY2013, FY2014, and FY2015 for all tax expenditures identified in the report. Provisions that are assigned a positive value denote an expenditure that is estimated to reduce state or local revenues. Provisions assigned a value of “(m)” denote a tax expenditure that is estimated to reduce state revenues by less than \$1 million. Provisions assigned a negative value denote a positive tax expenditure that is estimated to increase state revenues. Provisions assigned a value of “(-m)” denote a tax expenditure that is estimated to increase state revenues by less than \$1 million.

In addition to an identifying title, each expenditure provision is assigned an expenditure number, the first digit of which corresponds to the different sections of this report, such as 1 for the individual income tax and 5 for the insurance premium tax. The remaining portion of the numeric identifier is used to divide the expenditures into different subcategories such as federal and state expenditures, and deductions and credits. Only in the case of the sales tax exemptions does the expenditure number have any relationship to the state tax code section to which the expenditure item is associated. The numeric identifiers for each provision are consistent across tax expenditure reports and can be used to compare expenditure estimates from one report to the next.

Following the summary tables are detailed sections for each of the specific taxes covered in this report. These detailed sections begin with a brief description of the tax, latest figures on revenue collection and any information on recent modifications to the base. These detailed sections also include additional information for each of the expenditure items such as the statute number, the year in which the expenditure provision was enacted and the year in which it became effective, information on the data and estimate reliability and data source, a more detailed description of the tax expenditure provision, and the value of the expenditure provision. The report concludes with an appendix that includes tables listing recently expired provisions, sales and use tax expenditures by type, and distributional analysis for a selected number of provisions.

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
Federal Income Tax Provisions¹						
1.1.001	Exclusion of employee meals and lodging	Federal Individual Income Tax	Exclusion	11	13	14
1.1.002	Exclusion of housing allowances for ministers	Federal Individual Income Tax	Exclusion	5	5	6
1.1.003	Exclusion of employer-provided child care	Federal Individual Income Tax	Exclusion	11	12	12
1.1.004	Exclusion of employee awards	Federal Individual Income Tax	Exclusion	2	2	2
1.1.005	Exclusion of employer contributions and earnings to pension plans includes keoghs, defined benefit and defined contribution plans	Federal Individual Income Tax	Exclusion	700	735	806
1.1.006	Exclusion of employer contributions for health care, health insurance premiums and long-term care insurance premiums	Federal Individual Income Tax	Exclusion	876	960	1,031
1.1.007	Exclusion of employer paid accident and disability premiums	Federal Individual Income Tax	Exclusion	25	26	27
1.1.008	Exclusion of employer contributions for premiums on group long term life insurance	Federal Individual Income Tax	Exclusion	20	22	23
1.1.009	Exclusion of employer-paid transportation benefits and employer-provided transit and vanpool benefits	Federal Individual Income Tax	Exclusion	28	31	33
1.1.010	Exclusion of benefits provided through cafeteria plans	Federal Individual Income Tax	Exclusion	182	209	227
1.1.011	Exclusion of employer provided adoption assistance	Federal Individual Income Tax	Exclusion	1	1	2
1.1.012	Exclusion of employer provided education benefits (including education assistance and tuition reduction benefits)	Federal Individual Income Tax	Exclusion	8	8	8
1.1.013	Exclusion of miscellaneous fringe benefits	Federal Individual Income Tax	Exclusion	43	44	45
1.1.014	Exclusion of foreign earned income (including housing and salary)	Federal Individual Income Tax	Exclusion	32	34	38

¹ These are Internal Revenue Code Provisions (IRC) that has been adopted by Georgia as part of its personal and corporate income tax.

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.1.015	Exclusion of certain allowances for federal employees abroad	Federal Individual Income Tax	Exclusion	10	11	11
1.1.016	Exclusion of benefits and allowances to armed forces personnel (includes expenditure for military disability benefits)	Federal Individual Income Tax	Exclusion	50	55	59
1.1.017	Medical care and Tricare Medical Insurance for military dependents and retirees	Federal Individual Income Tax	Exclusion	29	29	30
1.1.018	Exclusion of veterans' benefits (includes veteran's disability compensation, pensions, and readjustment benefits)	Federal Individual Income Tax	Exclusion	47	50	51
1.1.019	Exclusion of income attributable to the discharge of certain student loan debt and NHSC and certain state educational loan repayments	Federal Individual Income Tax	Exclusion	1	1	1
1.1.020	Exclusion of workers' compensation benefits (includes disability and survivor benefits and medical benefits, and exclusion of damages on account of personal physical injuries or physical sickness)	Federal Individual Income Tax	Exclusion	64	64	65
1.1.021	Exclusion of special benefits for disabled coal miners ²	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.022	Exclusion of untaxed Social Security and railroad retirement benefits	Federal Individual Income Tax	Exclusion	192	201	209
1.1.023	Exclusion of Medicare benefits	Federal Individual Income Tax	Exclusion	346	353	367
1.1.024	Exclusion of certain foster care payments	Federal Individual Income Tax	Exclusion	2	2	2
1.1.025	Exclusion of cash public assistance benefits	Federal Individual Income Tax	Exclusion	36	38	39
1.1.026	Exclusion of scholarship and fellowship income	Federal Individual Income Tax	Exclusion	14	15	15
1.1.027	Exclusion of earnings of Coverdell education savings accounts and interest on educational savings bonds	Federal Individual Income Tax	Exclusion	(m)	1	1

² (m) Refers to a revenue loss of less than \$1 million and (-m) refers to a revenue increase of less than \$1 million.

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.1.028	Exclusion of earnings of qualified tuition programs (including prepaid tuition programs and savings account programs)	Federal Individual Income Tax	Exclusion	5	6	7
1.1.029	Exclusion for certain agricultural cost-sharing payments	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.030	Exclusion of discharge of indebtedness for certain farmers	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.031	Exclusion of interest on state and local government private activity bonds	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.032	Exclusion of capital gains from sale of principal residences	Federal Individual Income Tax	Exclusion	181	190	199
1.1.033	Exclusion of capital gains at death	Federal Individual Income Tax	Exclusion	168	188	205
1.1.034	Exclusion of capital gains on gifts	Federal Individual Income Tax	Exclusion	34	15	-9
1.1.035	Exemption from imputed interest rules	Federal Individual Income Tax	Exclusion	3	4	4
1.1.036	Exclusion of combat pay	Federal Individual Income Tax	Exclusion	15	15	16
1.1.037	Exclusion of energy conservation subsidies provided by public utilities	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.038	Exclusion from income attributable to the discharge of principal residence acquisition indebtedness	Federal Individual Income Tax	Exclusion	11	6	1
1.1.039	Exclusion of gain for certain small business stock	Federal Individual Income Tax	Exclusion	1	2	3
1.1.040	Exclusion of interest on public purpose state and local government bonds	Federal Individual Income Tax	Exclusion	3	3	3
1.1.041	Exclusion of income earned by voluntary employees' beneficiary associations	Federal Individual Income Tax	Exclusion	19	20	21
1.1.042	Exclusion of survivor annuities paid to families of public safety officers killed in the line of duty	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.1.043	Exclusion of disaster mitigation payments	Federal Individual Income Tax	Exclusion	(m)	(m)	(m)
1.2.001	Accelerated depreciation (MACRS)	Federal Individual Income Tax	Deduction	40	39	38

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.2.002	Deduction of expenditures on energy-efficient commercial building property	Federal Individual Income Tax	Deduction	1	1	1
1.2.003	Deduction of exploration and development costs of nonfuel minerals, includes excess of depreciation over cost depletion, nonfuel minerals	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.004	Amortization of business startup costs	Federal Individual Income Tax	Deduction	(m)	1	1
1.2.005	Expensing of research and development costs in lieu of the R&D tax credit	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.006	Expensing of magazine circulation expenditures	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.007	Deductions of oil and gas exploration and development costs	Federal Individual Income Tax	Deduction	0	0	0
1.2.008	Special treatment for expenses related to timber production	Federal Individual Income Tax	Deduction	2	2	2
1.2.009	Expensing under IRC section 179 of depreciable business property	Federal Individual Income Tax	Deduction	16	22	29
1.2.010	Exceptions for publicly traded partnerships with qualified income derived from certain energy-related activities	Federal Individual Income Tax	Deduction	7	7	8
1.2.011	Treatment of income from exploration and mining as qualified income for publicly traded partnerships	Federal Individual Income Tax	Deduction	1	1	1
1.2.012	Various agricultural expensing provisions	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.013	Community and regional development incentives	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.014	Expensing to remove architectural and transportation barriers to the handicapped and elderly	Federal Individual Income Tax	Deduction	(m)	(m)	(m)
1.2.015	Inventory methods and valuation, (including last-in first-out, lower of cost or market, specific identification for homogenous products)	Federal Individual Income Tax	Deduction	5	5	5
1.2.017	Health Savings Accounts	Federal Individual Income Tax	Deduction	5	6	7
1.2.018	Deduction of property taxes on real property	Federal Individual Income Tax	Deduction	127	136	145

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.2.019	Deduction of nonbusiness state and local government income taxes, sales taxes and property taxes	Federal Individual Income Tax	Deduction	167	180	189
1.2.020	Deduction of mortgage interest on owner-occupied residences	Federal Individual Income Tax	Deduction	497	510	531
1.2.021	Deduction of charitable contributions (includes deductions for health, education, and for purposes other than health and education)	Federal Individual Income Tax	Deduction	339	371	395
1.2.022	Deduction of casualty and theft losses	Federal Individual Income Tax	Deduction	2	2	2
1.2.023	Deduction of overnight expenses for national guard and reserve members	Federal Individual Income Tax	Deduction	1	1	1
1.2.024	Deduction of premiums for qualified mortgage insurance	Federal Individual Income Tax	Deduction	1	1	(m)
1.2.025	Deduction of interest on student loans	Federal Individual Income Tax	Deduction	7	8	8
1.2.026	Deduction of higher education expenses	Federal Individual Income Tax	Deduction	5	3	1
1.2.027	Deduction of teacher classroom expenses	Federal Individual Income Tax	Deduction	1	1	(m)
1.2.028	Deduction of health insurance premiums and long-term care insurance premiums by the self-employed	Federal Individual Income Tax	Deduction	27	29	31
1.2.029	Deduction of medical expenses and long term care expenses	Federal Individual Income Tax	Deduction	70	75	84
1.2.030	Deduction of IRA contributions (includes traditional IRAs and Roth IRAs)	Federal Individual Income Tax	Deduction	74	93	105
1.3.001	Like-kind exchanges	Federal Individual Income Tax	Deferral	9	11	12
1.3.002	Special rules for magazine, paperback book, and record returns	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)
1.3.003	5 year carryback for net operating losses attributable to farming	Federal Individual Income Tax	Special Rule	(m)	(m)	1
1.3.004	Special rules for mining reclamation reserves	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.3.005	Cash accounting, other than agriculture	Federal Individual Income Tax	Special Rule	7	8	8
1.3.006	Deferral of gain on non-dealer installment sales	Federal Individual Income Tax	Special Rule	9	10	9
1.3.007	Completed contract rules	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)
1.3.008	Special treatment of employee stock ownership plans (ESOPs) (includes deferral of tax on certain employee stock plans)	Federal Individual Income Tax	Deferral	2	2	2
1.3.009	Income averaging for farmers and fishermen	Federal Individual Income Tax	Special Rule	(m)	(m)	(m)
Georgia Individual Income Tax Provisions						
1.4.001	Personal Exemption	State Individual Income Tax	Exemption	952	1,050	1,062
1.4.002	Retirement Income	State Individual Income Tax	Exemption	692	711	752
1.4.003	Exclusion of federally taxable Social Security benefits	State Individual Income Tax	Exemption	159	165	172
1.4.004	Georgia Higher Education Savings Plan Contributions	State Individual Income Tax	Exemption	4	4	4
1.4.005	Interest on U.S. obligations	State Individual Income Tax	Exemption	6	8	10
1.4.006	Certain military income	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.007	Organ donation expenses	State Individual Income Tax	Exemption	(m)	(m)	(m)
1.4.008	Aged 65/Blind deduction	State Individual Income Tax	Exemption	6	7	7
1.4.009	Certain dependent's unearned income	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.010	Premiums for high deductible health plans	State Individual Income Tax	Exemption	2	7	12
1.4.011	Salaries and wages reduced from Federal taxable income because of the Federal Jobs Tax Credit	State Individual Income Tax	Exemption	Estimate not available at this time		

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.4.012	Individual retirement account, Keogh, SEP and Sub-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.013	Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.014	Income from any fund, program or system which is exempted by federal law or treaty.	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.015	Certain income in which the Sub-S election is not recognized by Georgia or another state in order to avoid double taxation.	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.016	Adjustment for certain teachers retired from the Teacher's Retirement System of Georgia	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.017	Amount claimed by certain employers in food and beverage establishments	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.018	Adjustment of certain payments to minority subcontractors	State Individual Income Tax	Exemption	Estimate not available at this time		
1.4.019	Adjustments to federal AGI for certain Georgia resident partners	State Individual Income Tax	Exemption	Estimate not available at this time		
1.5.001	Standard Deduction	State Individual Income Tax	Deduction	172	173	175
1.6.001	Rural Physician's Credit	State Individual Income Tax	Credit	1	1	1
1.6.002	Disabled person's home purchase or retrofit credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.003	Driver Education Credit	State Individual Income Tax	Credit	1	1	1
1.6.004	Disaster Assistance Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.005	Qualified Caregiving Expense Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.006	Tax credit for life insurance for Georgia National Guard and Air National Guard	State Individual Income Tax	Credit	1	1	1

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.6.007	Child and Dependent Care Credit	State Individual Income Tax	Credit	35	36	37
1.6.008	Adoption of Foster Child Credit	State Individual Income Tax	Credit	2	3	3
1.6.009	Low-Income Credit	State Individual Income Tax	Credit	8	8	9
1.6.010	Credit for taxes paid to another state	State Individual Income Tax	Credit	203	211	220
1.6.012	Employer's Jobs Tax Credit	State Individual Income Tax	Credit	9	10	11
1.6.013	Quality Jobs Tax Credit	State Individual Income Tax	Credit	2	2	2
1.6.014	New Facilities Jobs Credit	State Individual Income Tax	Credit	Estimate included in 1.6.012		
1.6.015	New Manufacturing Facilities Property Credit	State Individual Income Tax	Credit	Estimate not available at this time		
1.6.016	Manufacturer's Investment Tax Credit	State Individual Income Tax	Credit	1	1	1
1.6.017	Optional Investment Tax Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.018	Port Activity Tax Credit	State Individual Income Tax	Credit	1	1	1
1.6.019	Alternate Port Activity Tax Credit	State Individual Income Tax	Credit	Estimate included in 1.6.018		
1.6.020	Film Tax Credit	State Individual Income Tax	Credit	94	104	114
1.6.021	Research Tax Credit	State Individual Income Tax	Credit	3	3	2
1.6.022	Seed-Capital Fund Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.023	Qualified Health Insurance Expense Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.025	Qualified Transportation Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.026	Business Enterprise Vehicle Credit	State Individual Income Tax	Credit	(m)	(m)	(m)

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
1.6.027	Employer's credit for providing or sponsoring child care for employees and employer's credit for purchasing child care property	State Individual Income Tax	Credit	6	4	6
1.6.028	Low Income Housing Credit	State Individual Income Tax	Credit	61	65	69
1.6.029	Historic Rehabilitation Credit	State Individual Income Tax	Credit	2	2	2
1.6.030	Diesel Particulate Emission Reduction Technology Equipment Credit	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.031	Low/Zero Emission Vehicle Credit & Electric Vehicle Charger Credit	State Individual Income Tax	Credit	10	14	18
1.6.032	Land Conservation Credit	State Individual Income Tax	Credit	44	50	56
1.6.033	Clean Energy Property and Wood Residuals Credit	State Individual Income Tax	Credit	1	2	2
1.6.034	Employer's Credit for Basic Skills Education	State Individual Income Tax	Credit	(m)	(m)	(m)
1.6.035	Employer's Credit for Approved Employee Retraining	State Individual Income Tax	Credit	8	9	10
1.6.036	Qualified Education Expense Credit	State Individual Income Tax	Credit	38	39	39
1.6.037	Qualified Investor Tax Credit	State Individual Income Tax	Credit	0	7	9
1.6.038	Energy or water efficient equipment credit	State Individual Income Tax	Credit	0	0	0
1.6.039	Tax credit for water conservation facilities and qualified water conservation investment property	State Individual Income Tax	Credit	Estimate not available at this time		
1.6.040	Tax credit for shift from ground water usage	State Individual Income Tax	Credit	Estimate not available at this time		
1.6.041	Tax credit for existing business enterprises undergoing qualified business expansion	State Individual Income Tax	Credit	Estimate included in 1.6.012		
Federal Corporate Income Tax Provisions						
2.1.001	Exemption from imputed interest rules	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
2.1.002	Exclusion of interest on state and local government private activity bonds	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.003	Exclusion of contributions in aid of construction for water and sewer utilities	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.004	Exclusion of earnings of certain environmental settlement funds	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.005	Exclusion of certain agricultural cost-sharing payments	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.006	Exclusion of gain or loss on sale or exchange for brownfield property	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.007	Exclusion of health insurance benefits for military retirees and retiree dependents enrolled in Medicare	Federal Corporate Income Tax	Exclusion	1	(m)	0
2.1.008	Exclusion of disaster mitigation payments	Federal Corporate Income Tax	Exclusion	(m)	(m)	(m)
2.1.009	Exclusion of interest on public purpose state and local government bonds	Federal Corporate Income Tax	Exclusion	1	1	1
2.1.010	Various foreign provisions including inventory property sales source rule exception, interest expense allocation, deferral of active income of controlled foreign corporations, deferral of active financing income	Federal Corporate Income Tax	Exclusion	129	139	147
2.2.001	Accelerated depreciation (MACRS)	Federal Corporate Income Tax	Deduction	31	32	34
2.2.002	Deduction of expenditures on energy-efficient commercial building property	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.003	Deduction of exploration and development costs of nonfuel minerals	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.004	Amortization of business startup costs	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.005	Expensing of research and development costs in lieu of the R&D tax credit	Federal Corporate Income Tax	Deduction	9	10	11
2.2.006	Expensing of magazine circulation expenditures	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.007	Deductions of oil and gas exploration and development costs	Federal Corporate Income Tax	Deduction	0	0	0

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
2.2.008	Special treatment of expenses related to timber production	Federal Corporate Income Tax	Deduction	3	3	3
2.2.009	Deduction of charitable contributions (includes deductions for health, education, and for purposes other than health and education)	Federal Corporate Income Tax	Deduction	12	12	12
2.2.011	Expensing under IRC section 179 of depreciable business property	Federal Corporate Income Tax	Deduction	1	1	2
2.2.012	Amortization of air pollution control facilities	Federal Corporate Income Tax	Deduction	1	1	1
2.2.013	Election to expense 50 percent of qualified property used to refine liquid fuels	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.014	Various agricultural expensing provisions	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.015	Community and regional development incentives	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.016	Expensing to remove architectural and transportation barriers to the handicapped and elderly	Federal Corporate Income Tax	Deduction	(m)	(m)	(m)
2.2.017	Inventory methods and valuation	Federal Corporate Income Tax	Deduction	15	15	16
2.2.018 ³	Limits on deductible compensation and disallowance of deduction for excess parachute payments	Federal Corporate Income Tax	Exemption	-3	-3	-3
2.3.001	Like-kind exchanges	Federal Corporate Income Tax	Deferral	10	11	10
2.3.002	Special rules for magazine, paperback book, and record returns	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.003	5 year carryback for net operating losses attributable to farming	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.004	Special rules for mining reclamation reserves	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.005	Cash accounting, other than agriculture	Federal Corporate Income Tax	Special Rule	(m)	(m)	(m)
2.3.006	Deferral of gain on non-dealer installment sales	Federal Corporate Income Tax	Special Rule	13	14	14

³ Negative values denote a positive tax expenditure that is estimated to increase state revenues.

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
2.3.007	Completed contract rules	Federal Corporate Income Tax	Special Rule	2	3	3
2.3.008	Special treatment of employee stock ownership plans (ESOPs) (includes deferral of tax on certain employee stock plans)	Federal Corporate Income Tax	Deferral	-1	-1	-2
2.3.009	Deferral of capital construction costs of shipping companies	Federal Corporate Income Tax	Deferral	(m)	(m)	(m)
Georgia Corporate Income Tax Provisions						
2.4.001	Single Factor Apportionment	Corporate Income Tax	Apportionment	Estimate not available at this time		
2.4.002	Throwback Rule	Corporate Income Tax	Apportionment	Not Applicable		
2.4.003	Corporate Receipts Sourcing	Corporate Income Tax	Apportionment	Estimate not available at this time		
2.5.001	Interest on obligations of United States	Corporate Income Tax	Deduction	Estimate not available at this time		
2.5.002	Exception to intangible expenses and related interest cost	Corporate Income Tax	Deduction	Estimate not available at this time		
2.6.001	Employer's Job Tax Credit	Corporate Income Tax	Credit	55	59	63
2.6.002	Quality Jobs Tax Credit	Corporate Income Tax	Credit	6	7	7
2.6.003	New Facilities Jobs Credit	Corporate Income Tax	Credit	Estimate included in 2.6.001		
2.6.004	New Manufacturing Facilities Property Credit	Corporate Income Tax	Credit	Estimate not available at this time		
2.6.005	Manufacturer's Investment Tax Credit	Corporate Income Tax	Credit	59	59	64
2.6.006	Optional Investment Tax Credit	Corporate Income Tax	Credit	(m)	(m)	(m)
2.6.007	Port Activity Tax Credit	Corporate Income Tax	Credit	5	5	6
2.6.008	Alternative Port Activity Tax Credit	Corporate Income Tax	Credit	Estimate included in 2.6.007		
2.6.009	Film Tax Credit	Corporate Income Tax	Credit	41	45	49
2.6.010	Research Tax Credit	Corporate Income Tax	Credit	6	6	5
2.6.011	Seed-Capital Fund Credit	Corporate Income Tax	Credit	(m)	(m)	(m)
2.6.012	Qualified Health Insurance Expense Credit	Corporate Income Tax	Credit	(m)	(m)	(m)
2.6.014	Qualified Transportation Credit	Corporate Income Tax	Credit	(m)	(m)	(m)
2.6.015	Business Enterprise Vehicle Credit	Corporate Income Tax	Credit	(m)	(m)	(m)

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
2.6.016	Employer's Credit for providing or sponsoring child care for employees and employer's credit for purchasing child care property	Corporate Income Tax	Credit	5	7	6
2.6.017	Low Income Housing Credit	Corporate Income Tax	Credit	26	28	30
2.6.018	Historic Rehabilitation Credit	Corporate Income Tax	Credit	0	0	0
2.6.019	Diesel Particulate Emission Reduction Technology Equipment Credit	Corporate Income Tax	Credit	(m)	(m)	(m)
2.6.020	Zero and Low Emission Vehicle Credit; Electric Vehicle Charger Credit	Corporate Income Tax	Credit	0	0	0
2.6.021	Land Conservation Credit	Corporate Income Tax	Credit	2	3	3
2.6.022	Clean Energy Property & Wood Residuals Credit	Corporate Income Tax	Credit	1	1	1
2.6.023	Employer's Credit for Basic Skills Education	Corporate Income Tax	Credit	(m)	(m)	(m)
2.6.024	Employer's Credit for Approved Employee Retraining	Corporate Income Tax	Credit	21	23	26
2.6.025	Qualified Education Expense Credit	Corporate Income Tax	Credit	14	14	15
2.6.026	Qualified Investor's Tax Credit	Corporate Income Tax	Credit	0	0	0
2.6.027	Energy or Water Efficient Equipment Credit	Corporate Income Tax	Credit	0	0	0
2.6.028	Tax credit for water conservation facilities and qualified water conservation investment property	Corporate Income Tax	Credit	Estimate not available at this time		
2.6.029	Tax credit for shift from ground-water usage	Corporate Income Tax	Credit	Estimate not available at this time		
2.6.030	Tax credit for existing business enterprises undergoing qualified business expansion	Corporate Income Tax	Credit	Estimate included in 2.6.001		
Net Worth Tax						
3.001	Exemption for nonprofit corporations	Net Worth Tax	Exemption	Estimate not available at this time		
3.002	Exemptions from the Net Worth Tax	Net Worth Tax	Exemption	Estimate not available at this time		
Sales and Use Tax						
4.00100	Sales to Federal Government, State of Georgia or a county or municipality in Georgia or any agency of such governments	Sales and Use Tax	Exemption	Estimate not available at this time		

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.00200	Tangible personal property furnished by the Federal Government or any county or municipality used by a contractor in the installation, repair, or extension of any public water, gas, or sewer system.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.00300	Federal retailer's excise tax if separately itemized to the consumer and Georgia motor fuel tax imposed on the sale of motor fuel	Sales and Use Tax	Exemption	Estimate not available at this time		
4.00400	Sales of transportation furnished by a county or municipal public transit system or public transit authorities	Sales and Use Tax	Exemption	7	7	7
4.00500	Sales of transportation furnished by an approved and authorized urban transit system	Sales and Use Tax	Exemption	Estimate Combined With 4.00400		
4.00600	Sales to any Hospital Authority created by Georgia law	Sales and Use Tax	Exemption	Estimate Combined with 4.00700		
4.00610	Sales to any Housing Authority created by Georgia law	Sales and Use Tax	Exemption	2	2	2
4.00620	Sales to local government authorities created on or after January 1, 1980 for the principal purpose of constructing, owning, or operating a coliseum and related facilities	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.00630	Sales to any agricultural commission created by the Department of Agriculture	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.00700	Sales of tangible personal property and services to an approved nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function.	Sales and Use Tax	Exemption	85	87	90
4.00710	Sales of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities.	Sales and Use Tax	Exemption	2	2	2
4.00720	Sales to Georgia Society of the Daughters of the American Revolution	Sales and Use Tax	Exemption	(m)	(m)	(m)

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.00800	Sales of tangible personal property and services to the University System of Georgia and its educational units.	Sales and Use Tax	Exemption	33	34	36
4.00900	Sale of tangible personal property and services used exclusively in the educational function of an approved private college or university located in Georgia in which the credits are accepted by the University System of Georgia.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.01000	Sales of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school	Sales and Use Tax	Exemption	2	2	2
4.01100	Sale of tangible personal property or services to, and the purchase of tangible personal property or services by, any educational or cultural institute	Sales and Use Tax	Exemption	Estimate not available at this time		
4.01200	School lunches sold and served to pupils and employees of public schools	Sales and Use Tax	Exemption	8	8	7
4.01300	School lunches sold and served to pupils and employees of approved private schools	Sales and Use Tax	Exemption	1	1	1
4.01400	Sales of art and other artifacts for display or exhibition to museums	Sales and Use Tax	Exemption	1	1	1
4.01500	Specific fundraising sales by any religious institution lasting no more than 30 days in a calendar year and sales of religious paper when the paper is owned and operated by the religious institution	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.01510	Sales of pipe organs or steeple bells to any church qualifying as a nonprofit	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.01600	The sale or use of Holy Bibles; testaments, and similar books commonly recognized as being Holy Scripture regardless of by or to whom sold	Sales and Use Tax	Exemption	Estimate not available at this time		
4.01700	Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce	Sales and Use Tax	Exemption	30	30	30

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.01800	Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation	Sales and Use Tax	Exemption	Estimate not available at this time		
4.01900	All tangible personal property purchased outside this state by a nonresident when the property is brought into Georgia upon the nonresident becoming a resident	Sales and Use Tax	Exemption	Estimate not available at this time		
4.02000	Water delivered through water mains, lines, or pipes	Sales and Use Tax	Exemption	See expenditure estimate for Residential Utilities (4.5009)		
4.02100	Sales, transfers or exchanges of tangible personal property resulting from business reorganization when the owners, partners, or stockholders maintain the same proportionate interest or share in the newly formed business	Sales and Use Tax	Exemption	Estimate not available at this time		
4.02200	Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made	Sales and Use Tax	Exemption	See expenditure estimates for services (4.50003, 4.50010, 4.50011)		
4.02300	Repair services when a separate charge is made to the customer	Sales and Use Tax	Exemption	See expenditure estimates for Services (4.50003, 4.50010, 4.50011)		
4.02400	Rental of videotape or film to persons charging admission to view the tape or film	Sales and Use Tax	Exemption	Estimate not available at this time		
4.02500	Sale of seed, fertilizer, fungicide, and certain other agricultural chemicals to farmers, and feed for livestock, fish, or poultry purchased by persons engaged in animal husbandry (expired January 1, 2013)	Sales and Use Tax	Exemption	80	0	0
4.02600	Sale of machinery used exclusively for irrigation of crops to persons primarily engaged in producing farm crops for sale (expired January 1, 2013)	Sales and Use Tax	Exemption	(m)	0	0
4.02700	Sales of sugar for use as food to honey bee producers (expired January 1, 2013)	Sales and Use Tax	Exemption	(m)	0	0
4.02800	Sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding purposes (expired January 1, 2013)	Sales and Use Tax	Exemption	(m)	0	0

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.02900	Sale of certain types of agricultural machinery (expired January 1, 2013)	Sales and Use Tax	Exemption	11	0	0
4.02910	Off-road equipment and related attachments used exclusively in site preparation, planting, cultivating, or harvesting of timber by persons primarily engaged in growing or harvesting timber (expired January 1, 2013)	Sales and Use Tax	Exemption	6	0	0
4.03000	Vehicles purchased by service-connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase the specially adapted vehicle	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.03100	Sale of tangible personal property manufactured or assembled in Georgia for export when delivery is taken outside of Georgia	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03200	Aircraft, watercraft, motor vehicles, and other transportation equipment manufactured or assembled in this State for exclusive use outside Georgia	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03300	Common or common and contract carriers	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03310	Partial sales tax exemption for jet fuel sold to or used by a qualifying airline at a qualifying airport	Sales and Use Tax	Exemption	21	22	22
4.03400	Certain machinery used in the manufacturing of tangible personal property (expired January 1, 2013)	Sales and Use Tax	Exemption	84	0	0
4.03410	Machinery and equipment used to handle, move, or store tangible personal property in certain distribution facilities	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03420	Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.03430	The sale or use of repair or replacement parts, machinery clothing, molds, dies, waxes or tooling for machinery (expired January 1, 2013)	Sales and Use Tax	Exemption	Estimate not available at this time		

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.03500	Certain materials used in industrial packaging (expired January 1, 2013)	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03600	Machinery and equipment used in a facility for the primary purpose of reducing or eliminating air and water pollution	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03610	Machinery and equipment used for water conservation and incorporated into a qualified water conservation facility.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03700	Machinery and equipment used in combating air and water pollution and any industrial material used in a burning or recycling process (expired January 1, 2013)	Sales and Use Tax	Exemption	Estimate not available at this time		
4.03800	Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H center	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.03900	Certain sales by a public or private school of tangible personal property, concessions, and tickets for admission to school functions	Sales and Use Tax	Exemption	3	3	3
4.03910	Cargo containers and related chassis used for storage or shipping by persons engaged in international shipment of tangible personal property	Sales and Use Tax	Exemption	Estimate not available at this time		
4.04000	Sale of major components or repair parts installed in military aircraft, vehicles, or missiles	Sales and Use Tax	Exemption	36	27	29
4.04100	Sale of tangible personal property and services to a nonprofit child-caring institution, child-placing agency, or maternity home	Sales and Use Tax	Exemption	1	1	1
4.04200	Use or lease of tangible personal property when the lessor and lessee are under 100 percent common ownership and where the person who furnishes, leases, or rents the property has paid sales or use tax on the property	Sales and Use Tax	Exemption	Estimate not available at this time		
4.04300	Revenues from coin-operated amusement machines for which individual permits are required	Sales and Use Tax	Exemption	2	2	3

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.04400	Sale of motor vehicles to nonresident purchasers when vehicles are immediately removed from Georgia and titled in another state.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.04500	The sale or use of paper stock when used to print catalogs for distribution outside Georgia.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.04600	Sale of tangible personal property or taxable services to nonprofit blood banks	Sales and Use Tax	Exemption	1	1	1
4.04700	Sale of drugs dispensed by prescription, prescription glasses, contact lenses, contact lens samples and sales or use of certain controlled substances or dangerous drugs	Sales and Use Tax	Exemption	398	410	422
4.04800	Sale of crab bait to licensed commercial fishermen	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.04900	Liquefied gases and other fuels used in poultry or pullet houses or structures (expired January 1, 2013)	Sales and Use Tax	Exemption	2	0	0
4.05000	Sales of insulin syringes and blood glucose level measuring strips dispensed without a prescription	Sales and Use Tax	Exemption	12	13	14
4.05100	Sale of oxygen when prescribed by a licensed physician	Sales and Use Tax	Exemption	1	1	1
4.05200	Sale or use of hearing aids	Sales and Use Tax	Exemption	4	4	4
4.05300	Transactions where food stamps or WIC coupons are used as the method of payment	Sales and Use Tax	Exemption	134	134	134
4.05400	Sale or use of any durable medical equipment or prosthetic device prescribed by a physician	Sales and Use Tax	Exemption	32	33	34
4.05500	Sale of Georgia lottery tickets	Sales and Use Tax	Exemption	145	153	164
4.05600	Sale by any qualified nonprofit parent teacher organization	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.05700	Food purchased for off-premises consumption	Sales and Use Tax	Exemption	438	452	470
4.05900	Sale of eligible food and beverages by any Girl or Boy Scout council	Sales and Use Tax	Exemption	1	1	1
4.06000	Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less	Sales and Use Tax	Exemption	Estimate not available at this time		

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.06100	Advertising inserts that are used in newspapers for resale	Sales and Use Tax	Exemption	Estimate not available at this time		
4.06200	Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer	Sales and Use Tax	Exemption	4	4	4
4.06300	Funeral merchandise when paid with funds from the Georgia Crime Victims' Emergency fund	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.06400	Sale of electricity or fuels used exclusively for the operation of an irrigation system on a farm for crop irrigation (expired January 1, 2013)	Sales and Use Tax	Exemption	15	0	0
4.06500	Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.06600	Sale of gold, silver, or platinum bullion	Sales and Use Tax	Exemption	Estimate not available at this time		
4.06700	Sale of coins or currency	Sales and Use Tax	Exemption	Estimate not available at this time		
4.06800	Sale of certain computer equipment when the total qualifying purchases by a high technology company exceed \$15 million	Sales and Use Tax	Exemption	Estimate not available at this time		
4.06900	Sales of machinery and equipment and material incorporated and used in a clean room of Class 100 or less	Sales and Use Tax	Exemption	Estimate not available at this time		
4.07000	Sale of natural gas used directly in the manufacture of electricity	Sales and Use Tax	Exemption	76	87	102
4.07100	Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.07200	Sale of wheelchairs and attachments for wheelchairs when sold to permanently disabled individuals	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.07300	Sale of certain production equipment to film producers and film production companies (expired January 1, 2013)	Sales and Use Tax	Exemption	6	0	0
4.07500	Sales tax holiday for back to school items (expired August 10, 2013)	Sales and Use Tax	Exemption	39	41	0

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.07700	Liquefied gases and other fuels used in structures where plants, floral products, seedlings, and nursery stock are grown for sale (expired January 1, 2013)	Sales and Use Tax	Exemption	(m)	0	0
4.07900	Ice used to chill poultry or vegetables during processing or shipment (expired January 1, 2013)	Sales and Use Tax	Exemption	Estimate not available at this time		
4.08100	The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline	Sales and Use Tax	Exemption	4	4	4
4.08200	Sales tax holiday for water and energy efficient purchases (expired October 6, 2013)	Sales and Use Tax	Exemption	(m)	(m)	0
4.08300	Sale of biomass materials used to produce electricity or steam or used to produce electricity or steam intended for sale	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.08600	Sales of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft (expires 6/30/2015)	Sales and Use Tax	Exemption	7	7	7
4.08800	Sale of tangible personal property used in the construction of a qualified civil rights museum (expires 7/30/2015)	Sales and Use Tax	Exemption	(m)	(m)	(m)
4.09000	The sale of electricity to a manufacturer located in this state used directly in the manufacture of a product (expired January 1, 2013)	Sales and Use Tax	Exemption	Estimate not available at this time		
4.09100	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.09200	Sale to an organization defined by the Internal Revenue Service as an instrumentality of the states relating to the holding of an annual meeting in this state for the period commencing July 1, 2012, and ending on December 31, 2013	Sales and Use Tax	Exemption	Estimate not available at this time		

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.09300	Sale of tangible personal property used for and in the construction of a competitive project of regional significance, for the period commencing January 1, 2012, until June 30, 2014.	Sales and Use Tax	Exemption	Estimate not available at this time		
4.09400	The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale	Sales and Use Tax	Exemption	Estimate not available at this time		
4.3.2	Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing	Sales and Use Tax	Exemption	2,853	2,969	3,090
4.3.3	Sale and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment	Sales and Use Tax	Exemption	127	131	135
4.50000	Admissions and Amusements	Sales and Use Tax for Services	Exemption	99	102	105
4.50001	Agricultural Services	Sales and Use Tax for Services	Exemption	103	106	110
4.50002	Automotive Services	Sales and Use Tax for Services	Exemption	81	83	87
4.50003	Business Services	Sales and Use Tax for Services	Exemption	480	494	511
4.50004	Computer and Online Services	Sales and Use Tax for Services	Exemption	197	203	210
4.50005	Construction Labor	Sales and Use Tax for Services	Exemption	1,503	1,548	1,602
4.50006	Fabrication, Installation, and Repair Services	Sales and Use Tax for Services	Exemption	162	167	173
4.50007	Finance, Insurance, and Real Estate	Sales and Use Tax for Services	Exemption	346	356	368
4.50008	Industrial and Mining Services	Sales and Use Tax for Services	Exemption	7	7	7
4.50009	Residential Utility Service	Sales and Use Tax for Services	Exemption	97	100	104
4.50010	Personal Services	Sales and Use Tax for Services	Exemption	149	154	159

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
4.50011	Professional Services	Sales and Use Tax for Services	Exemption	1,187	1,222	1,265
4.50012	Storage	Sales and Use Tax for Services	Exemption	45	46	48
4.50013	Transportation Services	Sales and Use Tax for Services	Exemption	(m)	(m)	(m)
4.70000	Compensation of dealers for reporting and paying tax	Sales and Use Tax	Exemption	52	45	47
4.90000	Sales tax exemption for casual sales	Sales and Use Tax	Exemption	125	2	2
Insurance Premium Tax						
5.00100	Deduction of retaliatory taxes paid to other states	Insurance Premium Tax	Deduction	(m)	(m)	(m)
5.00200	Insurance premium tax credits	Insurance Premium Tax	Credit	99	109	120
5.00300	Exemption for premiums of high deductible health plans	Insurance Premium Tax	Exemption	1	1	(m)
5.00400	Exemption for insurance companies that only insure places of worship	Insurance Premium Tax	Exemption	(m)	(m)	(m)
5.00500	Insurance abatements	Insurance Premium Tax	Rate Reduction	130	133	136
5.00600	Special deductions for life insurance companies	Insurance Premium Tax	Deduction	126	129	132
Motor Fuel Tax						
6.00100	Motor fuel tax refunds for agricultural purposes	Motor Fuel Tax	Exemption	Estimate not available at this time		
6.00200	Sale of fuel to mass transit vehicles	Motor Fuel Tax	Exemption	2	2	2
6.00300	Sale of fuel to campus transportation vehicles	Motor Fuel Tax	Exemption	Estimate included in 6.00200		
6.00400	Motor fuel tax exemption for aviation fuel	Motor Fuel Tax	Exemption	x	x	x
6.00500	Motor fuel tax vendor compensation	Motor Fuel Tax	Exemption	Estimate not available at this time		
6.00600	Motor fuel tax exemption for public school buses	Motor Fuel Tax	Exemption	5	5	5
Alcoholic Beverage Tax						
7.00100	Sales to persons outside the state for resale or consumption outside the state	Alcoholic Beverage Tax	Exemption	Estimate not available at this time		
7.00200	Sales to stores or canteens in U.S. military reservations	Alcoholic Beverage Tax	Exemption	Estimate not available at this time		

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
7.00300	200 gallons annually of home-brew per household	Alcoholic Beverage Tax	Exemption	(m)	(m)	1
7.00400	Sales to and use by religious organizations for sacramental purposes	Alcoholic Beverage Tax	Exemption	(m)	(m)	(m)
7.00500	Exemption for ethyl alcohol used for certain purposes	Alcoholic Beverage Tax	Exemption	(m)	(m)	(m)
7.00600	Malt beverages containing less than one-half of 1 percent alcohol by volume	Alcoholic Beverage Tax	Exemption	(m)	(m)	(m)
Cigar and Cigarette Excise Tax						
8.00100	Exemption for purchases for use exclusively by patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing Home	Cigar and Cigarette Excise Tax	Exemption	(m)	(m)	(m)
8.00200	De minimis amount brought into the state by one person	Cigar and Cigarette Excise Tax	Exemption	Estimate not available at this time		
8.00300	Cigars and cigarettes stored in a public warehouse	Cigar and Cigarette Excise Tax	Exemption	Estimate not available at this time		
8.00400	Certain cigars and cigarettes held by licensed dealers	Cigar and Cigarette Excise Tax	Exemption	Estimate not available at this time		
Financial Institutions Business License Tax						
9.00100	Deduction for interest paid	Financial Institutions Business License Tax	Deduction	2	2	2
9.00200	Deductions for income from authorized activities of a domestic international banking facility	Financial Institutions Business License Tax	Deduction	Estimate not available at this time		
9.00300	Deduction for income from banking business with persons or entities outside the U.S.	Financial Institutions Business License Tax	Deduction	Estimate not available at this time		
State Grant for Forest Land Conservation						
10.00000	Special assessment of forest land conservation use property	State Grant	Credit	18	23	26
Alternative Ad Valorem Tax on Motor Vehicles						
11.001	Reduced rate for related family transfers	Title Fee	Rate Reduction	(m)	1	1
11.002	Disabled veteran exemption	Title Fee	Exemption	(m)	(m)	(m)
11.003	Reduced rate for rental vehicles	Title Fee	Rate Reduction	14	54	58

Summary of State Tax Expenditures

Expenditure	Summary	Tax	Type of Expenditure	State FY 2013	State FY 2014	State FY 2015
11.004	Reduced rate for vehicles manufactured in years 1963 through 1985	Title Fee	Rate Reduction	0	0	0
11.005	Reduced rate for salvage vehicles	Title Fee	Rate Reduction	6	23	24
11.006	Dealer loaner vehicle exemption	Title Fee	Exemption	1	(m)	(m)
11.007	Reduced rate for donated vehicles	Title Fee	Rate Reduction	(m)	(m)	(m)
11.008	Extended payment period for out-of-state vehicles	Title Fee	Exemption	3	0	0
11.009	Trade-in exemption (including rebates and cash discounts)	Title Fee	Exemption	48	173	185
11.010	Special assessment for used vehicles	Title Fee	Exemption	6	20	21
11.011	Special assessment for new vehicles	Title Fee	Exemption	-10	-38	-39

1. Personal Income Tax

The personal income tax was first levied in Georgia in 1929 at a rate equal to one third the federal rate of income taxation. The current rate structure which includes 6 brackets, ranging from 1 percent to 6 percent, has remained unchanged since 1955 when the 7 percent rate on taxable incomes over \$20,000 was eliminated. The threshold for each bracket depends on the filing status of the taxpayer, i.e. single or head of household, married filing separate or joint. The individual income tax collections equaled \$8.1 billion in FY2012 and accounted for 50 percent of Georgia's revenues from taxation. In CY2012, 4.6 million individual returns were filed with the state. While predominately paid by individuals, a significant number of business activities are organized so that income associated with these enterprises is reported through the individual income tax. All revenue collected from the individual income tax is deposited in the state general fund.

The initial base of the Georgia individual income tax is the taxpayer's federal adjusted gross income (AGI). Several adjustments are made to this starting point to arrive at the version of adjusted gross income adopted by Georgia. After computing the Georgia version of AGI, taxpayers deduct an amount representing either the value of their Georgia itemized deductions or the Georgia standard deduction. In addition, for tax year 2012 and before, filers are allowed a personal exemption of \$5,400 for joint filers and \$2,700 for other filers and \$3,000 for each dependent. For tax years after 2012, the personal exemption for joint filers will be \$7,400 and will be \$3,700 for married taxpayers filing a separate return.

The tax expenditure report includes the expenditures associated with both state and federal tax provisions. Because the Georgia individual income tax is based on the federal system, expenditures that are present at the federal level have revenue implications at the state level. For example, changes to itemized deductions by the federal government have repercussions on Georgia state tax revenues. The value of the expenditure as it relates to state taxes paid by those filing a Georgia return is presented in the section below on federal tax expenditures. In some cases, Georgia might not adopt a federal deduction. In that case, the expenditure is not listed because there is no loss of revenue to the state. In general, the value of the federal tax expenditure to the state of Georgia is determined by allocating a portion of the federal tax base associated with the expenditure estimate as estimated by the Joint Committee on Taxation for the U.S. Congress. The data and estimate reliability for the conformity provisions are considered class A. In some cases though, the value of the Georgia estimates are highly sensitive to the assumptions made concerning the appropriate tax rate for a given expenditure provision and the allocation factor that is used to determine the amount of federal activity associated with Georgia. The estimates associated with the federal conformity provisions are based on current law as it existed in November 2013. Therefore, any changes to provisions that may occur because of federal legislative action that occurred after that period are not reflected in the estimates.

The explanations of the federal conformity provisions are taken from *Tax Expenditures: Compendium of Background Material in Individual Provisions*, published by the Committee on the Budget, United States Senate and prepared by the Congressional Research Service, December 2012.

1.1 Federal Exclusions

1.1.001 Exclusion of employee meals and lodging

Federal Statute IRC section 119 and 132(e)(2)

Description: Employees are allowed to exclude the fair market value of meals and lodging furnished by employers if provided on the employer's premises for the convenience of the employer.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	11	13	14

(m) Denotes a value of less than \$1 Million

1.1.002 Exclusion of housing allowances for ministers

Federal Statute IRC Section 107 and 265

Description: In general, this provision allows ministers to deduct certain housing related expenditures from their gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	5	6

(m) Denotes a value of less than \$1 Million

1.1.003 Exclusion of employer-provided child care

Federal Statute IRC Section 129

Description: Payments by an employer, under a dependent care assistance program, for qualified dependent care assistance provided to an employee are excluded from the employee's income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	11	12	12

(m) Denotes a value of less than \$1 Million

1.1.004 Exclusion of employee awards

Federal Statute IRC Section 74(c) and 274(j)

Description: This provision provides an exclusion for certain awards of tangible personal property given to employees for length of service or for safety achievement.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

1.1.005 Exclusion of employer contributions and earnings to pension plans includes keoghs, defined benefit and defined contribution plans

Federal Statute IRC Sections 401-407, 410-418E, and 457

Description: Employer contributions to qualified pension, profit-sharing, stock-bonus, and annuity plans on behalf of an employee are not taxable to the employee. Furthermore, the employee is generally not taxed on the benefits when they are distributed.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	700	735	806

(m) Denotes a value of less than \$1 Million

1.1.006 Exclusion of employer contributions for health care, health insurance premiums and long-term care insurance premiums

Federal Statute IRC Sections 105,106, and 125

Description: Employees are allowed to exclude contributions by their employers for health care coverage for themselves and their dependents.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	876	960	1031

(m) Denotes a value of less than \$1 Million

1.1.007 Exclusion of employer paid accident and disability premiums

Federal Statute IRC Sections 105 and 106

Description: Premiums paid by employers for employee accident and disability insurance plans are excluded from the taxable income of employees.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	25	26	27

(m) Denotes a value of less than \$1 Million

1.1.008 Exclusion of employer contributions for premiums on group long term life insurance

Federal Statute IRC Section 79

Description: Premiums paid by the employer for qualified group-term life insurance plans for the employee are excluded from employee's taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	20	22	23

(m) Denotes a value of less than \$1 Million

1.1.009 Exclusion of employer-paid transportation benefits and employer-provided transit and vanpool benefits

Federal Statute IRC Section 132(f)

Description: Employer provided qualified transportation benefits are excluded from employee taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	28	31	33

(m) Denotes a value of less than \$1 Million

1.1.010 Exclusion of benefits provided through cafeteria plans

Federal Statute IRC Section 125

Description: Qualified benefits offered through an employer's cafeteria plan are not included as taxable income to the employee.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	182	209	227

(m) Denotes a value of less than \$1 Million

1.1.011 Exclusion of employer provided adoption assistance

Federal Statute IRC Section 137

Description: Benefits received from a qualified employer-sponsored adoption assistance program are excludable from taxable income for the employee.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	2

(m) Denotes a value of less than \$1 Million

1.1.012 Exclusion of employer provided education benefits (including education assistance and tuition reduction benefits)

Federal Statute IRC Section 117(d) and Section 127

Description: Tuition reductions for employees of educational institutions may be excluded from taxable income. In addition, an employee may exclude amounts paid by the employer for qualified educational assistance programs.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	8	8	8

(m) Denotes a value of less than \$1 Million

1.1.013 Exclusion of miscellaneous fringe benefits

Federal Statute IRC Section 132 and 117(D)

Description: Certain miscellaneous fringe benefits provided by employers, including services provided at no additional costs, employee discounts, working condition fringes, de minimis fringes and certain tuition reductions, can be excluded from the employee's taxable income.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	43	44	45

(m) Denotes a value of less than \$1 Million

1.1.014 Exclusion of foreign earned income (including housing and salary)

Federal Statute IRC Section 911

Description: U.S. taxpayers who live and work abroad are allowed a capped exclusion of their wage and salary income. In addition, qualified individuals can also exclude certain excess foreign housing costs. This provision does not apply

to federal employees working abroad.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	32	34	38

(m) Denotes a value of less than \$1 Million

1.1.015 Exclusion of certain allowances for federal employees abroad

Federal Statute IRC Section 912

Description: U.S. federal civilian employees who work abroad are allowed to exclude from taxable income certain special allowances they receive that are generally linked to the cost of living.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	10	11	11

(m) Denotes a value of less than \$1 Million

1.1.016 Exclusion of benefits and allowances to armed forces personnel (includes expenditure for military disability benefits)

Federal Statute IRC Section 112, 134, 104(a)(4) or (5) and 104(b)

Description: Military personnel are provided with a variety of in-kind benefits (or cash payments in lieu of such benefits) that are not taxed. In addition, certain members of the armed forces are eligible for tax exclusion of disability pay.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	50	55	59

(m) Denotes a value of less than \$1 Million

1.1.017 Medical care and Tricare Medical Insurance for military dependents and retirees

Federal Statute IRC Section 134

Description: Military personnel are provided with a variety of in-kind benefits (or cash payments in lieu of such benefits) that are not taxed. In addition, certain members of the armed forces are eligible for tax exclusion of disability pay.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	29	29	30

(m) Denotes a value of less than \$1 Million

1.1.018 Exclusion of veterans' benefits (includes veteran's disability compensation, pensions, and readjustment benefits)

Federal Statute 38 U.S.C. Section 5301

Description: All benefits administered by the U.S. Department of Veteran's Affairs are exempt from income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	47	50	51

(m) Denotes a value of less than \$1 Million

1.1.019 Exclusion of income attributable to the discharge of certain student loan debt and NHSC and certain state educational loan repayments

Federal Statute IRC Section 108(f)

Description: This section provides that in certain instances, student loan cancellation and student loan repayment assistance may be excluded from gross income.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

1.1.020 Exclusion of workers' compensation benefits (includes disability and survivor benefits and medical benefits, and exclusion of damages on account of personal physical injuries or physical sickness)

Federal Statute IRC Section 104(a)(1)-(5)

Description: Employees are not taxed on the value of insurance contributions for workers' compensation medical benefits made on their behalf by employers, or on the medical benefits or reimbursements they actually receive. Workers' compensation benefits to employees in cases of work-related injury and to survivors in cases of work-related death are not taxable. Damages paid, through either a court award or a settlement, to compensate for physical injury or sickness are not included in income of the recipient.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	64	64	65

(m) Denotes a value of less than \$1 Million

1.1.021 Exclusion of special benefits for disabled coal miners

Federal Statute IRC Section 104(a)(1)

Description: Cash and medical benefits to coal mine workers or their survivors for total disability or death resulting from coal workers' pneumoconiosis (black lung disease) paid under the Black Lung Benefits Act generally are not taxable.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.1.022 Exclusion of untaxed Social Security and railroad retirement benefits

Federal Statute IRC Section 86

Description: In general, Social Security and railroad retirement benefits are not subject to tax.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	192	201	209

(m) Denotes a value of less than \$1 Million

1.1.023 Exclusion of Medicare benefits

Federal Statute Rev. Rul. 70-341, IRC Section 139A, Section 112 and 134

Description: The employer's share of the payroll tax is excluded from an employee's taxable income. Transfers from the general fund of the U.S Treasury to pay for the cost of covered services are excluded from the taxable income of enrollees. Transfers from the general fund of the U.S. Treasury and state governments to pay for the cost of the drug benefit not covered by premiums are excluded from the taxable income of enrollees. Employers who choose to receive subsidy payments are allowed to exclude them from their taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	346	353	367

(m) Denotes a value of less than \$1 Million

1.1.024 Exclusion of certain foster care payments

Federal Statute IRC Section 131

Description: Qualified payments are excluded from the foster care provider's gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

1.1.025 Exclusion of cash public assistance benefits

Federal Statute IRC Section 61

Description: Cash benefits provided on a needs basis by the Federal Government are not included in taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	36	38	39

(m) Denotes a value of less than \$1 Million

1.1.026 Exclusion of scholarship and fellowship income

Federal Statute IRC Section 117

Description: Scholarships and fellowships can be excluded from the gross income of students and their families provided: (1) the students are pursuing degrees and (2) the amounts are used for tuition and fees required for enrollment or for books, supplies, and equipment required for courses at a qualified institution. Amounts used for room, board and incidental expenses are not excluded from gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	14	15	15

(m) Denotes a value of less than \$1 Million

1.1.027 Exclusion of earnings of Coverdell education savings accounts and interest on educational savings bonds

Federal Statute IRC Section 530

Description: Contributions to a Coverdell Education Savings Account are not deductible but the earnings grow on a tax deferred basis.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	1	1

(m) Denotes a value of less than \$1 Million

1.1.028 Exclusion of earnings of qualified tuition programs (including prepaid tuition programs and savings account programs)

Federal Statute IRC Section 529

Description: Contributions to qualified tuition programs are not deductible at the federal level but earnings accumulate on a tax-deferred basis.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	6	7

(m) Denotes a value of less than \$1 Million

1.1.029 Exclusion for certain agricultural cost-sharing payments

Federal Statute IRC Section 126

Description: Grants made for the purpose of conserving soil and water resources or protecting the environment are excluded from the recipient's taxable income.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.1.030 Exclusion of discharge of indebtedness for certain farmers

Federal Statute Sections 108 and 1070(b)(4)

Description: The provision allows farmers who are solvent to treat the income arising from the cancellation of certain indebtedness as if they were insolvent taxpayers. As such, income that would normally be subject to tax would be excluded from tax under qualifying conditions.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.1.031 Exclusion of interest on state and local government private activity bonds

Federal Statute Various

Description: Interest earned on qualified private activity bonds is tax exempt.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.1.032 Exclusion of capital gains from sale of principal residences

Federal Statute IRC Section 121

Description: A taxpayer may exclude from federal income tax up to \$250,000 of capital gain (\$500,000 in the case of married taxpayers filing joint returns) from the sale or exchange of their principal residence.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	181	190	199

(m) Denotes a value of less than \$1 Million

1.1.033 Exclusion of capital gains at death

Federal Statute IRC Sections 1001,1002,1014,1015,1023,1040,1221, and 1222

Description: A capital gain tax is not imposed on the increased value of an asset when ownership of the property is transferred as a result of the death of the owner.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	168	188	205

(m) Denotes a value of less than \$1 Million

1.1.034 Exclusion of capital gains on gifts

Federal Statute IRC Sections 1001,1002,1014,1015,1023,1040,1221, and 1222

Description: A capital gain tax is not imposed on the increased value of an asset when ownership of the property is transferred as a gift during the owner's lifetime.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	34	15	-9

(m) Denotes a value of less than \$1 Million

1.1.035 Exemption from imputed interest rules

Federal Statute IRC Sections 163(e), 483, 1274, and 1274A

Description: Debt instruments for amounts not exceeding an inflation adjusted maximum, given in exchange for real property, may not have imputed to them an interest rate greater than 9 percent.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	3	4	4

(m) Denotes a value of less than \$1 Million

1.1.036 Exclusion of combat pay

Federal Statute IRC Section 112

Description: Compensation received by active members of the armed forces is excluded from gross income for any month the service member served in a combat zone or was hospitalized as a result of an injury or illness incurred while serving in a combat zone.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	15	15	16

(m) Denotes a value of less than \$1 Million

1.1.037 Exclusion of energy conservation subsidies provided by public utilities

Federal Statute IRC Section 136

Description: In general, this provision allows customers to exclude from their gross income the value of any subsidy provided by a public utility for the purchase or installation of any energy conservation measure.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.1.038 Exclusion from income attributable to the discharge of principal residence acquisition indebtedness

Federal Statute IRC Section 108

Description: Taxpayers who are insolvent or in bankruptcy may exclude canceled mortgage debt income from gross income. In addition, discharged qualified residential debt is excluded from gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	11	6	1

(m) Denotes a value of less than \$1 Million

1.1.039 Exclusion of gain for certain small business stock

Federal Statute IRC Sections 1202 and 303

Description: This provision allows non-corporate taxpayers to exclude from gross income 50 percent of any gain from the sale or exchange of qualified small business stock issued after August 10, 1993. When a shareholder in a closely held business dies there is no reported gain or loss on the partial redemption of stock.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	2	3

(m) Denotes a value of less than \$1 Million

1.1.040 Exclusion of interest on public purpose state and local government bonds

Federal Statute IRC Sections 103, 141 and 146

Description: Interest income of qualifying governmental bonds is excluded from taxable

income (expenditure estimate has been adjusted to reflect GA law that only interest on GA bonds is excluded from income).

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	3	3	3

(m) Denotes a value of less than \$1 Million

1.1.041 Exclusion of income earned by voluntary employees' beneficiary associations

Federal Statute IRC Sections 501(a) and 501(c)(9)

Description: Provided certain requirements are met, the income earned by a voluntary employee beneficiary association (VEBA) is exempt from federal income taxes.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	19	20	21

(m) Denotes a value of less than \$1 Million

1.1.042 Exclusion of survivor annuities paid to families of public safety officers killed in the line of duty

Federal Statute IRC Section 101(h)

Description: The surviving spouse of a public safety officer killed in the line of duty can exclude from gross income a survivor annuity payment under a governmental pension plan.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.1.043 Exclusion of disaster mitigation payments

Federal Statute IRC Section 139

Description: Payments made for disaster mitigation under the Robert T. Stafford Disaster Relief and Emergency Insurance Act or the National Flood Insurance Act is excluded from income.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.2 Federal Deductions

1.2.001 Accelerated depreciation (MACRS)

Federal Statute IRC Sections 167 and 168

Description: Under the Modified Accelerated Cost Recovery System (MACRS) the cost of tangible depreciation property of certain energy property is allowed a shorter depreciation period. Taxpayers are allowed to depreciate the costs of new rental housing and certain other buildings and equipment on an accelerated schedule.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	40	39	38
(m) Denotes a value of less than \$1 Million			

1.2.002 Deduction of expenditures on energy-efficient commercial building property

Federal Statute IRC Section 179D

Description: This provision provides a formula-based tax deduction for all or part of the cost of energy-efficient commercial building property placed in service after 12/31/2005 and before 1/1/2014.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
(m) Denotes a value of less than \$1 Million			

1.2.003 Deduction of exploration and development costs of nonfuel minerals, includes excess of depreciation over cost depletion, nonfuel minerals

Federal Statute IRC Sections 263, 291, 616-617,56,1254

Description: Firms engaged in mining are permitted to expense certain exploration and development costs.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 Million			

1.2.004 Amortization of business startup costs

Federal Statute IRC Section 195

Description: This provision allows a business taxpayer to deduct up to \$10,000 in qualified start-up expenditures.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	1	1
(m) Denotes a value of less than \$1 Million			

1.2.005 Expensing of research and development costs in lieu of the R&D tax credit

Federal Statute IRC Section 174

Description: This provision allows a business taxpayer to deduct certain research expenditures that are paid or incurred in connection with the taxpayer's trade or business.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.2.006 Expensing of magazine circulation expenditures

Federal Statute IRC Section 173

Description: In general, current federal tax law allows publishers of newspapers, magazines, and other periodicals to deduct their expenditures to maintain, establish, or increase circulation in the year in which they are made.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.2.007 Deductions of oil and gas exploration and development costs

Federal Statute IRC Sections 611, 612, 613, 613A and 291; 263(c), 616-617, 57(a)(2), 59(e) and 1254

Description: Firms that extract oil, gas or other minerals are permitted a deduction to recover their capital investment in a mineral reserve, which depreciates due to the physical and economic depletion or exhaustion as the mineral is recovered. Firms engaged in the exploration and development of oil, gas or geothermal properties have the option of expensing certain intangible drilling and development costs.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

1.2.008 Special treatment for expenses related to timber production

Federal Statute IRC Sections 194, 263A(c)(5)

Description: This provision allows expensing of production costs of growing timber. Taxpayers are also allowed different depreciation practices for qualified reforestation expenses.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

1.2.009 Expensing under IRC section 179 of depreciable business property

Federal Statute IRC Section 179

Description: Within certain limits, a taxpayer may elect to deduct as a current expense the

cost of qualifying property in the tax year when it is placed in service.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	16	22	29

(m) Denotes a value of less than \$1 Million

1.2.010 Exceptions for publicly traded partnerships with qualified income derived from certain energy-related activities

Federal Statute IRC Section 7704

Description: This code section allows publicly traded partnerships to be treated as a corporation for the purposes of the federal income tax under most situations.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	7	7	8

(m) Denotes a value of less than \$1 Million

1.2.011 Treatment of income from exploration and mining as qualified income for publicly traded partnerships

Federal Statute IRC Section 7704

Description: This code section allows publicly traded partnerships to be treated as a corporation for the purposes of the federal income tax under most situations.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

1.2.012 Various agricultural expensing provisions

Federal Statute IRC Sections 175, 180, 1231

Description: Taxpayers in the business of farming may choose to expense costs associated with soil and water conservation, soil conditioning and the costs associated with raising dairy and breeding cattle.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.2.013 Community and regional development incentives

Federal Statute IRC Sections 38(b), 39(d), 45A, 280C(a), 1391-1397D

Description: Communities designated as empowerment zones and renewable communities are eligible for special development incentives.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.2.014 Expensing to remove architectural and transportation barriers to the handicapped and elderly
Federal Statute IRC Section 190

Description: This provision allows taxpayers to deduct up to \$15,000 of expenses incurred in a single year for removing physical barriers to handicap or elderly individuals in qualified facilities or public transportation vehicles owned or leased by the taxpayer.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.2.015 Inventory methods and valuation, (including last-in first-out, lower of cost or market, specific identification for homogenous products)

Federal Statute IRC Sections 475, 491-492

Description: This provision allows taxpayers to use alternative inventory systems to determine cost of goods sold.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 Million

1.2.017 Health Savings Accounts

Federal Statute IRC Section 223

Description: This provision allows taxpayers to exclude their health savings account contributions from their gross income in determining their taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	6	7

(m) Denotes a value of less than \$1 Million

1.2.018 Deduction of property taxes on real property

Federal Statute IRC Section 164

Description: Taxpayers may claim an itemized deduction for property taxes paid on owner-occupied residences.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	127	136	145

(m) Denotes a value of less than \$1 Million

1.2.019 Deduction of nonbusiness state and local government income taxes, sales taxes and property taxes

Federal Statute IRC Section 164

Description: State and local income, sales and personal property taxes paid by individuals are deductible from adjusted gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	167	180	189
(m) Denotes a value of less than \$1 Million			

1.2.020 Deduction of mortgage interest on owner-occupied residences

Federal Statute IRC Section 163(h)

Description: A taxpayer may claim an itemized deduction for qualified residence interest which includes interest paid on a mortgage secured by a principal residence and a second residence.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	497	510	531
(m) Denotes a value of less than \$1 Million			

1.2.021 Deduction of charitable contributions (includes deductions for health, education, and for purposes other than health and education)

Federal Statute IRC Sections 170 and 642(c)

Description: Subject to certain limitations, charitable contributions may be deducted by individuals.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	339	371	395
(m) Denotes a value of less than \$1 Million			

1.2.022 Deduction of casualty and theft losses

Federal Statute IRC Sections 165(c)(3), 165(e), 165(h)-165(k)

Description: An individual may claim an itemized deduction for unreimbursed personal casualty or theft losses up to a specified limit.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2
(m) Denotes a value of less than \$1 Million			

1.2.023 Deduction of overnight expenses for national guard and reserve members

Federal Statute IRC Sections 162(p) and 62(a)(2)(E)

Description: An above-the-line deduction is available for unreimbursed overnight travel, meals, and lodging expenses of national guard and reserve members.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
(m) Denotes a value of less than \$1 Million			

1.2.024 Deduction of premiums for qualified mortgage insurance

Federal Statute IRC Section 163(h)

Description: Qualified mortgage insurance premiums paid with respect to a qualified

residence can be treated as tax deductible.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	(m)
(m) Denotes a value of less than \$1 Million			

1.2.025 Deduction of interest on student loans

Federal Statute IRC Section 221

Description: Taxpayers may deduct interest paid on qualified education loans in determining their adjusted gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	7	8	8
(m) Denotes a value of less than \$1 Million			

1.2.026 Deduction of higher education expenses

Federal Statute IRC Section 222

Description: Taxpayers may deduct qualified tuition and related expenses for postsecondary education from their adjusted gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	3	1
(m) Denotes a value of less than \$1 Million			

1.2.027 Deduction of teacher classroom expenses

Federal Statute IRC Section 62

Description: An eligible employee of a public or private elementary or secondary school may claim a deduction for certain unreimbursed expenses.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	(m)
(m) Denotes a value of less than \$1 Million			

1.2.028 Deduction of health insurance premiums and long-term care insurance premiums by the self-employed

Federal Statute IRC Section 161(l)

Description: Generally, a self-employed individual may deduct the entire amount paid for health insurance or long term care insurance.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	27	29	31
(m) Denotes a value of less than \$1 Million			

1.2.029 Deduction of medical expenses and long term care expenses

Federal Statute IRC Section 213

Description: Most medical expenses that are paid by an individual but not reimbursed by

an employer or insurance company may be deducted from taxable income to the extent they exceed 7.5 percent of adjusted gross income.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	70	75	84

(m) Denotes a value of less than \$1 Million

1.2.030 Deduction of IRA contributions (includes traditional IRAs and Roth IRAs)

Federal Statute Section 219 and 408 and 408A

Description: Individual's participating in a traditional or Roth IRA are allowed to deduct contributions in the case of traditional IRAs and distributions in the case of Roth IRAs. Both exemptions are phased out for higher income individuals.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	74	93	105

(m) Denotes a value of less than \$1 Million

1.3 Special Federal Conformity Provisions

1.3.001 Like-kind exchanges

Federal Statute IRC Section 1031

Description: When business or investment property is exchanged for property of a like kind, no gain or loss is recognized on the exchange and therefore no tax is paid at the time of the exchange.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	9	11	12

(m) Denotes a value of less than \$1 Million

1.3.002 Special rules for magazine, paperback book, and record returns

Federal Statute IRC Section 458

Description: Publishers and distributors of magazines, paperbacks, and records may elect to exclude from gross income for a tax year, the income from the sale of goods that are returned after the close of the tax year.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.3.003 5 year carryback for net operating losses attributable to farming

Federal Statute IRC Section 172

Description: Current law provides a 5 year carryback period for losses related to farming. The normal carryback period for losses is two years.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	1

(m) Denotes a value of less than \$1 Million

1.3.004 Special rules for mining reclamation reserves

Federal Statute IRC Section 468

Description: Electing taxpayers may deduct the current value equivalent of certain estimated future reclamation and closing costs for mining and solid waste disposal sites.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.3.005 Cash accounting, other than agriculture

Federal Statute IRC Sections 446 and 448

Description: The cash method of accounting may be used by any business taxpayer that is not a tax shelter and falls into at least one of three specified categories.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	7	8	8

(m) Denotes a value of less than \$1 Million

1.3.006**Deferral of gain on non-dealer installment sales**

Federal Statute IRC Sections 453 and 453A(b)

Description: Some taxpayers are allowed to report some sales using the installment method of accounting in which the gross profit from the sale is prorated over the years during which the payments are received.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	9	10	9

(m) Denotes a value of less than \$1 Million

1.3.007**Completed contract rules**

Federal Statute IRC Section 460

Description: Some taxpayers with construction or manufacturing contracts extending for more than one tax year are allowed to report some or all of the profit on the contracts under special accounting rules rather than the normal rules of tax accounting.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.3.008**Special treatment of employee stock ownership plans (ESOPs)**

Federal Statute IRC Sections 401(a)(28), 404(a)(9), 404(k), 415(c)(6), 1042, 497(e)(7), 4978, 4979A, 422-423

Description: Employer contributions may be deducted as a business expense. In addition, some contributions are subject to less restrictive limits than contributions to other employee benefit plans. Tax on qualified employee stock purchase plans are not taxed when granted or excised. Tax is deferred until stock is sold.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

1.3.009**Income averaging for farmers and fishermen**

Federal Statute IRC Section 1301

Description: Beginning with tax years after 1997, taxpayers have the option to calculate their current year income tax by averaging over a prior 3 year period, all or a portion of their income from farming and/or fishing.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.4 Georgia Exemptions

1.4.001 Personal Exemption

Statute	§48-7-26
Year Enacted	1987
Year Effective	1987
Data Source	DOR Data for 2009
Estimate Reliability	Class A
Data Reliability	Class A
Note	For distributional analysis see Table 3 in Appendix

Description: For tax years 2012 and before Georgia allows a personal exemption equal to \$5,400 for joint returns and \$2,700 for taxpayers' filing non-joint returns. \$3,000 is excluded from income for each dependent claimed on the tax return. For tax years after 2012 the personal exemption for joint filers is \$7,400 and will be \$3,700 for married taxpayers filing separate return.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	952	1050	1062

(m) Denotes a value of less than \$1 Million

1.4.002 Retirement Income

Statute	§48-7-27
Year Enacted	1971
Year Effective	1971
Data Source	DOR Data for 2009
Estimate Reliability	Class A
Data Reliability	Class A
Note	For distributional analysis see Table 4 in Appendix

Description: Between 2008 and prior to 2012, a maximum of \$35,000 of retirement income from any source was excluded from income. This income exclusion may include a maximum of \$4,000 of earned income. This provision applies to individuals aged 62 and above. For tax years beginning in 2012, individuals aged 65 and above may exclude a maximum of \$65,000 of retirement income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	692	711	752

(m) Denotes a value of less than \$1 Million

1.4.003 Exclusion of federally taxable Social Security benefits

Statute	§48-7-27
Year Enacted	1971
Year Effective	1971

Data Source DOR Data for 2009
 Estimate Reliability Class A
 Data Reliability Class A

Note

Description: Social Security and tier 1 railroad retirement benefits are excluded from state taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	159	165	172

(m) Denotes a value of less than \$1 Million

1.4.004 Georgia Higher Education Savings Plan Contributions

Statute §48-7-27
 Year Enacted NA
 Year Effective Taxable years beginning on or after January 1, 2002
 Data Source DOR Data for 2009
 Estimate Reliability Class A
 Data Reliability Class A

Note For distributional analysis see Table 5 in Appendix

Description: An exemption from income is allowed for contributions to a qualified higher education savings plan. The exemption is limited to \$2,000 per qualified plan beneficiary.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	4	4	4

(m) Denotes a value of less than \$1 Million

1.4.005 Interest on U.S. obligations

Statute §48-7-27
 Year Enacted 1971
 Year Effective 1971
 Data Source DOR Data for 2009
 Estimate Reliability Class A
 Data Reliability Class A

Note For distributional analysis see Table 6 in Appendix

Description: Interest earned on U.S. government bonds and other obligations are not included as taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	8	10

(m) Denotes a value of less than \$1 Million

1.4.007 Organ donation expenses

Statute §48-7-27
 Year Enacted 1981

Year Effective Taxable years beginning on or after January 1, 2005
 Data Source 2009 Annual Report of the U.S. Organ Procurement and Transplantation Network and the Scientific Registry of Transplant Recipients developed by the U.S Department of Health and Human Services

Estimate Reliability Class B
 Data Reliability Class B

Note

Description: Expenses associated with the donation of organs in accordance with the National Organ Procurement Act. The maximum value of excluded expenses cannot exceed \$10,000.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 Million			

1.4.008 Aged 65/Blind deduction

Statute §48-7-27
 Year Enacted 1971
 Year Effective 1971
 Data Source DOR Data for 2009
 Estimate Reliability Class A
 Data Reliability Class A

Note For distributional analysis see Table 7 in Appendix

Description: Taxpayers aged 65 or older are allowed an annual deduction from income of \$1,300 per taxpayer. Taxpayers who are blind are allowed an annual deduction from income of \$1,300 per taxpayer.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	7	7
(m) Denotes a value of less than \$1 Million			

1.4.010 Premiums for high deductible health plans

Statute §48-7-27
 Year Enacted 1981
 Year Effective Taxable years beginning on or after January 1, 2008
 Data Source Kaiser-Health Research and Educational Trust and America's Health Insurance Plan, Center for Policy and Research

Estimate Reliability Class B
 Data Reliability Class A

Note

Description: Taxpayers are allowed to exclude 100 percent of premiums paid for certain high deductible health plans.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	7	12

(m) Denotes a value of less than \$1 Million

1.5 Georgia Deductions

1.5.001 Standard Deduction

Statute	§48-7-27
Year Enacted	1971
Year Effective	1971
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For distributional analysis see Table 8 in Appendix

Description: Taxpayers who do not itemize expenses on their federal return are allowed a standard deduction equal to \$2,300 for head of household and single filers, \$1,500 for married filing separately and \$3,000 in the case of joint filers.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	172	173	175

(m) Denotes a value of less than \$1 Million

1.6 Georgia Credits

1.6.001 Rural Physician's Credit

Statute	§48-7-29
Year Enacted	1995
Year Effective	Taxable years beginning on or after January 1, 1996
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: This credit is for certain physicians practicing in rural counties. The value of the credit is equal to the lesser of \$5,000 or the taxpayer's income tax liability and may be claimed for 5 years.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

1.6.002 Disabled person's home purchase or retrofit credit

Statute	§48-7-29.1
Year Enacted	1998
Year Effective	Taxable years beginning on or after January 1, 1999
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: This credit provides a \$500 credit for the purchase of a new single-family home containing accessibility features or for the retrofit of an existing home.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.003 Driver Education Credit

Statute	§48-7-29.5
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2001
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: This credit provides a credit against income tax for the lesser of \$150 or the cost of a qualified driver education class.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

1.6.004 Disaster Assistance Credit

Statute	§48-7-29.4
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2000
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: This credit is for individuals receiving disaster relief payments from the Georgia Emergency Management Agency or from the Federal Emergency Management Agency. The credit amount is the actual amount of the disaster relief assistance or \$500, whichever is less.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.005 Qualified Caregiving Expense Credit

Statute	§48-7-29.2
Year Enacted	1998
Year Effective	Taxable years beginning on or after January 1, 1999
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: This credit is for taxpayers with expenses related to the care of a qualifying family member. The value of the credit is equal to no more than 10 percent of the total amount expended for qualifying caregiving expenses. In no event shall the credit exceed \$150 or the taxpayer's income tax liability, whichever is less.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.006 Tax credit for life insurance for Georgia National Guard and Air

National Guard

Statute	§48-7-29.9
Year Enacted	2005
Year Effective	Taxable years beginning on or after January 1, 2005

Data Source DOR Data for 2011 & U.S. Department of Veterans
 Estimate Reliability Class A
 Data Reliability Class A

Note

Description: This credit is available for active duty members of the Georgia National Guard and Air National Guard on active duty for more than 90 consecutive days and who purchase qualified life insurance through the Services' Group Life Insurance program administered by the U.S. Department of Veterans Affairs. The credit amount is equal to the cost of the premiums of the life insurance policy.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

1.6.007 Child and Dependent Care Credit

Statute §48-7-29.10
 Year Enacted 2006
 Year Effective Taxable years beginning on or after January 1, 2006
 Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A

Note

Description: This credit is equal to 30 percent of the federal credit claimed for qualified expenses related to the care of children and dependents.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	35	36	37

(m) Denotes a value of less than \$1 Million

1.6.008 Adoption of Foster Child Credit

Statute §48-7-29.15
 Year Enacted 2008
 Year Effective Tax years beginning on or after January 1, 2008
 Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A

Note

Description: This credit provides an annual tax credit for taxpayers adopting qualified foster children. The value of the credit is \$2,000 per child annually until the child attains the age of 18 and applies to adoptions occurring in taxable years beginning on or after January 1, 2008.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	3	3
(m) Denotes a value of less than \$1 Million			

1.6.009 Low-Income Credit

Statute	§48-7A-3
Year Enacted	1991
Year Effective	Taxable years beginning on or after January 1, 1992
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: This credit provides a tax credit to low-income individuals. The credit is based on the taxpayers AGI. The maximum value of the credit is \$26 per dependent. For tax years beginning on January 1, 2010 and after, the credit is nonrefundable

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	8	8	9
(m) Denotes a value of less than \$1 Million			

1.6.010 Credit for taxes paid to another state

Statute	§48-7-28
Year Enacted	1931
Year Effective	1931
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: A resident individual with income taxed by another state is allowed a credit for such tax. The maximum value of this credit is equal to the amount that would be due if the income were taxed by Georgia.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	203	211	220
(m) Denotes a value of less than \$1 Million			

1.6.012 Employer's Jobs Tax Credit

Statute	§48-7-40 and §48-7-40.1
Year Enacted	§48-7-40: 1989; §48-7-40.1: 1993
Year Effective	§48-7-40: Taxable years beginning on or after January 1, 1990; §48-7-40.1: Taxable years beginning on or after January 1, 1994.

Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A
 Note For the amount of credit taken by corporations see 2.6.001

Description: The credit provides a statewide job tax credit to any business or headquarters engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development. Retail establishments are only allowed the credit if located in one of the 40 least developed counties of the state. Average wages must be greater than the average wage of the county in the state with the lowest average wage. To be eligible, employers must offer health insurance to all new employees.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	9	10	11

(m) Denotes a value of less than \$1 Million

1.6.013 Quality Jobs Tax Credit

Statute §48-7-40.17
 Year Enacted 2009
 Year Effective Taxable years beginning on or after January 1, 2009
 Data Source DOR Data for 2011
 Estimate Reliability Class B
 Data Reliability Class B
 Note For the amount of credit taken by corporations see 2.6.002

Description: This credit is for employers creating new high-wage jobs or relocating high-wage jobs into the state. A quality job or high-wage job has 30 hours a week of regular work; a job that is not already located in Georgia; and pays at or above 110 percent of the average wage of the county in which it is located.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

1.6.014 New Facilities Jobs Credit

Statute §48-7-40.24
 Year Enacted 2003
 Year Effective Latest modifications are effective for taxable years beginning on or after January 1, 2009
 Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A
 Note For the amount of credit taken by corporations see 2.6.003

Description: For business enterprises that first qualified in a taxable year beginning

before January 1, 2009, \$450 million in qualified investment property must be purchased for the project within a six-year period. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period and can receive credit for up to a maximum of 4,500 jobs. For business enterprises that first qualify in a taxable year beginning on or after January 1, 2009, the business enterprise must meet the job creation requirement of 1,800 eligible full-time employees and either the qualified investment requirement of \$450 million in qualified investment property, or the payroll requirement of \$150 million in total annual Georgia W-2 reported payroll within the six-year period.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	Estimate included in 1.6.012		
(m) Denotes a value of less than \$1 Million			

1.6.016 **Manufacturer’s Investment Tax Credit**

Statute	§§48-7-40.2, 48-7-40.3, and 48-7-40.4
Year Enacted	1994
Year Effective	Taxable years beginning on or after January 1, 1994
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.005

Description: Taxpayer must invest a minimum of \$50,000 per project per location during the tax year to receive credit. Eligible taxpayers must be in operation for the immediately preceding three years. Leased property for a period of 5 years or longer is eligible for the credit.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
(m) Denotes a value of less than \$1 Million			

1.6.017 **Optional Investment Tax Credit**

Statute	§§48-7-40.7, 48-7-40.8, and 48-7-40.9
Year Enacted	1995
Year Effective	Taxable years beginning on or after January 1, 1996.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.006

Description: An alternative investment tax credit available for investments in manufacturing or telecommunications facilities or support facilities that have been operating for the three immediately preceding years. The credit is available for investments in excess of \$5 million and

placed in service no earlier than January 1, 1996 for Tier 1 counties. The investment threshold is \$10 million for Tier 2 counties and is \$20 million for tier 3 and 4 counties.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
	(m)	(m)	(m)
State Tax Expenditure			
(m) Denotes a value of less than \$1 Million			

1.6.018 **Port Activity Tax Credit**

Statute	§48-7-40.15
Year Enacted	1998
Year Effective	Latest modifications apply to taxable years beginning on or after January 1, 2010
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.007

Description: For taxable years beginning before January 1, 2010, businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development that have increased shipments out of Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU’s) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. For taxable years beginning on or after January 1, 2010, the increase is based on a comparison of the previous 12 month period to the second preceding 12 month period.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
	1	1	1
State Tax Expenditure			
(m) Denotes a value of less than \$1 Million			

1.6.019 **Alternate Port Activity Tax Credit**

Statute	§48-7-40.15A
Year Enacted	2009
Year Effective	2009
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.008

Description: Credit is allowed to any business enterprise located in a tier 2 or 3 county or in a less developed area and which qualifies and receives the Jobs Tax Credit and which

1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008;
2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and
3. Has a minimum of 8 retail stores in this state in the first year of operations.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure Estimate included in 1.6.018

(m) Denotes a value of less than \$1 Million

1.6.020 Film Tax Credit

Statute	§48-7-40.26
Year Enacted	2005
Year Effective	Taxable years beginning on or after January 1, 2005
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.009

Description: Production companies which have at least \$500,000 of qualified expenditures in a state certified production may claim this credit. Certification must be approved through the Georgia Department of Economic Development. There are special calculation provisions for production companies whose average annual total production expenditures in this state exceeded \$30 million for 2002, 2003 and 2004.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure 94 104 114

(m) Denotes a value of less than \$1 Million

1.6.021 Research Tax Credit

Statute	§48-7-40.12
Year Enacted	1997
Year Effective	Taxable years beginning on or after January 1, 1998
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.010

Description: This credit is for expenses resulting from research conducted in Georgia by businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. A tax credit is allowed provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986, as amended.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	3	3	2

(m) Denotes a value of less than \$1 Million

1.6.022 **Seed-Capital Fund Credit**

Statute	§48-7-40.27 & 40.28
Year Enacted	2008
Year Effective	Applicable to investments made on or after July 1, 2008
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.011

Description: This provides a tax credit for certain qualified investments made on or after July 1, 2008 in a research fund, the purpose of which is to provide early-stage financing for businesses formed as a result of research conducted in Georgia's research universities.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.023 **Qualified Health Insurance Expense Credit**

Statute	§48-7-29.13
Year Enacted	2008
Year Effective	Taxable years beginning on or after January 1, 2009
Data Source	DOR Data for 2011, America's Health Insurance Plan, Center for Policy and Research
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.012

Description: Employer credit for the premiums paid for a high-deductible health plan. Employers must employ 50 or fewer persons for whom the employer provides high deductible health plans as defined by Section 223 of the Internal Revenue Code and in which such employees are enrolled. The qualified health insurance must be made available to all employees and compensated individuals of the employer pursuant to the applicable provisions of Section 125 of the Internal Revenue Code. The qualified health insurance premium expense must equal at least \$250 annually.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.025**Qualified Transportation Credit**

Statute	§48-7-29.3
Year Enacted	1999
Year Effective	Taxable years beginning on or after January 1, 2001
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.014

Description: A tax credit provided to employers for the cost of providing any federally qualified transportation benefit to an employee.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.026**Business Enterprise Vehicle Credit**

Statute	§48-7-40.22
Year Enacted	2001
Year Effective	Taxable years beginning on or after January 1, 2002.
Data Source	Georgia Regional Transportation Authority
Estimate Reliability	Class C
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.015

Description: This is a credit given to a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.027**Employer's credit for providing or sponsoring child care for employees and employer's credit for purchasing child care**

Statute	§48-7-40.6
Year Enacted	1994 & 1999
Year Effective	Credit for cost of operation: taxable years beginning on or after January 1, 1994; Credit for Cost of Qualified Child Care Property: taxable years beginning on or after January 1, 2000.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.016

Description: Employer’s Credit for Providing or Sponsoring Child Care for Employees.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	4	6

(m) Denotes a value of less than \$1 Million

1.6.028 Low Income Housing Credit

Statute §48-7-29.6
 Year Enacted 2000
 Year Effective Taxable years beginning on or after January 1, 2001.
 Data Source DOR Data for 2011
 Estimate Reliability Class B
 Data Reliability Class A
 Note For the amount of credit taken by corporations see 2.6.017

Description: This is a credit against Georgia income taxes for taxpayers owning developments which receive the federal Low-Income Housing tax credit and that are placed in service on or after January 1, 2001.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	61	65	69

(m) Denotes a value of less than \$1 Million

1.6.029 Historic Rehabilitation Credit

Statute §48-7-29.8
 Year Enacted 2002
 Year Effective Taxable years beginning on or after January 1, 2004
 Data Source DOR Data for 2011 and U.S. Joint Committee on
 Estimate Reliability Class B
 Data Reliability Class A
 Note For the amount of credit taken by corporations see 2.6.018

Description: Historic Rehabilitation Credit. A credit for the certified rehabilitation of a certified structure or historic home. Standards set by the Georgia Department of Natural Resources must be met.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

1.6.030 Diesel Particulate Emission Reduction Technology Equipment Credit

Statute §48-7-40.19
 Year Enacted 2000
 Year Effective Taxable years beginning on or after January 1, 2001.
 Data Source Officials from the Georgia Air Protection branch of the

Georgia Department of Natural Resources

Estimate Reliability Class A
 Data Reliability Class A
 Note For the amount of credit taken by individuals see 2.6.019

Description: This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For purposes of this credit, diesel particulate emission reduction technology equipment is any equipment that provides for heat, air conditioning, light, or communications for the driver's compartment of a commercial motor vehicle parked at a truck stop, depot, or other facility, the use of which results in the engine being turned off with a corresponding reduction of particulate emissions from such vehicle's diesel engine.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.031 Low/Zero Emission Vehicle Credit & Electric Vehicle Charger

Credit

Statute §48-7-40.16
 Year Enacted 1998
 Year Effective Taxable years beginning on or after January 1, 1998
 Data Source DOR Data for 2011, U.S. Energy Information Administration, and U.S. Department of Energy
 Estimate Reliability Class B
 Data Reliability Class A
 Note For the amount of credit taken by corporations see 2.6.020

Description: This is a credit for the purchase or lease of a new low or zero emission vehicle that is registered in the state of Georgia. The credit also applies to the conversion of a standard vehicle to a low or zero emission vehicle. In addition, the credit applies to the purchase of an electric vehicle charger.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	10	14	18

(m) Denotes a value of less than \$1 Million

1.6.032 Land Conservation Credit

Statute §48-7-29.12
 Year Enacted 2006
 Year Effective Taxable years beginning on or after January 1, 2006
 Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A

Note For the amount of credit taken by corporations see 2.6.021

Description: This provides for an income tax credit for the qualified donation of real property that qualifies as conservation land pursuant to Chapter 22 of Title 36. Property donated to increase building density levels or property that will be used or is associated with the playing of golf shall not be eligible.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	44	50	56

(m) Denotes a value of less than \$1 Million

1.6.033 Clean Energy Property and Wood Residuals Credit

Statute §48-7-29.14
 Year Enacted 2008
 Year Effective July 1, 2008
 Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A

Note For the amount of credit taken by corporations see 2.6.022

Description: The Georgia Clean Energy Property and Wood Residuals tax credit includes two general types of income tax credits: 1) investments in the construction, purchase or lease of clean energy property, and 2) the value of wood residuals delivered to a qualified renewable biomass facility. The clean energy property tax credits apply to solar, wind and energy efficiency projects, geothermal heat pumps, and certain biomass equipment for making electricity. For the purposes of the wood residuals tax credit, wood residuals include urban wood waste, land clearing residues, and pellets, but not wood from a U.S. national forest.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	2	2

(m) Denotes a value of less than \$1 Million

1.6.034 Employer's Credit for Basic Skills Education

Statute §48-7-41
 Year Enacted 1991
 Year Effective 1991
 Data Source DOR Data for 2011
 Estimate Reliability Class A
 Data Reliability Class A

Note For the amount of credit taken by corporations see 2.6.023

Description: A tax credit is provided to employers that sponsor or provide, at no cost to their employees, an approved basic skills education program. A basic skills education program is one that enhances reading, writing, or mathematical skills up to and including the twelfth grade. Employee

means any employee resident in Georgia who is employed for at least 24 hours a week and who has been continuously employed by the employer for at least 16 consecutive weeks. Eligible expenses include instructor salaries, materials, supplies, and textbooks but exclude costs associated with renting or otherwise securing space.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

1.6.035 **Employer’s Credit for Approved Employee Retraining**

Statute	§48-7-40.5
Year Enacted	1994
Year Effective	Latest modifications are effective for taxable years beginning on or after January 1, 2009
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B
Note	For the amount of credit taken by corporations see 2.6.024

Description: The tax credit reimburses employers for the cost of providing retraining services to their employees. As of January 1, 2009, retraining programs shall not include any retraining on commercially, mass produced software packages for word processing, data base management, presentations, spreadsheets, e-mail, personal information management, or computer operating systems except a retraining tax credit shall be allowable for those providing support or training on such software.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	8	9	10

(m) Denotes a value of less than \$1 Million

1.6.036 **Qualified Education Expense Credit**

Statute	§48-7-29.16
Year Enacted	2008
Year Effective	Taxable years beginning on or after January 1, 2008; latest modifications are applicable to taxable years beginning on or after January 1, 2013.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.025

Description: Qualified Education Expense Credit. This provides a tax credit for donations made by taxpayers to a student scholarship organization which are used for tuition and fees for a qualified school or program.

State Fiscal Years (\$ in Millions)

	2013	2014	2015
State Tax Expenditure	38	39	39

(m) Denotes a value of less than \$1 Million

1.6.037 **Qualified Investor Tax Credit**

Statute	§48-7-40.30
Year Enacted	2010
Year Effective	January 1, 2011; legislation modified in 2013
Data Source	Fiscal Note for HB 1001/2010 LC 18 8790
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.026

Description: This credit provides a 35% tax credit for amounts invested in certain Georgia headquartered small businesses. The credit is available for investments made in 2011, 2012 and 2013 but the credit cannot be claimed until FY2014 at the earliest.

State Fiscal Years (\$ in Millions)

	2013	2014	2015
State Tax Expenditure	0	7	9

(m) Denotes a value of less than \$1 Million

1.6.038 **Energy or water efficient equipment credit**

Statute	§48-7-40.29
Year Enacted	2010
Year Effective	January 1 of the year following the year in which federal funds for this program are made available and received by the state
Data Source	Fiscal Note for HB 1069/2010 LC 21 0586
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by corporations see 2.6.027

Description: This tax credit applies to taxpayers who purchase energy efficient and water conservation equipment. The value of the credit is equal to 25 percent of the cost of the qualified equipment or \$2,500, whichever is less. The credit is only available for those tax years in which federal funds are made available to the state for this purpose.

State Fiscal Years (\$ in Millions)

	2013	2014	2015
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

1.6.041 Tax credit for existing business enterprises undergoing qualified business expansion

Statute §48-7-40.21
Year Enacted
Year Effective Latest modifications are applicable to tax years beginning on or after January 1, 2008
Data Source
Estimate Reliability Not Applicable
Data Reliability
Note For amount of credit taken by corporations see 2.6.030

Description: This credit applies to businesses that create at least 500 new full-time jobs within a taxable year.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure Estimate included in 1.6.012

(m) Denotes a value of less than \$1 Million

Income tax exemptions for which an estimate is not currently available

Expenditure	Statute	Summary
1.4.006	§48-7-27	Certain military income
1.4.009	§48-7-27	Certain dependent's unearned income
1.4.011	§48-7-27	Salaries and wages reduced from Federal taxable income because of the Federal Jobs Tax Credit
1.4.012	§48-7-27	Individual retirement account, Keogh, SEP and Sub-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.
1.4.013	§48-7-27	Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.
1.4.014	§48-7-27	Income from any fund, program or system which is exempted by federal law or treaty.
1.4.015	§48-7-27	Certain income in which the Sub-S election is not recognized by Georgia or another state in order to avoid double taxation.
1.4.016	§48-7-27	Adjustment for certain teachers retired from the Teacher's Retirement System of Georgia
1.4.017	§48-7-27	Amount claimed by certain employers in food and beverage establishments
1.4.018	§48-7-27	Adjustment of certain payments to minority subcontractors
1.4.019	§48-7-27	Adjustments to federal AGI for certain Georgia resident partners
1.6.015	§48-7-40.25	New Manufacturing Facilities Property Credit
1.6.039	§48-7-40.10	Tax credit for water conservation facilities and qualified water conservation investment property
1.6.040	§48-7-40.11	Tax credit for shift from ground water usage

2. Corporate Income Tax

The corporate income tax was first levied in Georgia in 1929. While originally levied at a rate of 1/3 of the federal corporate tax rate, the rate was changed to 4 percent in 1931. The tax has gone through several rate changes since its introduction, including in 1949 when it was temporarily increased to 7.5 percent. The current rate of 6 percent was adopted in 1969. The Georgia corporate income tax does not include a minimum level of exempt income and includes only one income tax bracket.

Corporate tax collections for FY2012 were \$544 million or 3.4 percent of total state tax revenues. Approximately 208,000 corporate returns were filed for CY2012. All revenue collected from this tax is deposited into the state general fund.

The starting point for the construction of the tax base is federal taxable income of a corporation. Several adjustments are made in order to determine Georgia business income. For example, although corporations are allowed certain special depreciation deductions at the federal level, some of these deductions are not allowed at the state level. Firms taking these deductions on their federal return must add these deductions back to their tax base when determining their state taxable income. In addition, firms operating in multiple states must apportion their corporate income to each of the states in which they have a legal obligation to pay the tax. Since 2008, firms with multistate income determine the portion of their total income associated with Georgia by computing their total Georgia receipts relative to their total receipts. Prior to 2008, Georgia firms were required to use a 3-factor apportionment formula.

It is important to keep in mind that tax expenditure estimates may differ from revenue estimates presented in fiscal notes. As mentioned in the introduction to this report, the value of tax expenditures may differ from the value of revenue estimates provided in fiscal notes because fiscal notes incorporate behavioral effects that are not considered when estimating tax expenditure provisions. This is because the purpose of a tax expenditure estimate is to convey the cost that would be necessary if the item were offered as a direct budgetary expenditure instead of a reduction in the tax liability.

A second caveat concerns the estimates associated with the state corporate credit provisions. Forecasting the value of the revenue loss stemming from the use of these credits is problematic because of the presence of extensive carry forwards in the case of some credits. Because of past credit carry forwards, firms may claim credits on current or future year tax returns that were created in prior years. Therefore, the estimates provided in this report should be interpreted as the expected revenue loss stemming from the use of currently created or previously created credits and not an estimate of the value of credits created in a given year.

2.1 Federal Corporate Exclusions

2.1.001 Exemption from imputed interest rules

Federal Statute IRC Sections 163(e), 483, 1274, and 1274(A)

Description: Debt instruments for amounts not exceeding an inflation adjusted maximum, given in exchange for real property, may not have imputed to them an interest rate greater than 9 percent.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.002 Exclusion of interest on state and local government private activity bonds

Federal Statute IRC Section 103,141,142 and 146

Description: Interest earned on qualified private activity bonds is tax exempt.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.003 Exclusion of contributions in aid of construction for water and sewer utilities

Federal Statute IRC Section 118(c)

Description: Qualifying contributions in aid of construction received by regulated water and sewage disposal utilities are not included in the utilities' gross income under certain conditions.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.004 Exclusion of earnings of certain environmental settlement funds

Federal Statute IRC Section 468B

Description: Under certain conditions environmental settlement funds are exempt from tax.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.005 Exclusion of certain agricultural cost-sharing payments

Federal Statute IRC Section 126

Description: Grants made for the purpose of conserving soil and water resources or protecting the environment are excluded from the recipient's gross income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.006 Exclusion of gain or loss on sale or exchange for brownfield property

Federal Statute IRC Section 512 and 514

Description: Qualifying brownfield property that is acquired from an unrelated party, subject to remediation, and sold to another unrelated party is exempt from unrelated business income tax.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.007 Exclusion of health insurance benefits for military retirees and retiree dependents enrolled in Medicare

Federal Statute Rev. Rul. 70-341, IRC Section 139A, Section 112 and 134

Description: Exclusion of health insurance benefits for military retirees and retiree dependents enrolled in Medicare, retiree dependents enrolled in Medicare, and exclusion of certain subsidies to employers who maintain prescription drug plans for Medicare enrollees.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	(m)	0

(m) Denotes a value of less than \$1 Million

2.1.008 Exclusion of disaster mitigation payments

Federal Statute IRC Section 139

Description: Payments made for disaster mitigation under the Robert T. Stafford Disaster Relief and Emergency Insurance Act or the National Flood Insurance Act is excluded from income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.1.009 Exclusion of interest on public purpose state and local government bonds

Federal Statute IRC Sections 103, 141 and 146

Description: Interest income of qualifying governmental bonds is excluded from taxable income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

2.1.010 Various foreign provisions including inventory property sales source rule exception, interest expense allocation, deferral of active income of controlled foreign corporations, deferral of active financing income

Federal Statute IRC Sections 861-863, 865, 953-954, 864

Description: These provisions provide certain exceptions to the general treatment of foreign sourced income.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	129	139	147

(m) Denotes a value of less than \$1 Million

2.2 Federal Corporate Deductions

2.2.001 Accelerated depreciation (MACRS)

Federal Statute IRC Sections 167 and 168

Description: Under the Modified Accelerated Cost Recovery System (MACRS) the cost of tangible depreciation property of certain energy property is allowed a shorter depreciation period. Taxpayers are allowed to depreciate the costs of new rental housing and certain other buildings and equipment on an accelerated schedule.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	31	32	34

(m) Denotes a value of less than \$1 Million

2.2.002 Deduction of expenditures on energy-efficient commercial building property

Federal Statute IRC Section 179D

Description: This provision provides a formula-based tax deduction for all or part of the cost of energy-efficient commercial building property placed in service after 12/31/2005 and before 1/1/2014.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.2.003 Deduction of exploration and development costs of nonfuel minerals

Federal Statute IRC Sections 263, 291, 616-617,56,1254

Description: Firms engaged in mining are permitted to expense certain exploration and development costs.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.2.004 Amortization of business startup costs

Federal Statute IRC Section 195

Description: This provision allows a business taxpayer to deduct up to \$10,000 in qualified start-up expenditures.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.2.005 Expensing of research and development costs in lieu of the R&D tax credit

Federal Statute IRC Section 174 and 59e

Description: This provision allows a business taxpayer to deduct certain research

expenditures that are paid or incurred in connection with the taxpayer's trade or business.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	9	10	11
(m) Denotes a value of less than \$1 Million			

2.2.006 Expensing of magazine circulation expenditures

Federal Statute IRC Section 173

Description: In general, current federal tax law allows publishers of newspapers, magazines, and other periodicals to deduct their expenditures to maintain, establish, or increase circulation in the year in which they are made.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 Million			

2.2.007 Deductions of oil and gas exploration and development costs

Federal Statute IRC Sections 611, 612, 613, 613A and 291; 263(c), 616-617, 57(a)(2), 59(e) and 1254

Description: Firms that extract oil, gas or other minerals are permitted a deduction to recover their capital investment in a mineral reserve, which depreciates due to the physical and economic depletion or exhaustion as the mineral is recovered. Firms engaged in the exploration and development of oil, gas or geothermal properties have the option of expensing certain intangible drilling and development costs.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0
(m) Denotes a value of less than \$1 Million			

2.2.008 Special treatment of expenses related to timber production

Federal Statute IRC Sections 194, 263A(c)(5)

Description: This provision allows expensing of production costs of growing timber. Taxpayers are also allowed different depreciation practices for qualified reforestation expenses.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	3	3	3
(m) Denotes a value of less than \$1 Million			

2.2.009 Deduction of charitable contributions (includes deductions for health, education, and for purposes other than health and education)

Federal Statute IRC Sections 170 and 642(c)

Description: Subject to certain limitations, charitable contributions may be deducted by

taxpayers.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	12	12	12
(m) Denotes a value of less than \$1 Million			

2.2.011 Expensing under IRC section 179 of depreciable business property

Federal Statute IRC Section 179

Description: Within certain limits, a taxpayer may elect to deduct, as a current expense, the cost of qualifying property in the tax year when it is placed in service.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	2
(m) Denotes a value of less than \$1 Million			

2.2.012 Amortization of air pollution control facilities

Federal Statute IRC Section 169(d)(5)

Description: This provision allows plants placed in service after 1/1/1976 the option of amortizing investments in pollution control equipment for coal-fired electric generation plants.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
(m) Denotes a value of less than \$1 Million			

2.2.013 Election to expense 50 percent of qualified property used to refine liquid fuels

Federal Statute IRC Section 179C and 168

Description: Taxpayers may elect to expense 50 percent of the cost of qualified refinery property used to process liquid fuel from crude oil and other qualified fuels.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 Million			

2.2.014 Various agricultural expensing provisions

Federal Statute IRC Section 175, 180, 1231

Description: Taxpayers in the business of farming may choose to expense costs associated with soil and water conservation, soil conditioning and the costs associated with raising dairy and breeding cattle.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 Million			

2.2.015 Community and regional development incentives
 Federal Statute IRC Sections 38(b), 39(d), 45A, 280C(a), 1391-1397D and 1400F,H,I
 and J

Description: Communities designated as empowerment zones and renewable communities are eligible for special development incentives.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.2.016 Expensing to remove architectural and transportation barriers to the handicapped and elderly

Federal Statute IRC Section 190

Description: This provision allows taxpayers to deduct up to \$15,000 of expenses incurred in a single year for removing physical barriers to handicap or elderly individuals in qualified facilities or public transportation vehicles owned or leased by the taxpayer.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.2.017 Inventory methods and valuation

Federal Statute IRC Section 475, 491-492

Description: This provision allows taxpayers to use alternative inventory systems to determine the cost of goods sold.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	15	15	16

(m) Denotes a value of less than \$1 Million

2.2.018 Limits on deductible compensation and disallowance of deduction for excess parachute payments

Federal Statute IRC Sections 280G, 4999, and 162(m)

Description: Excess parachute payments are not allowable deductions against the corporate income tax. In the case of publicly held corporations only executive compensation of \$1 million or less is deductible against the corporate income tax.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	-3	-3	-3

(m) Denotes a value of less than \$1 Million

2.3 Special Federal Corporate Conformity Provisions

2.3.001 Like-kind exchanges

Federal Statute IRC Section 1031

Description: When business or investment property is exchanged for property of a "like kind" no gain or loss is recognized on the exchange and therefore no tax is paid at the time of the exchange.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	10	11	10

(m) Denotes a value of less than \$1 Million

2.3.002 Special rules for magazine, paperback book, and record returns

Federal Statute IRC Section 458

Description: Publishers and distributors of magazines, paperbacks, and records may elect to exclude from gross income for a tax year, the income from the sale of goods that are returned after the close of the tax year.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.3.003 5 year carryback for net operating losses attributable to farming

Federal Statute IRC Section 172

Description: Current law provides a 5 year carryback period for losses related to farming. The normal carryback period for losses is two years.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.3.004 Special rules for mining reclamation reserves

Federal Statute IRC Section 468

Description: Special rules for mining reclamation reserves. Electing taxpayers may deduct the current value equivalent of certain estimated future reclamation and closing costs for mining and solid waste disposal sites.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.3.005 Cash accounting, other than agriculture

Federal Statute IRC Sections 446 and 448

Description: The cash method of accounting may be used by any business taxpayer that is

not a tax shelter and falls into at least one of three specified categories.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.3.006 Deferral of gain on non-dealer installment sales

Federal Statute IRC Sections 453 and 453A(b)

Description: Some taxpayers are allowed to report some sales using the installment method of accounting in which the gross profit from the sale is prorated over the years during which the payments are received.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	13	14	14

(m) Denotes a value of less than \$1 Million

2.3.007 Completed contract rules

Federal Statute IRC Section 460

Description: Some taxpayers with construction or manufacturing contracts extending for more than one tax year are allowed to report some or all of the profit on the contracts under special accounting rules rather than the normal rules of tax accounting.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	3	3

(m) Denotes a value of less than \$1 Million

2.3.008 Special treatment of employee stock ownership plans (ESOPs)

Federal Statute IRC Sections 401(a)(28), 404(a)(9), 404(k), 415(c)(6), 1042, 497(e)(7), 4978, 4979A, 422-423

Description: ESOPs are provided special tax treatment. Employer contributions may be deducted as a business expense. In addition, some contributions are subject to less restrictive limits than contributions to other employee benefit plans. Tax on qualified employee stock purchase plans are not taxed when granted or excised. Tax is deferred until stock is sold.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	-1	-1	-2

(m) Denotes a value of less than \$1 Million

2.3.009 Deferral of capital construction costs of shipping companies

Federal Statute IRC Section 7518

Description: U.S. operators of vessels in foreign, Great Lakes, or noncontiguous domestic trade, or in U.S. fisheries, may establish a capital construction fund into which they may make certain tax deductible deposits. In addition, the

earnings on the deposits are tax deferred.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.4 Corporate Apportionment

Discussed below are three issues relating to corporate apportionment that can be considered tax expenditures because they are deviations from the traditional formula of corporate apportionment and result in a benefit to some taxpayers. No estimate of the value of these expenditures is available at this time.

2.4.001 Single Factor Apportionment

Corporate income earned in Georgia is apportioned using a single factor apportionment formula. With single factor apportionment, firms determine state tax liability based solely on the ratio of Georgia receipts to total receipts. The traditional apportionment formula involves the use of three Georgia-total ratios: property, payroll, and receipts. With the 3 factor formula, the firm applies a weight of 33.33 percent to each ratio. The single factor formula benefits firms that have manufacturing presence in one state but significant sales outside of the state. Firms that are located and operate in a single state are not affected by the apportionment formula.

2.4.002 Throwback Rule

Under a throwback rule, out-of-state sales from a corporation are taxed by the state of origin if the corporation has no nexus in the destination state. At least 25 states have a throwback rule. Georgia, North Carolina, Florida, Tennessee, South Carolina, and Virginia do not but Alabama does. An alternative rule is the “throwout rule” which eliminates sales to non-nexus states from both the numerator and denominator of the apportionment formula of a corporation. Georgia does not have a throwout rule.

2.4.003 Corporate Receipts Sourcing

Georgia is among 16 states that apportion multistate corporate income based only on gross receipts, (i.e. a 100% sales factor). This creates a destination-based corporate income tax system. Under this approach, corporations pay taxes based on the state in which their products are sold, not where production takes place. This rule applies to the sale of tangible property. When considering apportionment for services provided across state lines, Georgia employs a market-based sourcing rule. At the present, there is no consensus between the states on how to define a “market” for the purpose of implementing this rule but, in general, it means that services will be taxed based on the state in which the customer receives the benefit. The rule is meant to apply a consistent destination-based treatment to services when compared to tangible goods.

**Corporate apportionment expenditures for which an estimate is not
currently available**

Expenditure	Statute	Summary
2.4.001	§48-7-31	Single factor apportionment
2.4.002	Not applicable	Throwback rule
2.4.003	§48-7-31(d)(2)(A)(i) & Georgia Revenue Rules & Regulations 560-7-7-.03(5)(c)1	Corporate receipts sourcing

2.5 Georgia Deductions

Corporate income tax deductions for which an estimate is not currently available

Expenditure	Statute	Summary
2.5.001	§48-7-21	Interest on obligations of the United States
2.5.002	§48-7-21	Exception of intangible expenses and related interest cost

2.6 Georgia Credits

2.6.001 Employer’s Job Tax Credit

Statute	§48-7-40 and §48-7-40.1
Year Enacted	§48-7-40: 1989; §48-7-40.1: 1993
Year Effective	§48-7-40: Taxable years beginning on or after January 1, 1990; §48-7-40.1: Taxable years beginning on or after January 1, 1994.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	Estimate includes the tax credit for expanding business (2.6.030) and the new facilities job credit (2.6.003). For the amount of credit taken by individuals see 1.6.012.

Description: The credit provides a statewide job tax credit to any business or headquarters engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development. Retail establishments are only allowed the credit if located in one of the 40 least developed counties of the state. Average wages must be greater than the average wage of the county in the state with the lowest average wage. To be eligible, employers must offer health insurance to all new employees.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	55	59	63

(m) Denotes a value of less than \$1 Million

2.6.002 Quality Jobs Tax Credit

Statute	§48-7-40.17
Year Enacted	2009
Year Effective	Taxable years beginning on or after January 1, 2009
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B
Note	For the amount of credit taken by individuals see 1.6.013

Description: This credit is for employers creating new high-wage jobs or relocating high-wage jobs into the state. A quality job or high-wage job has 30 hours a week of regular work; a job that is not already located in Georgia; and pays at or above 110 percent of the average wage of the county in which it is located.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	7	7

(m) Denotes a value of less than \$1 Million

2.6.003 New Facilities Jobs Credit

Statute	§48-7-40.24
Year Enacted	2003
Year Effective	Latest modifications are effective for taxable years beginning on or after January 1, 2009
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.014

Description: For business enterprises that first qualified in a taxable year beginning before January 1, 2009, \$450 million in qualified investment property must be purchased for the project within a six-year period. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period and can receive credit for up to a maximum of 4,500 jobs. For business enterprises that first qualify in a taxable year beginning on or after January 1, 2009, the business enterprise must meet the job creation requirement of 1,800 eligible full-time employees and either the qualified investment requirement of \$450 million in qualified investment property, or the payroll requirement of \$150 million in total annual Georgia W-2 reported payroll within the six-year period.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure	Estimate included in 2.6.001		
(m) Denotes a value of less than \$1 Million			

2.6.005 Manufacturer’s Investment Tax Credit

Statute	§§48-7-40.2, 48-7-40.3, and 48-7-40.4
Year Enacted	1994
Year Effective	Taxable years beginning on or after January 1, 1994
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.016

Description: Taxpayer must invest a minimum of \$50,000 per project per location during the tax year to receive credit. Eligible taxpayers must be in operation for the immediately preceding three years. Leased property for a period of 5 years or longer is eligible for the credit.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure	59	59	64
(m) Denotes a value of less than \$1 Million			

2.6.006 Optional Investment Tax Credit

Statute	§§48-7-40.7, 48-7-40.8, and 48-7-40.9
Year Enacted	1995
Year Effective	Taxable years beginning on or after January 1, 1996.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals 1.6.017

Description: An alternative investment tax credit available for investments in manufacturing or telecommunications facilities or support facilities that have been operating for the three immediately preceding years. The credit is available for investments in excess of \$5 million and placed in service no earlier than January 1, 1996 for tier 1 counties. The investment threshold is \$10 million for tier 2 counties and is \$20 million for Tier 3 and 4 counties.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.007 Port Activity Tax Credit

Statute	§48-7-40.15
Year Enacted	1998
Year Effective	Latest modifications apply to taxable years beginning on or after January 1, 2010
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	Estimate combined with 2.6.008. For the amount of credit taken by individuals see 1.6.018.

Description: For taxable years beginning before January 1, 2010, businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development that have increased shipments out of Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. For taxable years beginning on or after January 1, 2010, the increase is based on a comparison of the previous 12 month period to the second preceding 12 month period.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	5	6

(m) Denotes a value of less than \$1 Million

2.6.008 Alternative Port Activity Tax Credit

Statute	§48-7-40.15A
Year Enacted	2009
Year Effective	2009
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	Estimate combined with 2.6.007. For the amount of credit taken by individuals see 1.6.019.

Description: Credit is allowed to any business enterprise located in a tier 2 or 3 county or in a less developed area and which qualifies and receives the Jobs Tax Credit and which

1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008;
2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and
3. Has a minimum of 8 retail stores in this state in the first year of operations.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	Estimate included in 2.6.007		

(m) Denotes a value of less than \$1 Million

2.6.009 Film Tax Credit

Statute	§48-7-40.26
Year Enacted	2005
Year Effective	Taxable years beginning on or after January 1, 2005
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class A
Note	For the amount of credit taken by individuals see

Description: Production companies which have at least \$500,000 of qualified expenditures in a state certified production may claim this credit. Certification must be approved through the Georgia Department of Economic Development. There are special calculation provisions for production companies whose average annual total production expenditures in this state exceeded \$30 million for 2002, 2003 and 2004.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	41	45	49

(m) Denotes a value of less than \$1 Million

2.6.010 **Research Tax Credit**

Statute	§48-7-40.12
Year Enacted	1997
Year Effective	Taxable years beginning on or after January 1, 1998
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.021

Description: This credit is for expenses resulting from research conducted in Georgia by businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. A tax credit is allowed provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986, as amended.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	6	5

(m) Denotes a value of less than \$1 Million

2.6.011 **Seed-Capital Fund Credit**

Statute	§48-7-40.27 & 40.28
Year Enacted	2008
Year Effective	Applicable to investments made on or after July 1, 2008
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.022

Description: This provides a tax credit for certain qualified investments made on or after July 1, 2008 in a research fund, the purpose of which is to provide early-stage financing for businesses formed as a result of research conducted in Georgia's research universities.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.012 **Qualified Health Insurance Expense Credit**

Statute	§48-7-29.13
Year Enacted	2008
Year Effective	Taxable years beginning on or after January 1, 2009

Data Source DOR Data for 2011, America's Health Insurance Plan, Center for Policy and Research

Estimate Reliability Class A

Data Reliability Class A

Note For the amount of credit taken by individuals see 1.6.023

Description: Employer credit for the premiums paid for a high-deductible health plan. Employers must employ 50 or fewer persons for whom the employer provides high deductible health plans as defined by Section 223 of the Internal Revenue Code and in which such employees are enrolled. The qualified health insurance must be made available to all employees and compensated individuals of the employer pursuant to the applicable provisions of Section 125 of the Internal Revenue Code. The qualified health insurance premium expense must equal at least \$250 annually.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.014 Qualified Transportation Credit

Statute §48-7-29.3

Year Enacted 1999

Year Effective Taxable years beginning on or after January 1, 2001

Data Source DOR Data for 2011

Estimate Reliability Class A

Data Reliability Class A

Note For the amount of credit taken by individuals see 1.6.025

Description: A tax credit provided to employers for the cost of providing any federally qualified transportation benefit to an employee.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.015 Business Enterprise Vehicle Credit

Statute §48-7-40.22

Year Enacted 2001

Year Effective Taxable years beginning on or after January 1, 2002.

Data Source Georgia Regional Transportation Authority

Estimate Reliability Class C

Data Reliability Class A

Note For the amount of credit taken by individuals see 1.6.026

Description: This is a credit given to a business enterprise for the purchase of a motor vehicle that is used exclusively to provide transportation for its employees. In order to qualify, a business enterprise must certify that

each vehicle carries an average daily ridership of not less than four employees for an entire taxable year.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.016 Employer’s Credit for providing or sponsoring child care for employees and employer’s credit for purchasing child care

Statute	§48-7-40.6
Year Enacted	1994 & 1999
Year Effective	Credit for cost of operation: taxable years beginning on or after January 1, 1994; Credit for Cost of Qualified Child Care Property: taxable years beginning on or after January 1, 2000.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.027

Description: Tax credit for expenses related to an employer who purchases qualified child care property; and a tax credit for employers who provide or sponsor child care for employees.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	5	7	6

(m) Denotes a value of less than \$1 Million

2.6.017 Low Income Housing Credit

Statute	§48-7-29.6
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2001.
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.028

Description: This is a credit against Georgia income taxes for taxpayers owning developments which receive the federal Low-Income Housing tax credit and that are placed in service on or after January 1, 2001.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	26	28	30

(m) Denotes a value of less than \$1 Million

2.6.018 Historic Rehabilitation Credit

Statute	§48-7-29.8
Year Enacted	2002
Year Effective	Taxable years beginning on or after January 1, 2004
Data Source	DOR Data for 2011 and U.S. Joint Committee on
Estimate Reliability	Class B
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.029

Description: A credit for the certified rehabilitation of a certified structure or historic home. Standards set by the Georgia Department of Natural Resources must be met.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

2.6.019 Diesel Particulate Emission Reduction Technology Equipment Credit

Statute	§48-7-40.19
Year Enacted	2000
Year Effective	Taxable years beginning on or after January 1, 2001.
Data Source	Officials from the Georgia Air Protection branch of the Georgia Department of Natural Resources
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.030

Description: This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For purposes of this credit, diesel particulate emission reduction technology equipment is any equipment that provides for heat, air conditioning, light, or communications for the driver's compartment of a commercial motor vehicle parked at a truck stop, depot, or other facility, the use of which results in the engine being turned off with a corresponding reduction of particulate emissions from such vehicle's diesel engine.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.020 Zero and Low Emission Vehicle Credit; Electric Vehicle Charger Credit

Statute	§48-7-40.16
Year Enacted	1998
Year Effective	Taxable years beginning on or after January 1, 1998

Data Source DOR Data for 2011, U.S. Energy Information Administration, and U.S. Department of Energy

Estimate Reliability Class B

Data Reliability Class A

Note For the amount of credit taken by individuals see 1.6.031

Description: This is a credit for the purchase or lease of a new low or zero emission vehicle that is registered in the state of Georgia. The credit also applies to the conversion of a standard vehicle to a low or zero emission vehicle. In addition, the credit applies to the purchase of an electric vehicle charger.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

2.6.021 Land Conservation Credit

Statute §48-7-29.12

Year Enacted 2006

Year Effective Taxable years beginning on or after January 1, 2006

Data Source DOR Data for 2011

Estimate Reliability Class A

Data Reliability Class A

Note For the amount of credit taken by individuals see 1.6.032

Description: This is an income tax credit for the qualified donation of real property that qualifies as conservation land pursuant to Chapter 22 of Title 36. Property donated to increase building density levels or property that will be used or is associated with the playing of golf shall not be eligible.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	3	3

(m) Denotes a value of less than \$1 Million

2.6.022 Clean Energy Property & Wood Residuals Credit

Statute §48-7-29.14

Year Enacted 2008

Year Effective July 1, 2008

Data Source DOR Data for 2011

Estimate Reliability Class A

Data Reliability Class A

Note For the amount of credit taken by individuals see 1.6.033

Description: The Georgia Clean Energy Property and Wood Residuals tax credit includes two general types of income tax credits: 1) investments in the construction, purchase or lease of clean energy property, and 2) the value of wood residuals delivered to a qualified renewable biomass facility. The clean energy property tax credits apply to solar, wind and

energy efficiency projects, geothermal heat pumps, and certain biomass equipment for making electricity. For the purposes of the wood residuals tax credit, wood residuals include urban wood waste, land clearing residues, and pellets, but not wood from a U.S. national forest.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

2.6.023 Employer’s Credit for Basic Skills Education

Statute	§48-7-41
Year Enacted	1991
Year Effective	1991
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.034

Description: A tax credit is provided to employers that sponsor or provide, at no cost to their employees, an approved basic skills education program. A basic skills education program is one that enhances reading, writing, or mathematical skills up to and including the twelfth grade. Employee means any employee resident in Georgia who is employed for at least 24 hours a week and who has been continuously employed by the employer for at least 16 consecutive weeks. Eligible expenses include instructor salaries, materials, supplies, and textbooks but exclude costs associated with renting or otherwise securing space.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

2.6.024 Employer’s Credit for Approved Employee Retraining

Statute	§48-7-40.5
Year Enacted	1994
Year Effective	Latest modifications are effective for taxable years beginning on or after January 1, 2009
Data Source	DOR Data for 2011
Estimate Reliability	Class B
Data Reliability	Class B
Note	For the amount of credit taken by individuals see 1.6.035

Description: The tax credit reimburses employers for the cost of providing retraining services to their employees. As of January 1, 2009, retraining programs shall not include any retraining on commercially, mass produced software packages for word processing, data base management, presentations, spreadsheets, e-mail, personal information

management, or computer operating systems except a retraining tax credit shall be allowable for those providing support or training on such software.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	21	23	26

(m) Denotes a value of less than \$1 Million

2.6.025 Qualified Education Expense Credit

Statute	§48-7-29.16
Year Enacted	2008
Year Effective	Taxable years beginning on or after January 1, 2008; latest modifications are applicable to taxable years beginning on or after January 1, 2013.
Data Source	DOR Data for 2011
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.036

Description: This provides a tax credit for donations made by taxpayers to a student scholarship organization which are used for tuition and fees for a qualified school or program.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	14	14	15

(m) Denotes a value of less than \$1 Million

2.6.026 Qualified Investor's Tax Credit

Statute	§48-7-40.30
Year Enacted	2010
Year Effective	January 1, 2011; legislation modified in 2013
Data Source	Fiscal Note for HB 1001/2010 LC 18 8790
Estimate Reliability	Class A
Data Reliability	Class A
Note	For the amount of credit taken by individuals see 1.6.037

Description: This credit provides a 35% tax credit for amounts invested in certain Georgia headquartered small businesses. The credit is available for investments made in 2011, 2012 and 2013 but the credit cannot be claimed until FY2014 at the earliest.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

2.6.027 Energy or Water Efficient Equipment Credit

Statute §48-7-40.29
Year Enacted 2010
Year Effective January 1 of the year following the year in which federal funds for this program are made available and received by the state
Data Source Fiscal Note for HB 1069/2010 LC 21 0586
Estimate Reliability Class A
Data Reliability Class A
Note For the amount of credit taken by individuals see 1.6.038

Description: This tax credit applies to taxpayers who purchase energy efficient and water conservation equipment. The value of the credit is equal to 25 percent of the cost of the qualified equipment or \$2,500, whichever is less. The credit is only available for those tax years in which federal funds are made available to the state for this purpose.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

2.6.030 Tax credit for existing business enterprises undergoing qualified business expansion

Statute §48-7-40.21
Year Enacted
Year Effective Latest modifications are applicable to tax years beginning on or after January 1, 2008
Data Source
Estimate Reliability Not Applicable
Data Reliability
Note Estimate included in Provision 2.6.001. For the amount of credit taken by individuals see 1.6.041.

Description: This credit applies to businesses that create at least 500 new full-time jobs within a taxable year.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	Estimate included in 2.6.001		

(m) Denotes a value of less than \$1 Million

Corporate income tax credits for which an estimate is not currently available

Expenditure	Statute	Summary
2.6.004	§48-7-40.25	New Manufacturing Facilities Property Credit
2.6.028	§48-7-40.10	Tax credit for water conservation facilities and qualified water conservation investment property
2.6.029	§48-7-40.11	Tax credit for shift from ground-water usage

3. Corporate Net Worth Tax

Georgia imposes a tax on the net worth of corporations. The net worth of foreign corporations subject to the Georgia tax is based upon the ratio of assets in Georgia and gross receipts in Georgia to total assets and gross receipts. Revenues from this tax totaled \$30 million in FY2012. All revenues from this tax are deposited into the state general fund.

The tax is graduated based upon the taxable net worth of the corporation. The minimum liability is \$10 for corporations having \$10,000 or less in taxable net worth. The maximum liability is \$5,000 for corporations with taxable net worth of more than \$22 million.

Corporate net worth tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
3.001	§48-13-72	Exemption for nonprofit corporations
3.002	§48-13-72	Exemption for insurance companies

4. Sales and Use Tax

The sales and use tax was first enacted in Georgia in 1951 at a rate of 3 percent. The rate was increased to its current rate of 4 percent in 1989. In FY2012 the sales and use tax generated \$5.3 billion and accounted for approximately 33 percent of state tax revenues. All proceeds from the sales and use tax net of the vendor commission are deposited into the state general fund.

The sales tax base consists of retail sales, leases, rentals, use on consumption of tangible personal property. In addition to the state sales tax, local governments are authorized to impose a 1 to 3 percent sales tax with a few exceptions. The local sales taxes in most counties consist of a combination of a Local Option sales tax (LOST), Special Purpose Local Option sales tax (SPLOST) and/or an Educational Special Purpose Local Option sales tax (E-SPLOST). In addition, Atlanta also levies another 1 percent sales tax to cover expenses related to sewer repairs and two counties levy a Homestead Option sales tax (HOST). Lastly, 46 counties will implement a 1 percent Transportation sales tax (TSPLOST) beginning January 1, 2013.

In general, the local tax base is consistent with the state sales tax base; the major exception being food for home consumption which is included in the local sales tax base, but not in the state base. The sales tax is remitted to the Department of Revenue by the retailer. The use tax is remitted by the consumer in cases where the retailer does not collect and remit sales tax.

For purposes of this report, the base of taxation for the sales and use tax is defined to include mainly tangible personal property. For example, food for home consumption consists of tangible property that is not included in the sales tax base at the state level and is listed as a state sales tax exemption. On the other hand, all or most services are also excluded from the state and local tax base. We provide estimates of some services that are indirectly exempt from the sales tax.

Lastly, this report identifies each sales tax expenditure used as a business input. In this way, we distinguish between tax expenditures that are provided for reasons of reducing economic distortions and those provided on the basis of more societal reasons, while still providing a comprehensive list of all statutory exemptions.

4.00400 Sales of transportation furnished by a county or municipal public transit system or public transit authorities

Statute §48-8-3(4)
Year Enacted 1968
Year Effective 1968
Data Source National Transit Database
Estimate Reliability Class B
Data Reliability Class A
Note Estimate Includes 4.00500

Description: Sales by counties and municipalities arising out of their operation of any public transit facility and sales by public transit authorities or charges by counties, municipalities, or public transit authorities for the transportation of passengers upon their conveyances.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	7	7	7
Local Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 Million

4.00500 Sales of transportation furnished by an approved and authorized urban transit system

Statute §48-8-3(5)
Year Enacted 1970
Year Effective 1970
Data Source National Transit Database
Estimate Reliability Class A
Data Reliability Class A
Note Estimate Combined With 4.00400

Description: Fares and charges, except charges for charter or sightseeing service, collected by an urban transit system for the transportation of passengers.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	Estimate Combined With 4.00400		
Local Tax Expenditure			

(m) Denotes a value of less than \$1 Million

4.00600 Sales to any Hospital Authority created by Georgia law

Statute §48-8-3(6)
Year Enacted 1976
Year Effective 1976
Data Source Georgia Office of Planning and Budget and IRS Form 990
Data Data
Estimate Reliability Class B
Data Reliability Class B
Note Estimate Combined with 4.00700

Description: Sales to any hospital authority created by Article of Chapter 7 of Title 31

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	Estimate Combined with 4.00700		

Local Tax Expenditure
(m) Denotes a value of less than \$1 Million

4.00610 Sales to any Housing Authority created by Georgia law

Statute	§48-8-3(6.1)
Year Enacted	1999
Year Effective	1999
Data Source	Georgia Department of Community Affairs and the American Community Survey
Estimate Reliability	Class C
Data Reliability	Class A

Note

Description: Sales to any housing Authority created by Article 1 of Chapter 3 of Title 8.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2
Local Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

4.00620 Sales to local government authorities created on or after January 1, 1980 for the principal purpose of constructing, owning, or operating a coliseum and related facilities

Statute	§48-8-3(6.2)
Year Enacted	2002
Year Effective	2002
Data Source	Georgia Department of Community Affairs
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: Sales to local government authorities created on or after January 1, 1980 for the principal purpose of constructing, owning, or operating a coliseum and related facilities

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.00630 Sales to any agricultural commission created by the Department of Agriculture

Statute	§48-8-3(6.3)
Year Enacted	2002
Year Effective	2002
Data Source	Georgia Department of Agriculture and the Georgia Office of

Planning and Budget
 Estimate Reliability Class C
 Data Reliability Class C

Note

Description: Sales to any agricultural commission created by the Department of Agriculture

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.00700 Sales of tangible personal property and services to an approved nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function.

Statute §48-8-3(7)
 Year Enacted 1971
 Year Effective 1971
 Data Source DOR Data for 2009 and IRS Form 990 data
 Estimate Reliability Class B
 Data Reliability Class B
 Note Estimate Combined with 4.00600

Description: Sales of tangible personal property and services to an approved nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	85	87	90
Local Tax Expenditure	63	65	67

(m) Denotes a value of less than \$1 Million

4.00710 Sales of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities.

Statute §48-8-3(7.1)
 Year Enacted 2001
 Year Effective 2002
 Data Source U.S. Economic Census and American Community Survey
 Estimate Reliability Class C
 Data Reliability Class A
 Note

Description: Sales of tangible personal property and services to a nonprofit organization, the primary function of which is the provision of services to persons with intellectual disabilities, when such organization is a tax exempt organization under the Internal Revenue Code and obtains an exemption determination letter from the state revenue commissioner.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2
Local Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

4.00720 Sales to Georgia Society of the Daughters of the American Revolution

Statute	§48-8-3(7.2)
Year Enacted	2002
Year Effective	2002
Data Source	IRS 990 Form Data
Estimate Reliability	Class C
Data Reliability	Class C

Note

Description: Sales of tangible personal property or services to any chapter of the Georgia State Society of the Daughters of the American Revolution which is tax exempt under IRS Code Section 501(c)(3) and obtains an exemption determination letter from the state revenue commissioner.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.00800 Sales of tangible personal property and services to the University System of Georgia and its educational units.

Statute	§48-8-3(8)
Year Enacted	1963
Year Effective	1963
Data Source	University System of Georgia Annual Financial Report for 2010
Estimate Reliability	Class B
Data Reliability	Class A

Note

Description: Sales of tangible personal property and services to the University System of Georgia and its educational units.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	33	34	36
Local Tax Expenditure	23	24	25

(m) Denotes a value of less than \$1 Million

4.01000 Sales of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school

Statute	§48-8-3(10)
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Year Enacted 1968
 Year Effective 1968
 Data Source The National Center for Education Statistics and the Georgia Department of Education
 Estimate Reliability Class C
 Data Reliability Class C
 Note

Description: Sales of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2
Local Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

4.01200 School lunches sold and served to pupils and employees of public schools

Statute §48-8-3(12)
 Year Enacted 1953
 Year Effective 1953
 Data Source Georgia School Nutrition Association and the Georgia Department of Education
 Estimate Reliability Class B
 Data Reliability Class B
 Note

Description: School lunches sold and served to pupils and employees of public schools.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	8	8	7
Local Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 Million

4.01300 School lunches sold and served to pupils and employees of approved private schools

Statute §48-8-3(13)
 Year Enacted 1967
 Year Effective 1967
 Data Source Georgia School Nutrition Association and the National Center of Education Statistics
 Estimate Reliability Class B
 Data Reliability Class B
 Note

Description: School lunches sold and served to pupils and employees of approved private schools

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.01400 Sales of art and other artifacts for display or exhibition to museums

Statute	§48-8-3(14)
Year Enacted	1973
Year Effective	1973
Data Source	U.S. Economic Census and IRS Form 990 data
Estimate Reliability	Class C
Data Reliability	Class B

Note

Description: Sales of art and anthropological, archeological, geological, horticultural, or zoological objects or artifacts and other similar tangible personal property to or for the use by any museum or organization which is tax exempt under section 501(c)(3) of the Internal Revenue Code of such tangible personal property for display or exhibition in a museum within this state

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.01500 Specific fundraising sales by any religious institution lasting no more than 30 days in a calendar year and sales of religious paper when the paper is owned and operated by the religious institution

Statute	§48-8-3(15)
Year Enacted	1953
Year Effective	1953
Data Source	The National Center for Charitable Statistics
Estimate Reliability	Class C
Data Reliability	Class B

Note

Description: Sales of any religious paper in this state when the paper is owned and operated by religious institutions or denominations and no part of the net profit from the operation of the institution or denomination inures to the benefit of any private person. When the number of days upon which the fundraising activity occurs does not exceed 30 in any calendar year.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.01510 Sales of pipe organs or steeple bells to any church qualifying as a nonprofit

Statute §48-8-3(15.1)
Year Enacted 2001
Year Effective 2001
Data Source The Atlanta Chapter for The American Guild of Organists
Estimate Reliability Class C
Data Reliability Class C
Note

Description: Sales of pipe organs or steeple bells to any church qualifying as a nonprofit.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.01700 Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce

Statute §48-8-3(17)
Year Enacted 1951
Year Effective 1951
Data Source U.S. Energy Information Administration, U.S. Department of Energy
Estimate Reliability Class B
Data Reliability Class A
Note

Description: Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	30	30	30
Local Tax Expenditure	20	21	21

(m) Denotes a value of less than \$1 Million

4.02000 Water delivered through water mains, lines, or pipes

Statute §48-8-3(20)
Year Enacted 1966
Year Effective 1966
Data Source The Bureau of Labor Statistics Consumer Expenditure Survey
Estimate Reliability Class C
Data Reliability Class C
Note

Description: The sale of water delivered to consumers through water mains, lines, or

pipes.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure

See expenditure estimate for

Local Tax Expenditure

Residential Utilities (4.5009) Service

(m) Denotes a value of less than \$1 Million

4.02200 Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made

Statute §48-8-3(22)

Year Enacted 1951

Year Effective 1951

Data Source US Economic Census

Estimate Reliability Class C

Data Reliability Class C

Note

Description: Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure

See expenditure estimates for services

Local Tax Expenditure

See (4.50003, 4.50010, 4.50011)

(m) Denotes a value of less than \$1 Million

4.02300 Repair services when a separate charge is made to the customer

Statute §48-8-3(23)

Year Enacted 1951

Year Effective 1951

Data Source US Economic Census

Estimate Reliability Class C

Data Reliability Class C

Note

Description: Repair services when a separate charge is made to the customer.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure

See expenditure estimates for

Local Tax Expenditure

Services (4.50003, 4.50010, 4.50011)

(m) Denotes a value of less than \$1 Million

4.02500 Sale of seed, fertilizer, fungicide, and certain other agricultural chemicals to farmers, and feed for livestock, fish, or poultry purchased by persons engaged in animal husbandry (expired January 1, 2013)

Statute §48-8-3(25)

Year Enacted 1963

Year Effective 1963

Data Source U.S. Census of Agriculture
 Estimate Reliability Class B
 Data Reliability Class A
 Note Expired January 1, 2013

Description: Sale of seed, fertilizer, fungicide, and certain other agricultural chemicals to farmers, and feed for livestock, fish, or poultry purchased by persons engaged in animal husbandry.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	80	0	0
Local Tax Expenditure	65	0	0

(m) Denotes a value of less than \$1 Million

4.02600 Sale of machinery used exclusively for irrigation of crops to persons primarily engaged in producing farm crops for sale (expired January 1, 2013)

Statute §48-8-3(26)
 Year Enacted 2000
 Year Effective 2000
 Data Source U.S. Census of Agriculture
 Estimate Reliability Class B
 Data Reliability Class A
 Note Expired January 1, 2013

Description: Sale of machinery used exclusively for irrigation of crops to persons primarily engaged in producing farm crops for sale.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	0	0
Local Tax Expenditure	(m)	0	0

(m) Denotes a value of less than \$1 Million

4.02700 Sales of sugar for use as food to honey bee producers (expired January 1, 2013)

Statute §48-8-3(27) Reserved
 Year Enacted 1964
 Year Effective 1964
 Data Source U.S. Census of Agriculture
 Estimate Reliability Class B
 Data Reliability Class A
 Note Expired January 1, 2013

Description: Sales of sugar for use as food to honey bee producers.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	0	0
Local Tax Expenditure	(m)	0	0

(m) Denotes a value of less than \$1 Million

4.02800 Sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding purposes (expired January 1, 2013)

Statute §48-8-3(28)
Year Enacted 1964
Year Effective 1964
Data Source U.S. Census of Agriculture
Estimate Reliability Class B
Data Reliability Class A
Note Expires January 1, 2013

Description: Sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding purposes.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	0	0
Local Tax Expenditure	(m)	0	0

(m) Denotes a value of less than \$1 Million

4.02900 Sale of certain types of agricultural machinery (expired January 1, 2013)

Statute §48-8-3(29)
Year Enacted 1971
Year Effective 1972
Data Source U.S. Census of Agriculture
Estimate Reliability Class B
Data Reliability Class A
Note Expired January 1, 2013

Description: Sale of certain types of agricultural machinery.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	11	0	0
Local Tax Expenditure	8	0	0

(m) Denotes a value of less than \$1 Million

4.02910 Off-road equipment and related attachments used exclusively in site preparation, planting, cultivating, or harvesting of timber by persons primarily engaged in growing or harvesting timber (expired January 1, 2013)

Statute §48-8-3(29.1)
Year Enacted 1994
Year Effective 1994
Data Source U.S. Census of Agriculture
Estimate Reliability Class B
Data Reliability Class A
Note Expires January 1, 2013

Description: Off-road equipment and related attachments used exclusively in site preparation, planting, cultivating, or harvesting of timber by persons primarily engaged in growing or harvesting timber.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	0	0
Local Tax Expenditure	4	0	0

(m) Denotes a value of less than \$1 Million

4.03000 Vehicles purchased by service-connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase the specially adapted vehicle

Statute	§48-8-3(30)
Year Enacted	1972
Year Effective	1972
Data Source	The American Community Survey and Fiscal Note for HB 259/2011 LC 5481
Estimate Reliability	Class B
Data Reliability	Class B
Note	

Description: The sale of a vehicle to a service-connected disabled veteran when the veteran received a grant from the United States Department of Veterans Affairs to purchase and specially adapt the vehicle to the veteran's disability.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.03310 Partial sales tax exemption for jet fuel sold to or used by a qualifying airline at a qualifying airport

Statute	§§48-8-3(33.1); 48-9-3
Year Enacted	2011
Year Effective	2011
Data Source	Fiscal Note for HB 386 LC 34 3474S
Estimate Reliability	Class A
Data Reliability	Class A
Note	

Description: Partial sales tax exemption for jet fuel sold to or used by a qualifying airline at a qualifying airport

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	21	22	22
Local Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

4.03400 Certain machinery used in the manufacturing of tangible personal property (expired January 1, 2013)

Statute §48-8-3(34)
Year Enacted 1963
Year Effective 1963
Data Source U.S. Economic Census
Estimate Reliability Class B
Data Reliability Class A
Note Expired January 1, 2013

Description: Certain machinery used in the manufacturing of tangible personal property.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	84	0	0
Local Tax Expenditure	63	0	0

(m) Denotes a value of less than \$1 Million

4.03420 Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts

Statute §48-8-3(34.2)
Year Enacted 1996
Year Effective 1996
Data Source U.S. Economic Census
Estimate Reliability Class B
Data Reliability Class A
Note

Description: Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.03800 Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H center

Statute §48-8-3(38)
Year Enacted 1976
Year Effective 1976
Data Source Georgia 4-H Annual Cloverleaf Report
Estimate Reliability Class C
Data Reliability Class C
Note

Description: Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H center.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.03900 Certain sales by a public or private school of tangible personal property, concessions, and tickets for admission to school functions

Statute	§48-8-3(39)
Year Enacted	1994
Year Effective	1994
Data Source	Georgia Department of Education, IRS Form 990 data, and the National High School Athletic Association
Estimate Reliability	Class C
Data Reliability	Class C
Note	

Description: Sales by any public or private school containing any combination of grades kindergarten through 12 of tangible property, concessions, or tickets for admission to a school event or function, provided that the net proceeds from such sales are used solely for the benefit of such school or its students

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	3	3	3
Local Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

4.04000 Sale of major components or repair parts installed in military aircraft, vehicles, or missiles

Statute	§48-8-3(40)
Year Enacted	1965
Year Effective	1965
Data Source	USASpending.gov and The U.S. Economic Census
Estimate Reliability	Class C
Data Reliability	Class B
Note	

Description: Sale of major components or repair parts installed in military aircraft, vehicles, or missiles

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	36	27	29
Local Tax Expenditure	25	19	20

(m) Denotes a value of less than \$1 Million

4.04100 Sale of tangible personal property and services to a nonprofit child-caring institution, child-placing agency, or maternity home

Statute	§48-8-3(41)
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Year Enacted 2004
 Year Effective 2004
 Data Source U.S. Economic Census
 Estimate Reliability Class B
 Data Reliability Class B

Note

Description: Sales of tangible personal property and services to a child-caring institution as defined in paragraph (1) of Code Section 49-5-3; a child-placing agency as defined in paragraph (2) of Code Section 49-5-3, or maternity home as defined in paragraph (14) of Code Section 49-5-3, when such institution, agency, or home is engaged primarily in providing child services and is a non-profit, tax-exempt organization under Section 501(c)(3) of the IRS revenue code.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

4.04300 Revenues from coin-operated amusement machines for which individual permits are required

Statute §48-8-3(43)
 Year Enacted 1992
 Year Effective 1993
 Data Source U.S. Economic Census and DOR Licensing Statistics
 Estimate Reliability Class C
 Data Reliability Class B

Note

Description: Gross revenue generated from all bona fide coin operated amusement machines which vend or dispense music or are operated for skill, amusement, entertainment, or pleasure.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	3
Local Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

4.04600 Sale of tangible personal property or taxable services to nonprofit blood banks

Statute §48-8-3(46)
 Year Enacted 1980
 Year Effective 1980
 Data Source U.S. Economic Census and IRS 990 Form Data
 Estimate Reliability Class C
 Data Reliability Class B

Note

Description: Sale to certain blood banks having a nonprofit status according to Section 501(c)(3) of the IRS revenue code.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

4.04700 Sale of drugs dispensed by prescription, prescription glasses, contact lenses, contact lens samples and sales or use of certain controlled substances or dangerous drugs

Statute	§48-8-3(47)
Year Enacted	1984
Year Effective	1985
Data Source	State Health Expenditures from the Centers for Medicare and Medicaid Services
Estimate Reliability	Class B
Data Reliability	Class B
Note	

Description: Sale or use of drugs that are lawfully dispensable only by prescription for the treatment of natural persons; prescription eyeglasses and contact lenses; prescription contact lens samples; drugs dispensable by prescription for the treatment of natural persons without charge to physicians, hospitals, etc. by pharmaceutical manufacturers or distributors; drugs and durable medical equipment dispensed or distributed without charge solely for the purposes of a clinical trial approved by the FDA or an institutional review board.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	398	410	422
Local Tax Expenditure	275	283	291

(m) Denotes a value of less than \$1 Million

4.04800 Sale of crab bait to licensed commercial fishermen

Statute	§48-8-3(48)
Year Enacted	1985
Year Effective	1985
Data Source	Georgia Department of Natural Resources and the U.S. Economic Census
Estimate Reliability	Class C
Data Reliability	Class C
Note	

Description: Sale of crab bait to licensed commercial fisherman.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.04900 Liquefied gases and other fuels used in poultry or pullet houses or structures (expired January 1, 2013)

Statute	§48-8-3(49)
Year Enacted	2000
Year Effective	2000
Data Source	U.S. Census of Agriculture
Estimate Reliability	Class B
Data Reliability	Class A
Note	Expired January 1, 2013

Description: Liquefied gases and other fuels used in poultry or pullet houses or structures.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	0	0
Local Tax Expenditure	1	0	0

(m) Denotes a value of less than \$1 Million

4.05000 Sales of insulin syringes and blood glucose level measuring strips dispensed without a prescription

Statute	§48-8-3(50)
Year Enacted	1986
Year Effective	1986
Data Source	International Diabetes Foundation, the Kaiser Family Foundation, and the Medical Expenditures Panel Survey
Estimate Reliability	Class C
Data Reliability	Class C
Note	This estimate differs from previous reports due to a change in methodology and availability of new data

Description: Sale of blood measuring devices, monitoring equipment, or insulin delivery systems used exclusively by diabetics; insulin, insulin syringes and blood glucose monitoring strips; when dispensed without a prescription.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	12	13	14
Local Tax Expenditure	9	9	10

(m) Denotes a value of less than \$1 Million

4.05100 Sale of oxygen when prescribed by a licensed physician

Statute §48-8-3(51)
Year Enacted 1986
Year Effective 1986
Data Source U.S. Economic Census and the Medical Expenditure Panel
 Survey
Estimate Reliability Class C
Data Reliability Class A
Note This estimate differs from previous reports due to newly
 available data

Description: Sale of oxygen when prescribed by a licensed physician.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.05200 Sale or use of hearing aids

Statute §48-8-3(52)
Year Enacted 1986
Year Effective 1986
Data Source Fiscal Note for LC 25 4850/2007 and the Kaiser Foundation
Estimate Reliability Class A
Data Reliability Class B
Note

Description: Exempts the sale of approved hearing aids from sales and use tax.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	4	4	4
Local Tax Expenditure	3	3	3

(m) Denotes a value of less than \$1 Million

4.05300 Transactions where food stamps or WIC coupons are used as the method of payment

Statute §48-8-3(53)
Year Enacted 1986
Year Effective 1987
Data Source U.S. Food and Nutrition Service and the U.S. Department of
 Agriculture
Estimate Reliability Class B
Data Reliability Class A
Note

Description: Sales tax is not applied on items purchased using food stamps or WIC coupons.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	134	134	134
Local Tax Expenditure	100	101	101

(m) Denotes a value of less than \$1 Million

4.05400 Sale or use of any durable medical equipment or prosthetic device prescribed by a physician

Statute	§48-8-3(54)
Year Enacted	1992
Year Effective	1993
Data Source	U.S. Census of National Health Expenditures and the Medical Expenditure Panel Survey
Estimate Reliability	Class B
Data Reliability	Class A
Note	

Description: Sale or use of any durable medical equipment or prosthetic device prescribed by a physician.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	32	33	34
Local Tax Expenditure	22	23	24

(m) Denotes a value of less than \$1 Million

4.05500 Sale of Georgia lottery tickets

Statute	§48-8-3(55)
Year Enacted	1992
Year Effective	1992
Data Source	Georgia Lottery Commission Annual Report
Estimate Reliability	Class A
Data Reliability	Class A
Note	

Description: Sale of lottery tickets authorized by Chapter 27 of Title 50.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	145	153	164
Local Tax Expenditure	100	106	113

(m) Denotes a value of less than \$1 Million

4.05600 Sale by any qualified nonprofit parent teacher organization

Statute	§48-8-3(56)
Year Enacted	1995
Year Effective	1995
Data Source	Georgia Parent Teacher Association and IRS Form 990 data
Estimate Reliability	Class C

Data Reliability Class B
 Note

Description: Sale by any qualified nonprofit parent teacher organization.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.05700 Food purchased for off-premises consumption

Statute 48-8-3(57)
 Year Enacted 1996
 Year Effective 1998
 Data Source U.S. Consumer Expenditure Survey
 Estimate Reliability Class B
 Data Reliability Class B
 Note

Description: Exemption applies to food items consumed at off-premises, including meat, poultry, bread, milk, candy, canned soft drinks. It does not apply to alcoholic beverages, tobacco, immediate consumption items, vitamins, and minerals. This exemption does not apply to the local option sales tax but does not apply to special purpose and educational option sales taxes levied at the local level.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	438	452	470
Local Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

4.05900 Sale of eligible food and beverages by any Girl or Boy Scout council

Statute §48-8-3(59)
 Year Enacted 1996
 Year Effective 1996
 Data Source The American Community Survey, IRS Form 990 data, and Girl Scouts of America annual report
 Estimate Reliability Class B
 Data Reliability Class B
 Note

Description: Sales of food or food ingredients to and by member councils of the Girl Scouts or Boy Scouts of America.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	1
Local Tax Expenditure	1	1	1

(m) Denotes a value of less than \$1 Million

4.06200 Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer
 Statute §48-8-3(62)
 Year Enacted 1998
 Year Effective 1998
 Data Source U.S. Census of Agriculture; the U.S. Economic Census; and the annual Survey of Sod Producers
 Estimate Reliability Class B
 Data Reliability Class A
 Note

Description: Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	4	4	4
Local Tax Expenditure	2	3	3

(m) Denotes a value of less than \$1 Million

4.06300 Funeral merchandise when paid with funds from the Georgia Crime Victims' Emergency fund

Statute §48-8-3(63)
 Year Enacted 1998
 Year Effective 1998
 Data Source The Uniform Crime Report and the National Office for Victims of Crime
 Estimate Reliability Class C
 Data Reliability Class C
 Note

Description: The sale or use of funeral merchandise, outer burial containers, and cemetery markers as defined in Code Section 43-18-1, which are purchased with funds received from the Georgia Crime Victims Emergency fund under Chapter 15 of Title 17.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.06400 Sale of electricity or fuels used exclusively for the operation of an irrigation system on a farm for crop irrigation (expired January 1, 2013)

Statute §48-8-3(64)
 Year Enacted 2000
 Year Effective 2000
 Data Source U.S. Census of Agriculture
 Estimate Reliability Class B

Data Reliability Class A
 Note Expired January 1, 2013

Description: Sales of electricity or fuels used exclusively for the operation of an irrigation system on a farm for crop irrigation.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	15	0	0
Local Tax Expenditure	7	0	0

(m) Denotes a value of less than \$1 Million

4.06500 Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen

Statute §48-8-3(65)
 Year Enacted NA
 Year Effective NA
 Data Source The Georgia Department of Natural Resources and the U.S. Economic Census
 Estimate Reliability Class C
 Data Reliability Class C
 Note

Description: Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.07000 Sale of natural gas used directly in the manufacture of electricity

Statute §48-8-3(70)
 Year Enacted 1999
 Year Effective 2000
 Data Source U.S. Energy Information Administration
 Estimate Reliability Class B
 Data Reliability Class A
 Note This exemption does not apply to local sales taxes

Description: Sale of natural gas used directly in the manufacture of electricity which is subsequently sold.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	76	87	102
Local Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

4.07100 Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries

Statute §48-8-3(71)
Year Enacted 1999
Year Effective 2000
Data Source National Center for Charitable Statistics
Estimate Reliability Class B
Data Reliability Class B
Note

Description: Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.07200 Sale of wheelchairs and attachments for wheelchairs when sold to permanently disabled individuals

Statute §48-8-3(72)
Year Enacted 1999
Year Effective 2000
Data Source State Health Expenditures from the Centers for Medicare and Medicaid Services and the Medical Expenditure Panel Survey
Estimate Reliability Class B
Data Reliability Class B
Note

Description: Sale of wheelchairs and attachments for wheelchairs when sold to permanently disabled individuals.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.07300 Sale of certain production equipment to film producers and film production companies (expired January 1, 2013)

Statute §48-8-3(73)
Year Enacted 2001
Year Effective 2002
Data Source DOR Data for 2009
Estimate Reliability Class B
Data Reliability Class A
Note Expired January 1, 2013

Description: Sales of certain production equipment to film producers and film production

companies.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	0	0
Local Tax Expenditure	4	0	0

(m) Denotes a value of less than \$1 Million

4.07500 Sales tax holiday for back to school items (expired August 10, 2013)

Statute	§ 48-8-3(75)
Year Enacted	2012
Year Effective	2013
Data Source	Fiscal Note for HB 1053 LC 34 3342
Estimate Reliability	Class A
Data Reliability	NA
Note	Sales tax holidays for school supplies have been utilized beginning in 2002; expired August 10, 2013

Description: Commencing at 12:01 A.M. on August 10, 2012, and concluding at 12:00 Midnight on August 11, 2012; and Commencing at 12:01 A.M. on August 9, 2013, and concluding at 12:00 Midnight on August 10, 2013. The sale of articles of clothing and footwear; the single purchase of certain personal computers including non-recreational software; and purchases of general school supplies to be utilized in the classroom.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	39	41	0
Local Tax Expenditure	27	29	0

(m) Denotes a value of less than \$1 Million

4.07700 Liquefied gases and other fuels used in structures where plants, floral products, seedlings, and nursery stock are grown for sale (expired January 1, 2013)

Statute	§48-8-3(77)
Year Enacted	2003
Year Effective	2003
Data Source	US Census of Agriculture
Estimate Reliability	Class A
Data Reliability	Class A
Note	Expired January 1, 2013

Description: Liquefied gases and other fuels used in structures where plants, floral products, seedlings, and nursery stock are grown for sale.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	0	0
Local Tax Expenditure	(m)	0	0

(m) Denotes a value of less than \$1 Million

4.08100 The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline

Statute §48-8-3(81)
Year Enacted 2005
Year Effective 2005
Data Source Bureau of Transportation Statistics and the Air Transport Association
Estimate Reliability Class B
Data Reliability Class B
Note

Description: The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline not including alcohol or tobacco

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	4	4	4
Local Tax Expenditure	3	3	3

(m) Denotes a value of less than \$1 Million

4.08200 Sales tax holiday for water and energy efficient purchases (expired October 6, 2013)

Statute § 48-8-3(82)
Year Enacted 2012
Year Effective 2013
Data Source Fiscal Note for HB 1053 LC 34 3342
Estimate Reliability Class B
Data Reliability Class B
Note Sales tax holidays for energy efficient products have been utilized beginning in 2005; expired October 6, 2013

Description: Commencing at 12:01 A.M. on October 5, 2012, and concluding at 12:00 Midnight on October 7, 2012; and Commencing at 12:01 A.M. on October 4, 2013, and concluding at 12:00 Midnight on October 6, 2013. Purchase of energy efficient products or water efficient products with a sales price of \$1,500.00 or less per product purchased for noncommercial home or personal use.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	0
Local Tax Expenditure	(m)	(m)	0

(m) Denotes a value of less than \$1 Million

4.08300 Sale of biomass materials used to produce electricity or steam or used to produce electricity or steam intended for sale

Statute §48-8-3(83)
Year Enacted 2006
Year Effective 2006

Data Source Fiscal Note for HB 1018/2009 LC 18 4936 and the U.S. Energy Information Administration

Estimate Reliability Class B

Data Reliability Class A

Note

Description: The sale or use of biomass material, including pellets or other fuels derived from compressed, chipped, or shredded biomass material, utilized in the production of energy, including without limitation, the production of electricity and/or steam.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.08600 Sales of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft (expires June 30, 2015)

Statute §48-8-3(86)

Year Enacted 2009

Year Effective 2009

Data Source Fiscal Note for LC 14 0540S

Estimate Reliability Class C

Data Reliability Class C

Note Exemption extended from 2013 to 2015 in 2013

Description: For the period commencing on July 1, 2007 and ending on June 30, 2015, the sale or use of engines, parts, equipment, and other tangible personal property used in the maintenance or repair of aircraft when such engines, parts, equipment, and other tangible personal property are installed on such aircraft that is being repaired or maintained in this state so long as such aircraft is not registered in this state

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	7	7	7
Local Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 Million

4.08800 Sale of tangible personal property used in the construction of a qualified civil rights museum (expires July, 30 2015)

Statute §48-8-3(88)

Year Enacted 2009

Year Effective 2009

Data Source Fiscal Note for HB 364/2009 LC 18 7942

Estimate Reliability Class A

Data Reliability Class A

Note Expires 7/30/2015

Description: Sales of tangible personal property used in the construction of a qualified civil rights museum.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.3.2 Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing

Statute	§ 48-8-3.2
Year Enacted	Various Years
Year Effective	2013
Data Source	Bureau of Economic Analysis
Estimate Reliability	Class B
Data Reliability	Class A

Note

Description: Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2,852	2,969	3,090
Local Tax Expenditure	1,301	1,341	1,381

(m) Denotes a value of less than \$1 Million

4.3.3 Sale and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment

Statute	§ 48-8-3.3
Year Enacted	Various Years
Year Effective	2013
Data Source	Bureau of Economic Analysis
Estimate Reliability	Class B
Data Reliability	Class A

Note

Effective date for this exemption is January 1st, 2013

Description: Sale to, or use by, a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	127	131	135
Local Tax Expenditure	88	90	93

(m) Denotes a value of less than \$1 Million

4.5 Sales and Use Tax for Services

4.50000 Admissions and Amusements

Description: Admission to school and college sports events; rental of films and tapes by theaters; cable tv and direct satellite tv; coin operated video games (includes pinball and other mechanical amusements); membership fees in private clubs; overnight trailer parks.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	99	102	105
Local Tax Expenditure	72	74	77

(m) Denotes a value of less than \$1 Million

4.50001 Agricultural Services

Description: Veterinary services (both large and small animal); landscaping services (including lawn care); pet grooming

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	103	106	110
Local Tax Expenditure	75	78	80

(m) Denotes a value of less than \$1 Million

4.50002 Automotive Services

Description: Automotive road service and towing services; automotive painting and lube; parking lots and garages; automotive washing and waxing; automotive rustproofing and undercoating; labor charges on repairs to motor vehicles

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	81	83	87
Local Tax Expenditure	59	61	63

(m) Denotes a value of less than \$1 Million

4.50003 Business Services

Description: Billboards; test laboratories (excluding medical); interior design and decorating; commercial art and graphic design; advertising agency fees (not ad placement); sign construction and installation; employment agencies; temporary help agencies; check and debt collection; credit information and credit bureaus; exterminating (includes termite services); maintenance and janitorial services; window cleaning; bail bond fees; telephone answering service; telemarketing services on contract; secretarial and court reporting services; security services (includes private investigation (detective) services; armored car services

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	480	494	511
Local Tax Expenditure	350	361	373

(m) Denotes a value of less than \$1 Million

4.50004 Computer and Online Services

Description: Online data processing services; downloaded software, books, music, movies and video content, other electronic goods; internet service providers – dial-up; internet service providers – DSL or other broadband; mainframe computer access and processing service; information services; software – custom programs and professional services

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	197	203	210
Local Tax Expenditure	144	148	153

(m) Denotes a value of less than \$1 Million

4.50005 Construction Labor

Description: Labor for the construction of buildings; heavy and civil engineering construction labor; labor of specialty trade contractors

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1,503	1,548	1,602
Local Tax Expenditure	1,097	1,129	1,169

(m) Denotes a value of less than \$1 Million

4.50006 Fabrication, Installation, and Repair Services

Description: Labor charges for repairs for other tangible property; tv/radio repairs and other electronic equipment; repair charges generally; labor charges on repair of aircraft; repairs to interstate vessels; repairs to railroad rolling stock; repairs or remodeling of real property; service contracts sold at the time of sale of tangible personal property; installation charges by persons selling property; installation charges by persons other than the seller of the property

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	162	167	173
Local Tax Expenditure	118	122	126

(m) Denotes a value of less than \$1 Million

4.50007 Finance, Insurance, and Real Estate

Description: Service charges of banking institutions includes loan broker fees; insurance services; property sales agents (real estate or personal); real estate management fees (rental agents); investment counseling; real estate title

abstract services

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	346	356	368
Local Tax Expenditure	252	260	269

(m) Denotes a value of less than \$1 Million

4.50008 Industrial and Mining Services

Description: Seismograph and geophysical services; metal and nonmetal and coal mining services; typesetting services; platemaking for the print trade

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	7	7	7
Local Tax Expenditure	5	5	5

(m) Denotes a value of less than \$1 Million

4.50009 Residential Utility Service

Description: Interstate telephone (including local, long distance, and cellular service) and telegraph; water; sewer and refuse

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	97	100	104
Local Tax Expenditure	71	73	76

(m) Denotes a value of less than \$1 Million

4.50010 Personal Services

Description: Carpet and upholstery cleaning; swimming pool cleaning and maintenance; water softening and conditioning; shoe repair; garment services (altering and repairing); health clubs, tanning parlors, and reducing salons; laundry and dry cleaning services – coin operated; laundry and dry cleaning services – not coin operated; massage services (includes dating services); tax return preparation; sports and recreation instruction; barber shops; beauty parlors; travel agent services

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	149	154	159
Local Tax Expenditure	109	112	116

(m) Denotes a value of less than \$1 Million

4.50011 Professional Services

Description: Attorneys; accounting and bookkeeping; physicians; dentists; medical test laboratories; architects; engineers; land surveying; nursing services out of the hospital

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1,187	1,222	1,265
Local Tax Expenditure	866	892	923

(m) Denotes a value of less than \$1 Million

4.50012 Storage

Description: Marine towing services (includes tugboats); household goods storage; cold storage (includes fur storage); food storage; mini-storage; marina service (docking, storage, cleaning, repair); packing and crating (includes bus services); other warehousing and storage (including automotive storage)

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	45	46	48
Local Tax Expenditure	33	34	35

(m) Denotes a value of less than \$1 Million

4.50013 Transportation Services

Description: Intrastate courier service

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

4.7 Vendor Compensation

4.70000 Compensation of dealers for reporting and paying tax

Statute	§48-8-50
Year Enacted	1964
Year Effective	1964
Data Source	DOR Statistical Report for 2009
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Georgia allows a vendor collection fee of 3 percent for the first \$3,000 and then 0.5 percent for amounts above \$3,000 but does not impose a maximum limitation per vendor.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	52	45	47

(m) Denotes a value of less than \$1 Million

4.9 Casual Sales

4.90000 Sales tax exemption for casual sales

Statute	Department of Revenue administrative rule
Year Enacted	NA
Year Effective	NA
Data Source	DOR Data for 2009
Estimate Reliability	Class B
Data Reliability	Class A

Note

Sales of all motor vehicles will be exempt from state and local sales tax beginning March 1st, 2013 but taxed under the Alternative Ad Valorem Tax on Motor Vehicles, see section 11 of the report. Provision listed as 4.30000 in reports prior to FY 2014.

Description: Purchases of boats, planes and other tangible goods sold by persons not in the business of selling such items are not subject to sales tax. (Prior to the implementation of the Alternative Ad Valorem Tax on Motor Vehicles this estimate included casual sale of motor vehicles.)

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	125	2	2
Local Tax Expenditure	86	1	1

(m) Denotes a value of less than \$1 Million

Sales and use tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
4.00100	§48-8-3(1)	Sales to Federal Government, State of Georgia or a county or municipality in Georgia or any agency of such governments
4.00200	§48-8-3(2)	Tangible personal property furnished by the Federal Government or any county or municipality used by a contractor in the installation, repair, or extension of any public water, gas, or sewer system.
4.00300	§48-8-3(3)	Federal retailer's excise tax if separately itemized to the consumer and Georgia motor fuel tax imposed on the sale of motor fuel
4.00900	§48-8-3(9)	Sale of tangible personal property and services used exclusively in the educational function of an approved private college or university located in Georgia in which the credits are accepted by the University System of Georgia.
4.01100	§48-8-3(11)	Sale of tangible personal property or services to, and the purchase of tangible personal property or services by, any educational or cultural institute
4.01600	§48-8-3(16)	The sale or use of Holy Bibles; testaments, and similar books commonly recognized as being Holy Scripture regardless of by or to whom sold
4.01800	§48-8-3(18)	Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation
4.01900	§48-8-3(19)	All tangible personal property purchased outside this state by a nonresident when the property is brought into Georgia upon the nonresident becoming a resident
4.02100	§48-8-3(21)	Sales, transfers or exchanges of tangible personal property resulting from business reorganization when the owners, partners, or stockholders maintain the same proportionate interest or share in the newly formed business
4.02400	§48-8-3(24)	Rental of videotape or film to persons charging admission to view the tape or film
4.03100	§48-8-3(31)	Sale of tangible personal property manufactured or assembled in Georgia for export when delivery is taken outside of Georgia
4.03200	§48-8-3(32)	Aircraft, watercraft, motor vehicles, and other transportation equipment manufactured or assembled in this State for exclusive use outside Georgia
4.03300	§48-8-3(33)	Common or common and contract carriers
4.03410	§48-8-3(34.1)	Machinery and equipment used to handle, move, or store tangible personal property in certain distribution facilities
4.03430	§48-8-3(34.3)	The sale or use of repair or replacement parts, machinery clothing, molds, dies, waxes or tooling for machinery (expired January 1, 2013)
4.03500	§48-8-3(35)	Certain materials used in industrial packaging (expired January 1, 2013)
4.03600	§48-8-3(36)	Machinery and equipment used in a facility for the primary purpose of reducing or eliminating air and water pollution
4.03610	§48-8-3(36.1)	Machinery and equipment used for water conservation and incorporated into a qualified water conservation facility.
4.03700	§48-8-3(37)	Machinery and equipment used in combating air and water pollution and any industrial material used in a burning or recycling process (expired January 1, 2013)
4.03910	§48-8-3(39.1)	Cargo containers and related chassis used for storage or shipping by persons engaged in international shipment of tangible personal property

Sales and use tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
4.04200	§48-8-3(42)	Use or lease of tangible personal property when the lessor and lessee are under 100 percent common ownership and where the person who furnishes, leases, or rents the property has paid sales or use tax on the property
4.04400	§48-8-3(44)	Sale of motor vehicles to nonresident purchasers when vehicles are immediately removed from Georgia and titled in another state.
4.04500	§48-8-3(45)	The sale or use of paper stock when used to print catalogs for distribution outside Georgia.
4.06000	§48-8-3(60)	Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less
4.06100	§48-8-3(61)	Advertising inserts that are used in newspapers for resale
4.06600	§48-8-3(66)	Sale of gold, silver, or platinum bullion
4.06700	§48-8-3(67)	Sale of coins or currency
4.06800	§48-8-3(68)	Sale of certain computer equipment when the total qualifying purchases by a high technology company exceed \$15 million
4.06900	§48-8-3(69)	Sales of machinery and equipment and material incorporated and used in a clean room of Class 100 or less
4.07900	§48-8-3(79)	Ice used to chill poultry or vegetables during processing or shipment (expired January 1, 2013)
4.09000	§48-8-3(90)	The sale of electricity to a manufacturer located in this state used directly in the manufacture of a product (expired January 1, 2013)
4.09100	§48-8-3(91)	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave.
4.09200	§ 48-8-3(92)	Sale to an organization defined by the Internal Revenue Service as an instrumentality of the states relating to the holding of an annual meeting in this state for the period commencing July 1, 2012, and ending on December 31, 2013
4.09300	§ 48-8-3(93)	Sale of tangible personal property used for and in the construction of a competitive project of regional significance, for the period commencing January 1, 2012, until June 30, 2014
4.09400	§ 48-8-3(94)	The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale

5. Insurance Premium Tax

The premium tax is levied on premiums of persons, property or risks in Georgia written by insurance companies conducting business in Georgia. The state tax rate is imposed at a rate of 2.25 percent of gross direct premiums. In FY2012, revenues from this tax equaled \$309 million. This tax is administered by the state Insurance Commissioner. The proceeds of the tax are deposited into the state general fund.

5.00100 Deduction of retaliatory taxes paid to other states

Statute	§33-8-7
Year Enacted	1960
Year Effective	Prior to 2000
Data Source	Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Property and casualty insurance companies domiciled in Georgia are able to deduct from their Georgia tax liability taxes paid to other states on policies written in those states.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	Not Applicable at the local level		

(m) Denotes a value of less than \$1 Million

5.00200 Insurance premium tax credits

Statute	§33-8-4.1; §33-1-18; §48-7-29.14(b)(1)
Year Enacted	1960
Year Effective	2009, 2002, 2008
Data Source	Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Insurance companies are allowed a credit against the premium tax. These credits include the Jobs tax credit, the Low-Income Housing credit, and the Clean Energy credit. For a description of these credits, see section 2.6 on corporate income tax credits of this report.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	99	109	120
Local Tax Expenditure	Not Applicable at the local level		

(m) Denotes a value of less than \$1 Million

5.00300 Exemption for premiums of high deductible health plans

Statute	§33-8-4
Year Enacted	2008
Year Effective	2009
Data Source	Office of Insurance and Safety Fire Commissioner

Estimate Reliability Class A
 Data Reliability Class A
 Note Because the exemption is set to expire 12/31/2014, FY2015 estimate is very small The exemption also applies to the local tax but health insurance companies only pay a 1% tax at the local level so the exemption value must be small.

Description: Insurance companies are allowed to exempt from their insurance premium tax liability any premiums paid by Georgia residents for high deductible health plans as defined by Section 233 of the Internal Revenue Code.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	1	(m)
Local Tax Expenditure	Not Applicable at the local level		

(m) Denotes a value of less than \$1 Million

5.00400 Exemption for insurance companies that only insure places of worship

Statute §33-8-13
 Year Enacted 1996
 Year Effective 1996
 Data Source Office of Insurance and Safety Fire Commissioner
 Estimate Reliability Class A
 Data Reliability Class A
 Note

Description: Insurance companies that only insure the risks of places of worship are exempt from the state premium tax.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	Not Applicable at the local level		

(m) Denotes a value of less than \$1 Million

5.00500 Insurance abatements

Statute §33-8-5
 Year Enacted 1996
 Year Effective Prior to 2000
 Data Source Office of Insurance and Safety Fire Commissioner
 Estimate Reliability Class A
 Data Reliability Class A
 Note

Description: Georgia imposes a reduced state rate of 1.25 percent on insurance companies that invest at least 25 percent of their assets in qualified Georgia assets. If the amount invested in qualified Georgia assets is greater than 75 percent, the rate is reduced to 0.50 percent.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	130	133	136
Local Tax Expenditure	Not Applicable at the local level		

(m) Denotes a value of less than \$1 Million

5.00600 Special deductions for life insurance companies

Statute §§33-8-4, 33-8-8, 33-8-8.1

Year Enacted	1981
Year Effective	Prior to 2000
Data Source	Office of Insurance and Safety Fire Commissioner
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Life insurance companies are permitted to deduct contributions to state guarantee funds, license fees paid to local governments, local premium taxes from premium taxes otherwise payable to the state.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	126	129	132
Local Tax Expenditure	Not Applicable at the local level		

(m) Denotes a value of less than \$1 Million

6. Motor Fuel Tax

The tax on motor fuels consists of two taxes. The first tax is levied at a rate of 7½ cents per gallon of motor fuel. The second tax is a 3 percent tax on the retail sales price of motor fuel. This tax is commonly referred to as the “second motor fuel tax.” Revenues generated by the first and second motor fuel tax are allocated to the Department of Transportation. Revenues from the remaining one percent sales tax on the retail price of motor fuel are deposited into the state general fund.

The base of the motor fuel tax is imposed on any source of energy that can be used for propulsion of a motor vehicle on the public highways, including, but not limited to: gasoline, fuel oils, compressed petroleum gas and special fuels.

The tax is administered by the Department of Revenue. In FY2012 proceeds from the combined motor fuel tax equaled \$1 billion.

6.00200 Sale of fuel to mass transit vehicles

Statute	§48-9-3
Year Enacted	1978
Year Effective	Latest modification 2010
Data Source	Energy Information Administration and the National Transit Database
Estimate Reliability	Class B
Data Reliability	Class A
Note	Combined with 6.00300

Description: Fuel sold for use in vehicles operated by a public campus transportation system or fuel sold for use in public mass transit vehicles is exempt from tax. This provision expires 6/30/2015.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

6.00300 Sale of fuel to campus transportation vehicles

Statute	§48-9-3
Year Enacted	2010
Year Effective	2010
Data Source	Estimate included in 6.00200
Estimate Reliability	Class B
Data Reliability	Class A
Note	

Description: Sale of fuel to campus transportation vehicles

State Fiscal Years (\$ in Millions)

2013 2014 2015

Estimate included in 6.00200

State Tax Expenditure

(m) Denotes a value of less than \$1 Million

6.00400 Motor fuel tax exemption for aviation fuel

Statute §48-9-3
 Year Enacted 1978
 Year Effective 1978
 Data Source DOR Data for 2012
 Estimate Reliability Class A
 Data Reliability Class A
 Note

Description: Exemption for aviation fuel

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure

(m) (m) (m)

(m) Denotes a value of less than \$1 Million

6.00600 Motor fuel tax exemption for public school buses

Statute §48-9-3
 Year Enacted 2013
 Year Effective 2014
 Data Source Fiscal Note for HB 211 LC 33 4918
 Estimate Reliability Class B
 Data Reliability Class A
 Note

Description: Sale of motor fuel to public school systems for the exclusive purpose of the school system operating school buses when the motor fuel is purchased by the school system is exempt from motor fuel tax. This provision expires June 30, 2015.

State Fiscal Years (\$ in Millions)

2013 2014 2015

State Tax Expenditure

5 5 5

(m) Denotes a value of less than \$1 Million

Motor Fuel tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
6.00100	§48-9-10	Motor fuel tax refunds for agricultural purposes
6.00500	§48-9-3,14; see also §48-8-50(3) & (4)	Motor fuel tax vendor compensation

7. Alcoholic Beverage Tax

This tax is imposed on alcoholic beverages including malt beverages, wine, and distilled spirits. Malt beverages are taxed at a rate of \$10 per container up to 31 gallons with a proportionate tax on fractional parts of 31 gallons for draft malt beverages. The tax rate is 4½ cents per 12 ounces for bottles and cans with proportionate rates on fractional parts of other sizes. Wine is taxed at a rate of 11 cents per liter and an import tax of 29 cents per liter is imposed on table wines with proportional rates for fractional parts of a liter. An excise tax of 27 cents per liter with an import tax of 40 cents per liter is imposed on dessert wines with proportional rates for fractional parts of a liter. An excise tax of 50 cents per liter and an import tax of 70 cents per liter are levied on distilled spirits.

The tax is administered by the Department of Revenue. All taxes on alcoholic beverages totaled \$175 million in FY2012. The proceeds of the tax are deposited into the state general fund.

7.00300 200 gallons annually of home-brew per household

Statute	§§3-5-61, 3-6-70
Year Enacted	1977
Year Effective	1977
Data Source	American Association of Home brewers
Estimate Reliability	Class B
Data Reliability	Class C
Note	

Description: Allows an exemption for up to 200 gallons annually of home-brew per household.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	1
(m) Denotes a value of less than \$1 Million			

7.00400 Sales to and use by religious organizations for sacramental purposes

Statute	§§3-5-61, 3-6-70
Year Enacted	1977
Year Effective	1977
Data Source	National Center for Charitable Statistics and Catholic.org
Estimate Reliability	Class B
Data Reliability	Class C
Note	

Description: Sales to and use by religious organizations for sacramental purposes

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
(m) Denotes a value of less than \$1 Million			

7.00500 Exemption for ethyl alcohol used for certain purposes

Statute §§3-5-61, 3-6-70
Year Enacted 1980
Year Effective 1980
Data Source U.S. Economic Census
Estimate Reliability Class B
Data Reliability Class A

Note

Description: An exemption is allowed for purchases of ethyl alcohol intended for use or used for the following purposes: scientific, chemical, mechanical, industrial, medicinal, and culinary.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

7.00600 Malt beverages containing less than one-half of 1 percent alcohol by volume

Statute § 3-5-90
Year Enacted 1987
Year Effective 1987
Data Source U.S. Economic Census and Averagebeerprices.com
Estimate Reliability Class B
Data Reliability Class B

Note

Description: Malt beverages which contain less than one-half of 1 percent alcohol by volume shall not be subject to any tax levied under this title or any tax levied pursuant to authority granted by this title.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

Alcoholic beverages tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
7.00100	§§3-5-61	Sales to persons outside the state for resale or consumption outside the state
7.00200	§§3-5-61, 3-6-70	Sales to stores or canteens on U.S. military reservations

8. Cigar and Cigarette Excise Tax

The tax is levied upon the sale, receipt, purchase, possession, consumption, handling, distribution, or use of cigars and cigarettes in Georgia.

The tax is imposed at a rate of 37 cents per pack of 20 cigarettes and pro rata for other sized packages. Little cigars, weighing not more than 3 pounds per thousand are taxed at a rate of two and one-half mills each (\$2.50 per 1000). All other cigars are taxed at 23 percent of the wholesale cost price, exclusive of any trade, cash, of other discounts or any promotion, advertising, display or other similar allowances. Loose or smokeless tobacco is taxed at a rate of 10 percent of the wholesale cost price.

The tax is administered by the Department of Revenue. In FY2012 the tax totaled \$227 million. The proceeds of the tax are deposited into the state general fund.

8.00100 Exemption for purchases for use exclusively by patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing Home

Statute	§48-11-2
Year Enacted	1955
Year Effective	Latest Modification 2003
Data Source	Georgia Department of Veteran Services
Estimate Reliability	Class B
Data Reliability	Class C

Note

Description: Exemption for purchases for use exclusively by patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing Home

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

Cigar and cigarette excise tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
8.00200	§48-11-3	De minimis amount brought into the state by one person
8.00300	§48-11-3	Cigars and cigarettes stored in a public warehouse
8.00400	§48-11-3	Certain cigars and cigarettes held by licensed dealers

9. Financial Institutions Special State Occupation Tax

This is a special state occupation tax imposed on the adjusted gross receipts of each depository financial institution that does business or owns property in the state. The state tax rate is levied at a rate of 0.25 percent. In addition to the state tax, counties and municipalities may levy a rate not to exceed 0.25 percent of gross receipts. Any amount paid under the special state occupation tax by a financial institution reduces the institution's state income tax liability by an equal amount.

The tax is administered by the Department of Revenue. The revenues from this tax in FY2012 equaled \$19 million. The proceeds of the tax are deposited into the state general fund.

9.00100 Deduction for interest paid

Statute	§48-6-95
Year Enacted	1975
Year Effective	1975
Data Source	FDIC – Statistics on Depository Institutions
Estimate Reliability	Class B
Data Reliability	Class A

Note

Description: Financial institutions are allowed to deduct from gross receipts interest paid on all liabilities.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	2	2	2

(m) Denotes a value of less than \$1 Million

Financial institutions tax expenditures for which an estimate is not currently available

Expenditure	Statute	Summary
9.00200	§48-6-95	Deductions for income from authorized activities of a domestic international banking facility
9.00300	§48-6-95	Deduction for income from banking business with persons or entities outside the U.S.

10. Special Assessment of Forest Land Conservation Use Property

Real property devoted to qualified conservation use is assessed at 40 percent of its current use value. This tax treatment is designed to reduce the property tax burden on landowners in an effort to discourage the conversion of land to residential or commercial use. The property must be maintained in a qualifying conservation use for a period of ten years. Because the state offsets the loss of local government property tax revenue stemming from this exemption, this exemption represents a reduction in state tax revenues.

10.00000 Special assessment of forest land conservation use property

Statute	§48-5A-2
Year Enacted	2008
Year Effective	2008
Data Source	Office of Planning and Budget; and the Georgia Department of Revenue
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Grants made available by the Georgia General Assembly through annual appropriations and awarded to counties, municipalities and county or independent school districts for purposes of the Special Assessment of Forest Land Conservation Use Property program.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	18	23	26

(m) Denotes a value of less than \$1 Million

11. Alternative Ad Valorem Tax on Motor Vehicles

As of March 1, 2013 motor vehicles titled in Georgia are subject to a title ad valorem fee, otherwise referred to as the Motor Vehicle Title Fee. Vehicles purchased on or after January 1, 2012 and before March 1, 2013 may opt-into the title fee system. This legislation was passed in the 2012 session of the General Assembly and was substantially amended in the 2013 session. As part of the legislation, sales and use tax on the sale of motor vehicles is eliminated for purchases or leases occurring on or after March 1, 2013. The title fee rate in CY2013 is 6.5 percent and will increase to 6.75 percent in CY2014 and to 7 percent in CY2015. This fee generated \$207 million to the state general fund in FY2013.

11.001 Reduced rate for related family transfers

Statute	§48-5C-1(d)(1)-(2)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: A reduced rate of 0.25 percent applies to transfers for a vehicle transferred between immediate family members or a transfer occurring as a result of the death of an immediate family member.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	1	1
Local Tax Expenditure	(m)	1	1

(m) Denotes a value of less than \$1 Million

11.002 Disabled veteran exemption

Statute	§48-5C-1(d)(7)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Exemption from the title fee of the sale of a vehicle to a service-connected disabled veteran when the veteran received a grant from the Department of Veterans Affairs to purchase and specifically adapt the vehicle to his or her disability.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

11.003 Reduced rate for rental vehicles

Statute	§48-5C-1(d)(11)(A)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A
Note	

Description: Rental vehicles are subject to a reduced state title fee rate of 0.625 percent of the fair market value and a local title fee rate of 0.625 percent of the fair market value.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	14	54	58
Local Tax Expenditure	10	38	41

(m) Denotes a value of less than \$1 Million

11.004 Reduced rate for vehicles manufactured in years 1963 through 1985

Statute	§48-5C-1(d)(17)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class B
Data Reliability	Class B
Note	

Description: Vehicles manufactured in years 1963 through 1985 are subject to a reduced state title fee rate of 0.5 percent and reduced local title fee rate of 0.5 percent of the fair market value of the vehicle.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	0	0	0
Local Tax Expenditure	0	0	0

(m) Denotes a value of less than \$1 Million

11.005 Reduced rate for salvage vehicles

Statute	§48-5C-1(b)(2)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Salvage vehicles are subject to a state title fee rate of 1 percent and are not subject to the local title fee.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	23	24
Local Tax Expenditure	6	23	25

(m) Denotes a value of less than \$1 Million

11.006 Dealer loaner vehicle exemption

Statute	§48-5C-1(d)(12)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Dealer loaner vehicles are exempt from the state and local title fee for a period of 366 days.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	1	(m)	(m)
Local Tax Expenditure	1	(m)	(m)

(m) Denotes a value of less than \$1 Million

11.007 Reduced rate for donated vehicles

Statute	§48-5C-1(d)(13)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A

Note

Description: Vehicles donated to nonprofit organizations for the purpose of being transferred to another person are subject to a reduced state title fee rate of 1.0 percent of the fair market value of the vehicle. No local title fee applies.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	(m)	(m)	(m)
Local Tax Expenditure	(m)	(m)	(m)

(m) Denotes a value of less than \$1 Million

11.008 Extended payment period for out-of-state vehicles

Statute	§48-5C-1(d)(3)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class B
Data Reliability	Class B
Note	

Description: Vehicles registered by individuals moving from out of state are allowed to pay the title fee in two equal installments over a 12 month period.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	3	0	0
Local Tax Expenditure	2	0	0

(m) Denotes a value of less than \$1 Million

11.009 Trade-in exemption (including rebates and cash discounts)

Statute	§48-5C-1(a)(1)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class A
Data Reliability	Class A
Note	

Description: Both the state and local title fee is imposed on the fair market value of a vehicle net of the trade-in value of another motor vehicle, rebates or cash discounts.

	State Fiscal Years (\$ in Millions)		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	48	173	185
Local Tax Expenditure	36	131	139

(m) Denotes a value of less than \$1 Million

11.010 Special assessment for used vehicles

Statute	§48-5C-1(a)(1)(C)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class B
Data Reliability	Class C
Note	

Description: Under certain conditions, used vehicles may be valued based on bill of sale,

odometer reading, and values from alternative pricing guides.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	6	20	21
Local Tax Expenditure	4	21	17

(m) Denotes a value of less than \$1 Million

11.011 Special assessment for new vehicles

Statute	§48-5C-1(a)(1)(D)
Year Enacted	2012
Year Effective	2013
Data Source	Georgia Department of Revenue, 2013 Fiscal Note for HB 266, 2012 Fiscal Note for HB 259
Estimate Reliability	Class B
Data Reliability	Class B

Note

Description: The title fee is applied to the greater of the retail selling price or the average of the current fair market value and the current wholesale value.

State Fiscal Years (\$ in Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
State Tax Expenditure	-10	-38	-39
Local Tax Expenditure	-8	-31	-32

(m) Denotes a value of less than \$1 Million

Appendix of Tables

Table 1: Summary of expired and expiring tax expenditures

Expenditure	Summary	Tax	Expiration Date
2.6.013	Teleworking Credit	Corporate Income Tax	12/31/2011
2.6.031	Cigarette export tax credit	Corporate Income Tax	6/30/2010
4.00705	Sales of tangible personal property to a nonprofit health center established and receiving funds pursuant to the U.S. Public Health Service Act	Sales and Use Tax	6/30/2010
4.00730	Sales of tangible property and services to a nonprofit volunteer health clinic primarily treating patients with incomes below 200% of the poverty level	Sales and Use Tax	6/30/2010
4.02500	Sale of seed, fertilizer, fungicide, and certain other agricultural chemicals to farmers, and feed for livestock, fish, or poultry purchased by persons engaged in animal husbandry	Sales and Use Tax	1/1/2013
4.02600	Sale of machinery used exclusively for irrigation of crops to persons primarily engaged in producing farm crops for sale	Sales and Use Tax	1/1/2013
4.02700	Sales of sugar for use as food to honey bee producers	Sales and Use Tax	1/1/2013
4.02800	Sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding purposes	Sales and Use Tax	1/1/2013
4.02900	Sale of certain types of agricultural machinery	Sales and Use Tax	1/1/2013
4.02910	Off-road equipment and related attachments used exclusively in site preparation, planting, cultivating, or harvesting of timber by persons primarily engaged in growing or harvesting timber	Sales and Use Tax	1/1/2013
4.03400	Certain machinery used in the manufacturing of tangible personal property	Sales and Use Tax	1/1/2013
4.03430	The sale or use of repair or replacement parts, machinery clothing, molds, dies, waxes or tooling for machinery	Sales and Use Tax	1/1/2013
4.03440	Sale of tangible personal property to or used in or for the construction of a new alternative fuel facility primarily dedicated to the production and processing of ethanol, biodiesel, butanol or their by-products	Sales and Use Tax	6/30/2012
4.03500	Certain materials used in industrial packaging	Sales and Use Tax	1/1/2013
4.03700	Machinery and equipment used in combating air and water pollution and any industrial material used in a burning or recycling process	Sales and Use Tax	1/1/2013
4.04900	Liquefied gases and other fuels used in poultry or pullet houses or structures	Sales and Use Tax	1/1/2013
4.04910	Liquefied petroleum gas or other fuel used in a structure where swine are raised	Sales and Use Tax	6/30/2010

Table 1: Summary of expired and expiring tax expenditures

Expenditure	Summary	Tax	Expiration Date
4.05710	Sales of food and beverages to a qualified food bank	Sales and Use Tax	6/30/2010
4.05720	Exemption for persons donating prepared food and beverages to a qualified nonprofit agency to be used for hunger relief	Sales and Use Tax	6/30/2011
4.05730	Exemption for prepared food and beverages that are donated following a natural disaster and used for disaster relief	Sales and Use Tax	6/30/2011
4.05800	Graduated exemption for the sale of overhead materials used in government contracts	Sales and Use Tax	1/1/2011
4.06400	Sale of electricity or fuels used exclusively for the operation of an irrigation system on a farm for crop irrigation	Sales and Use Tax	1/1/2013
4.07010	Partial exemption for certain sales of natural or artificial gas, fuel oil, propane, petroleum coke and coal used directly or indirectly in the manufacture or processing of tangible personal property primarily for resale	Sales and Use Tax	12/31/2010
4.07300	Sale of certain production equipment to film producers and film production companies	Sales and Use Tax	1/1/2013
4.07400	Sale or use of digital broadcast equipment sold to, leased to, or used by a federally licensed commercial or public radio or television broadcast station, a cable network, or a cable distributor	Sales and Use Tax	11/1/2008
4.07500	Sales tax holiday for back to school items	Sales and Use Tax	8/10/2013
4.07700	Liquefied gases and other fuels used in structures where plants, floral products, seedlings, and nursery stock are grown for sale	Sales and Use Tax	1/1/2013
4.07800	Materials used to construct a new symphony hall costing in excess of \$200 million that is owned and operated by a nonprofit organization	Sales and Use Tax	9/1/2011
4.07900	Ice used to chill poultry or vegetables during processing or shipment	Sales and Use Tax	1/1/2013
4.08200	Sales tax holiday for water and energy efficient purchases	Sales and Use Tax	10/6/2013
4.08600	Sales of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft	Sales and Use Tax	6/30/2015
4.08700	Sales of tangible personal property used to renovate or expand a zoological institution	Sales and Use Tax	6/30/2015
4.08800	Sale of tangible personal property used in the construction of a qualified civil rights museum	Sales and Use Tax	7/30/2015
4.08900	The sale of an airplane flight simulation training device	Sales and Use Tax	6/30/2011

Table 1: Summary of expired and expiring tax expenditures

Expenditure	Summary	Tax	Expiration Date
4.09000	The sale of electricity to a manufacturer located in this state used directly in the manufacture of a product	Sales and Use Tax	1/1/2013
4.09200	Sale to an organization defined by the Internal Revenue Service as an instrumentality of the states relating to the holding of an annual meeting in this state.	Sales and Use Tax	12/31/2013
4.09300	Sale of tangible personal property used for and in the construction of a competitive project of regional significance.	Sales and Use Tax	6/30/2014
5.00300	Exemption for premiums of high deductible health plans	Insurance Premium Tax	12/31/2014
6.00200	Sale of fuel to mass transit vehicles	Motor Fuel Tax	6/30/2015
6.00600	Motor fuel tax exemption for public school buses	Motor Fuel Tax	6/30/2015

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
Sales Tax Exemption for a Business Input⁴				
4.01700	Sales of fuel or consumable supplies used by ships engaged in inter-coastal or foreign commerce	30	30	30
4.02500	Sale of seed, fertilizer, fungicide, and certain other agricultural chemicals to farmers, and feed for livestock, fish, or poultry purchased by persons engaged in animal husbandry (expired January 1, 2013)	80	0	0
4.02600	Sale of machinery used exclusively for irrigation of crops to persons primarily engaged in producing farm crops for sale (expired January 1, 2013)	(m)	0	0
4.02700	Sales of sugar for use as food to honey bee producers (expired January 1, 2013)	(m)	0	0
4.02800	Sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding purposes (expired January 1, 2013)	(m)	0	0
4.02900	Sale of certain types of agricultural machinery (expired January 1, 2013)	11	0	0
4.02910	Off-road equipment and related attachments used exclusively in site preparation, planting, cultivating, or harvesting of timber by persons primarily engaged in growing or harvesting timber (expired January 1, 2013)	6	0	0
4.03100	Sale of tangible personal property manufactured or assembled in Georgia for export when delivery is taken outside of Georgia	Estimate not available at this time		
4.03310	Partial sales tax exemption for jet fuel sold to or used by a qualifying airline at a qualifying airport	21	22	22
4.03600	Machinery and equipment used in a facility for the primary purpose of reducing or eliminating air and water pollution	Estimate not available at this time		
4.03610	Machinery and equipment used for water conservation and incorporated into a qualified water conservation facility.	Estimate not available at this time		
4.03700	Machinery and equipment used in combating air and water pollution and any industrial material used in a burning or recycling process (expired January 1, 2013)	Estimate not available at this time		
4.03400	Certain machinery used in the manufacturing of tangible personal property (expired January 1, 2013)	84	0	0

⁴ Sales tax exemptions which are defined primarily as an exemption for a profit making business.

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.03410	Machinery and equipment used to handle, move, or store tangible personal property in certain distribution facilities	Estimate not available at this time		
4.03420	Machinery and equipment used directly to remanufacture certain aircraft engines or aircraft engine parts	(m)	(m)	(m)
4.03430	The sale or use of repair or replacement parts, machinery clothing, molds, dies, waxes or tooling for machinery (expired January 1, 2013)	Estimate not available at this time		
4.03440	Sale of tangible personal property to or used in or for the construction of a new alternative fuel facility primarily dedicated to the production and processing of ethanol, biodiesel, butanol or their by-products (expired 6/30/2012)	Estimate not available at this time		
4.03500	Certain materials used in industrial packaging (expired January 1, 2013)	Estimate not available at this time		
4.03910	Cargo containers and related chassis used for storage or shipping by persons engaged in international shipment of tangible personal property	Estimate not available at this time		
4.04500	The sale or use of paper stock when used to print catalogs for distribution outside Georgia.	Estimate not available at this time		
4.04800	Sale of crab bait to licensed commercial fishermen	(m)	(m)	(m)
4.04900	Liquefied gases and other fuels used in poultry or pullet houses or structures (expired January 1, 2013)	2	0	0
4.06000	Sale of certain machinery and equipment used to improve air quality in a clean room of Class 100,000 or less	Estimate not available at this time		
4.06100	Advertising inserts that are used in newspapers for resale	Estimate not available at this time		
4.06400	Sale of electricity or fuels used exclusively for the operation of an irrigation system on a farm for crop irrigation (expired January 1, 2013)	15	0	0
4.06500	Sale of dyed diesel fuel used exclusively for operations of vessels or boats by licensed commercial fishermen	(m)	(m)	(m)
4.06800	Sale of certain computer equipment when the total qualifying purchases by a high technology company exceed \$15 million	Estimate not available at this time		
4.06900	Sales of machinery and equipment and material incorporated and used in a clean room of Class 100 or less	Estimate not available at this time		
4.07000	Sale of natural gas used directly in the manufacture of electricity	76	87	102

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.07300	Sale of certain production equipment to film producers and film production companies (expired January 1, 2013)	6	0	0
4.07700	Liquefied gases and other fuels used in structures where plants, floral products, seedlings, and nursery stock are grown for sale (expired January 1, 2013)	(m)	0	0
4.07900	Ice used to chill poultry or vegetables during processing or shipment (expired January 1, 2013)	Estimate not available at this time		
4.08300	Sale of biomass materials used to produce electricity or steam or used to produce electricity or steam intended for sale	(m)	(m)	(m)
4.08600	Sales of engines, parts, equipment and other tangible personal property used in the maintenance or repair of certain aircraft (expires 6/30/2015)	7	7	7
4.09000	The sale of electricity to a manufacturer located in this state used directly in the manufacture of a product (expired January 1, 2013)	Estimate not available at this time		
4.09400	The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags used for packaging tangible personal property for shipment or sale	Estimate not available at this time		
4.3.2	Exemptions for energy, machinery or equipment, industrial material, and consumable supplies used in manufacturing	2,853	2,969	3,090
4.3.3	Sale and use by a qualified agriculture producer of agricultural production inputs, energy used in agriculture, and agricultural machinery and equipment	127	131	135
Sales Tax Exemption for a Specific Item⁵				
4.00300	Federal retailer's excise tax if separately itemized to the consumer and Georgia motor fuel tax imposed on the sale of motor fuel	Estimate not available at this time		
4.00400	Sales of transportation furnished by a county or municipal public transit system or public transit authorities	7	7	7
4.00500	Sales of transportation furnished by an approved and authorized urban transit system	Estimate Combined With 4.00400		
4.01200	School lunches sold and served to pupils and employees of public schools	8	8	7
4.01300	School lunches sold and served to pupils and employees of approved private schools	1	1	1

⁵ Sales tax exemptions which are defined primarily by the item being purchased and not defined, or only generally defined, by the seller or purchaser.

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.01600	The sale or use of Holy Bibles; testaments, and similar books commonly recognized as being Holy Scripture regardless of by or to whom sold	Estimate not available at this time		
4.01800	Charges for transportation of tangible personal property made in connection with interstate or intrastate transportation	Estimate not available at this time		
4.02000	Water delivered through water mains, lines, or pipes	See expenditure estimate for Residential Utilities (4.5009)		
4.02200	Professional, insurance or personal service transactions which involve sales as inconsequential elements for which no separate charge is made	See expenditure estimates for services (4.50003, 4.50010, 4.50011)		
4.02300	Repair services when a separate charge is made to the customer	See expenditure estimates for Services (4.50003, 4.50010, 4.50011)		
4.02400	Rental of videotape or film to persons charging admission to view the tape or film	Estimate not available at this time		
4.03300	Common or common and contract carriers	Estimate not available at this time		
4.04200	Use or lease of tangible personal property when the lessor and lessee are under 100 percent common ownership and where the person who furnishes, leases, or rents the property has paid sales or use tax on the property	Estimate not available at this time		
4.04300	Revenues from coin-operated amusement machines for which individual permits are required	2	2	3
4.04700	Sale of drugs dispensed by prescription, prescription glasses, contact lenses, contact lens samples and sales or use of certain controlled substances or dangerous drugs	398	410	422
4.05000	Sales of insulin syringes and blood glucose level measuring strips dispensed without a prescription	12	13	14
4.05100	Sale of oxygen when prescribed by a licensed physician	1	1	1
4.05200	Sale or use of hearing aids	4	4	4
4.05400	Sale or use of any durable medical equipment or prosthetic device prescribed by a physician	32	33	34
4.05500	Sale of Georgia lottery tickets	145	153	164
4.05700	Food purchased for off-premises consumption	438	452	470
4.06200	Sod grass sold in the original state of production by the sod producer, employee of the producer, or family member of the producer	4	4	4
4.06600	Sale of gold, silver, or platinum bullion	Estimate not available at this time		
4.06700	Sale of coins or currency	Estimate not available at this time		

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.07500	Sales tax holiday for back to school items (expired August 10, 2013)	39	41	0
4.08100	The purchase of food and nonalcoholic beverages provided at no charge aboard a qualified airline	4	4	4
4.08200	Sales tax holiday for water and energy efficient purchases (expired October 6, 2013)	(m)	(m)	0
4.09100	The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave.	Estimate not available at this time		
Sales Tax Exemption for a Specific Purchaser⁶				
4.00100	Sales to Federal Government, State of Georgia or a county or municipality in Georgia or any agency of such governments	Estimate not available at this time		
4.00600	Sales to any Hospital Authority created by Georgia law	Estimate Combined with 4.00700		
4.00610	Sales to any Housing Authority created by Georgia law	2	2	2
4.00620	Sales to local government authorities created on or after January 1, 1980 for the principal purpose of constructing, owning, or operating a coliseum and related facilities	(m)	(m)	(m)
4.00630	Sales to any agricultural commission created by the Department of Agriculture	(m)	(m)	(m)
4.00700	Sales of tangible personal property and services to an approved nursing home, inpatient hospice, general hospital or mental hospital when used specifically in the treatment function.	85	87	90
4.00710	Sales of tangible personal property and services to a nonprofit organization whose primary function is to provide services to persons with intellectual disabilities.	2	2	2
4.00720	Sales to Georgia Society of the Daughters of the American Revolution	(m)	(m)	(m)
4.00800	Sales of tangible personal property and services to the University System of Georgia and its educational units.	33	34	36
4.00900	Sale of tangible personal property and services used exclusively in the educational function of an approved private college or university located in Georgia in which the credits are accepted by the University System of Georgia.	Estimate not available at this time		

⁶ Sales tax exemptions which are defined primarily by the purchaser and not defined, or only generally defined, by the seller or the item being purchased.

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.01000	Sales of tangible personal property and services used exclusively in the educational function of an approved private elementary or secondary school	2	2	2
4.01100	Sale of tangible personal property or services to, and the purchase of tangible personal property or services by, any educational or cultural institute	Estimate not available at this time		
4.01900	All tangible personal property purchased outside this state by a nonresident when the property is brought into Georgia upon the nonresident becoming a resident	Estimate not available at this time		
4.02100	Sales, transfers or exchanges of tangible personal property resulting from business reorganization when the owners, partners, or stockholders maintain the same proportionate interest or share in the newly formed business	Estimate not available at this time		
4.04100	Sale of tangible personal property and services to a nonprofit child-caring institution, child-placing agency, or maternity home	1	1	1
4.04600	Sale of tangible personal property or taxable services to nonprofit blood banks	1	1	1
4.07100	Sale to or by an organization whose primary purpose is to raise funds for books, materials, and programs for public libraries	(m)	(m)	(m)
4.08800	Sale of tangible personal property used in the construction of a qualified civil rights museum (expires 7/30/2015)	(m)	(m)	(m)
4.09200	Sale to an organization defined by the Internal Revenue Service as an instrumentality of the states relating to the holding of an annual meeting in this state for the period commencing July 1, 2012, and ending on December 31, 2013	Estimate not available at this time		
4.09300	Sale of tangible personal property used for and in the construction of a competitive project of regional significance, for the period commencing January 1, 2012, until June 30, 2014.	Estimate not available at this time		
Sales Tax Exemption for a Specific Purchaser of a Specific Item⁷				
4.01400	Sales of art and other artifacts for display or exhibition to museums	1	1	1
4.01510	Sales of pipe organs or steeple bells to any church qualifying as a nonprofit	(m)	(m)	(m)
4.03000	Vehicles purchased by service-connected disabled veterans when the U.S. Dept. of Veterans Affairs supplies a grant to purchase the specially adapted vehicle	(m)	(m)	(m)

⁷ Sales tax exemptions which are specifically defined by the purchaser as well as the item being purchased.

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.03200	Aircraft, watercraft, motor vehicles, and other transportation equipment manufactured or assembled in this State for exclusive use outside Georgia	Estimate not available at this time		
4.04000	Sale of major components or repair parts installed in military aircraft, vehicles, or missiles	36	27	29
4.04400	Sale of motor vehicles to nonresident purchasers when vehicles are immediately removed from Georgia and titled in another state.	Estimate not available at this time		
4.05300	Transactions where food stamps or WIC coupons are used as the method of payment	134	134	134
4.05710	Sales of food and beverages to a qualified food bank (expired 6/30/2010)			
4.06300	Funeral merchandise when paid with funds from the Georgia Crime Victims' Emergency fund	(m)	(m)	(m)
4.07200	Sale of wheelchairs and attachments for wheelchairs when sold to permanently disabled individuals	(m)	(m)	(m)
4.08700	Sales of tangible personal property used to renovate or expand a zoological institution (expires 6/30/2015)	(m)	(m)	(m)
Sales Tax Exemption for a Specific Seller⁸				
4.00200	Tangible personal property furnished by the Federal Government or any county or municipality used by a contractor in the installation, repair, or extension of any public water, gas, or sewer system.	Estimate not available at this time		
4.01500	Specific fundraising sales by any religious institution lasting no more than 30 days in a calendar year and sales of religious paper when the paper is owned and operated by the religious institution	(m)	(m)	(m)
4.03800	Sale of tangible personal property and fees and charges for services by the Rock Eagle 4-H center	(m)	(m)	(m)
4.03900	Certain sales by a public or private school of tangible personal property, concessions, and tickets for admission to school functions	3	3	3
4.05600	Sale by any qualified nonprofit parent teacher organization	(m)	(m)	(m)
4.05900	Sale of eligible food and beverages by any Girl or Boy Scout council	1	1	1
4.70000	Compensation of dealers for reporting and paying tax	52	45	47

⁸ Sales tax exemptions which are defined primarily by the seller and not defined, or only generally defined, by the purchaser of the item being purchased.

Table 2: Sales and use tax expenditures by type

Expenditure	Summary	State FY2013	State FY2014	State FY2015
4.90000	Sales tax exemption for casual sales	125	2	2

Tables 3-8: Distributional tables of selected provisions

Tables 3 through 8 provide information on the distribution across Georgia AGI for several exemptions and deductions from the state individual income tax. Due to a lack of data and for reasons of confidentiality, these tables cannot be produced for other provisions. The data used to produce the tables is from the state individual income tax files for 2011. It has not been adjusted for inflation to represent 2012 levels nor does it reflect any legislative changes that may have occurred since 2011. Column 1 of each table provides the categories of Georgia AGI. Column 2 provides the number of returns for each AGI category. Column 3 gives the average value of the tax exemption or deduction taken by filers in each AGI category. Column 4 provides the total value of the deduction or exemption associated with each AGI category and column 5 provides the percent of the total value of the deduction or exemption that falls into that AGI category.

Table 3: Total Personal Exemptions

Georgia AGI - 2011	Number of Returns	Average Value	Total	Percent of Total
GA AGI≤0	645,244	\$1,733	\$1,118,207,852	4.60%
0<GA AGI≤\$25,000	1,574,645	\$5,790	\$9,117,194,550	37.54%
\$25,000<GA AGI≤\$50,000	851,047	\$6,594	\$5,611,803,918	23.11%
\$50,000<GA AGI≤\$100,000	675,287	\$7,138	\$4,820,198,606	19.85%
\$100,000<GA AGI≤\$500,000	408,275	\$8,420	\$3,437,675,500	14.15%
\$500,000<GA AGI≤\$1,000,000	13,937	\$9,127	\$127,202,999	0.52%
GA AGI>\$1,000,000	6,247	\$8,935	\$55,816,945	0.23%
Total	4,174,682		\$24,288,100,370	

The percent of total column may not sum to 100% due to rounding.

Table 4: Retirement Exemptions

Georgia AGI - 2011	Number of Returns	Average Value	Total	Percent of Total
GA AGI≤0	254,899	\$19,502	\$4,971,099,222	33.94%
0<GA AGI≤\$25,000	193,380	\$22,398	\$4,331,413,904	29.58%
\$25,000<GA AGI≤\$50,000	90,678	\$22,945	\$2,080,599,779	14.21%
\$50,000<GA AGI≤\$100,000	73,672	\$24,118	\$1,776,794,906	12.13%
\$100,000<GA AGI≤\$500,000	45,191	\$29,210	\$1,320,023,429	9.01%
\$500,000<GA AGI≤\$1,000,000	2,485	\$41,184	\$102,343,185	0.70%
GA AGI>\$1,000,000	1,365	\$46,092	\$62,915,075	0.43%
Total	661,670		\$14,645,189,500	

The percent of total column may not sum to 100% due to rounding.

Table 5: Georgia Higher Education Savings Deduction

Georgia AGI - 2011	Number of Returns	Average Value	Total	Percent of Total
GA AGI≤0	1,053	\$2,247	\$2,366,456	3.51%
0<GA AGI≤\$25,000	1,607	\$1,847	\$2,968,593	4.40%
\$25,000<GA AGI≤\$50,000	1,999	\$1,793	\$3,584,236	5.31%
\$50,000<GA AGI≤\$100,000	6,212	\$1,795	\$11,150,638	16.53%
\$100,000<GA AGI≤\$500,000	16,307	\$2,679	\$43,681,046	64.75%
\$500,000<GA AGI≤\$1,000,000	680	\$4,186	\$2,846,362	4.22%
GA AGI>\$1,000,000	199	\$4,358	\$867,291	1.29%
Total	28,057		\$67,464,622	

The percent of total column may not sum to 100% due to rounding.

Table 6: Interest on U.S. Obligations

Georgia AGI - 2011	Number of Returns	Average Value	Total	Percent of Total
GA AGI≤0	19,893	\$18,648	\$370,960,000	80.44%
0<GA AGI≤\$25,000	12,311	\$1,856	\$22,849,006	4.95%
\$25,000<GA AGI≤\$50,000	7,394	\$1,823	\$13,478,716	2.92%
\$50,000<GA AGI≤\$100,000	10,805	\$1,425	\$15,399,212	3.34%
\$100,000<GA AGI≤\$500,000	13,299	\$1,817	\$24,169,746	5.24%
\$500,000<GA AGI≤\$1,000,000	1,361	\$3,297	\$4,486,958	0.97%
GA AGI>\$1,000,000	1,136	\$8,641	\$9,816,571	2.13%
Total	66,199		\$461,160,209	

The percent of total column may not sum to 100% due to rounding.

Table 7: Blind and Age 65 Deduction

Georgia AGI - 2011	Number of Returns	Average Value	Total	Percent of Total
GA AGI≤0	142,233	\$1,799	\$255,877,167	50.23%
0<GA AGI≤\$25,000	99,274	\$1,796	\$178,296,104	35.00%
\$25,000<GA AGI≤\$50,000	27,882	\$1,770	\$49,351,140	9.69%
\$50,000<GA AGI≤\$100,000	12,153	\$1,794	\$21,802,482	4.28%
\$100,000<GA AGI≤\$500,000	2,085	\$1,902	\$3,965,670	0.78%
\$500,000<GA AGI≤\$1,000,000	30	\$2,167	\$65,010	0.01%
GA AGI>\$1,000,000	6	\$2,600	\$15,600	0.00%
Total	283,663		\$509,373,173	

The percent of total column may not sum to 100% due to rounding.

Table 8: Standard Deduction

Georgia AGI - 2011	Number of Returns	Average Value	Total	Percent of Total
GA AGI≤0	190,617	\$2,555	\$487,026,435	8.42%
0<GA AGI≤\$25,000	1,404,360	\$2,388	\$3,353,611,680	57.95%
\$25,000<GA AGI≤\$50,000	532,816	\$2,514	\$1,339,499,424	23.15%
\$50,000<GA AGI≤\$100,000	198,363	\$2,745	\$544,506,435	9.41%
\$100,000<GA AGI≤\$500,000	21,353	\$2,914	\$62,222,642	1.08%
\$500,000<GA AGI≤\$1,000,000	76	\$2,758	\$209,608	0.00%
GA AGI>\$1,000,000	15	\$2,860	\$42,900	0.00%
Total	2,347,600		\$5,787,119,124	

The percent of total column may not sum to 100% due to rounding.

Table 9: Value of Credits by type of return filed

Expenditures	Summary	FY 2013 Individual	FY 2013 Corporate	FY 2013 Insurance Premium Tax	FY 2013 Total
1.6.012- 2.6.001	Employer's Jobs Tax Credit	9	55	0	64
1.6.013- 2.6.002	Quality Jobs Tax Credit	2	6	0	8
1.6.014- 2.6.003	New Facilities Jobs Credit	Estimate include in Provision 1.6.012 - 2.6.001			
1.6.016- 2.6.005	Manufacturer's Investment Tax Credit	1	59	0	60
1.6.017- 2.6.006	Optional Investment Tax Credit	(m)	(m)	0	1
1.6.018- 2.6.007	Port Activity Tax Credit	1	5	0	6
1.6.019- 2.6.008	Alternate Port Activity Tax Credit	Estimate include in Provision 1.6.018 - 2.6.007			
1.6.020- 2.6.009	Film Tax Credit	94	41	0	135
1.6.021- 2.6.010	Research Tax Credit	3	6	0	9
1.6.022- 2.6.011	Seed-Capital Fund Credit	(m)	(m)	0	(m)
1.6.023- 2.6.012	Qualified Health Insurance Expense Credit	(m)	(m)	0	(m)
1.6.025- 2.6.014	Qualified Transportation Credit	(m)	(m)	0	(m)
1.6.026- 2.6.015	Business Enterprise Vehicle Credit	(m)	(m)	0	(m)
1.6.027- 2.6.016	Employer's credit for providing or sponsoring child care for employees and employer's credit for purchasing child care	6	5	0	11
1.6.028- 2.6.017	Low Income Housing Credit	61	26	99	187
1.6.029- 2.6.018	Historic Rehabilitation Credit	2	0	0	2
1.6.030- 2.6.019	Diesel Particulate Emission Reduction Technology Equipment	(m)	(m)	0	(m)
1.6.031- 2.6.020	Low/Zero Emission Vehicle Credit & Electric Vehicle Charger	10	0	0	10
1.6.032- 2.6.021	Land Conservation Credit	44	2	0	47
1.6.033- 2.6.022	Clean Energy Property and Wood Residuals Credit	1	1	0	2

Table 9: Value of Credits by type of return filed

Expenditures	Summary	FY 2013 Individual	FY 2013 Corporate	FY 2013 Insurance Premium Tax	FY 2013 Total
1.6.034- 2.6.023	Employer's Credit for Basic Skills Education	(m)	(m)	0	(m)
1.6.035- 2.6.024	Employer's Credit for Approved Employee Retraining	8	21	0	29
1.6.036- 2.6.025	Qualified Education Expense Credit	38	14	0	52
1.6.037- 2.6.026	Qualified Investor Tax Credit	0	0	0	0
1.6.038- 2.6.027	Energy or water efficient equipment credit	0	0	0	0
1.6.041- 2.6.030	Tax credit for existing business enterprises undergoing qualified business expansion	Estimate include in Provision 1.6.012 - 2.6.001			

The values taken on the three types of returns may not sum to the total column due to rounding.