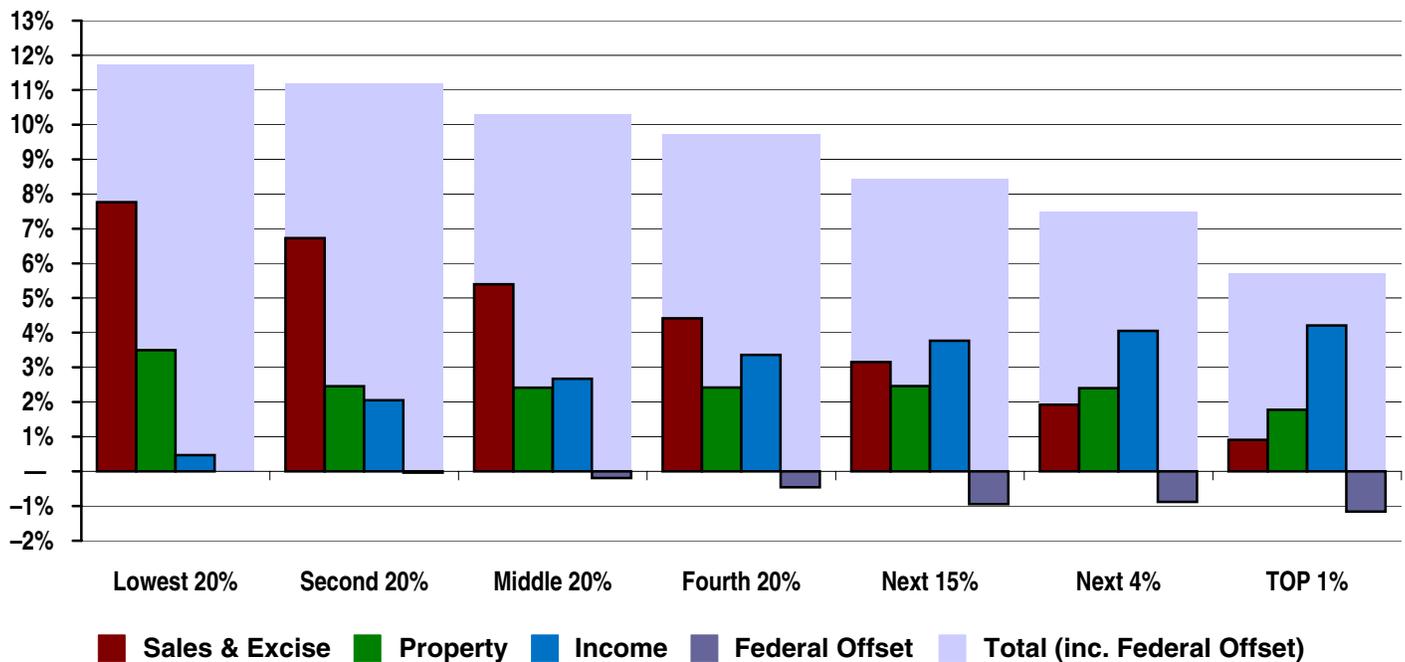


Georgia

State & Local Taxes in 2007

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$16,000	\$16,000 – \$29,000	\$29,000 – \$48,000	\$48,000 – \$82,000	\$82,000 – \$171,000	\$171,000 – \$433,000	\$433,000 or more
Average Income in Group	\$9,800	\$21,800	\$38,300	\$62,700	\$113,900	\$256,100	\$1,351,700
Sales & Excise Taxes	7.8%	6.7%	5.4%	4.4%	3.2%	1.9%	0.9%
General Sales—Individuals	4.4%	3.9%	3.2%	2.7%	2.0%	1.2%	0.6%
Other Sales & Excise—Ind.	0.9%	0.7%	0.5%	0.4%	0.2%	0.1%	0.0%
Sales & Excise on Business	2.5%	2.1%	1.7%	1.3%	0.9%	0.5%	0.3%
Property Taxes	3.5%	2.5%	2.4%	2.4%	2.5%	2.4%	1.8%
Property Taxes on Families	3.4%	2.4%	2.3%	2.4%	2.3%	2.1%	0.8%
Other Property Taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.3%	1.0%
Income Taxes	0.5%	2.1%	2.7%	3.4%	3.8%	4.1%	4.2%
Personal Income Tax	0.5%	2.0%	2.7%	3.3%	3.7%	4.0%	4.0%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	11.7%	11.2%	10.5%	10.2%	9.4%	8.4%	6.9%
Federal Deduction Offset	—	-0.0%	-0.2%	-0.5%	-0.9%	-0.9%	-1.2%
TOTAL AFTER OFFSET	11.7%	11.2%	10.3%	9.7%	8.4%	7.5%	5.7%

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

Georgia

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✓ Income tax uses a graduated rate structure
- ✓ Provides a refundable low-income tax credit
- ✓ State sales tax base excludes groceries

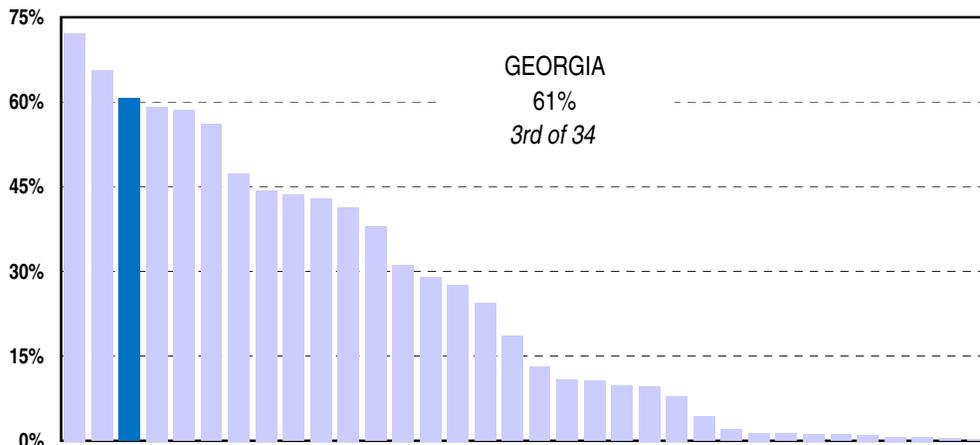
Regressive Features

- ✗ Narrow income tax brackets mean majority of taxpayers pay top income tax rate
- ✗ Fails to index income tax provisions to inflation

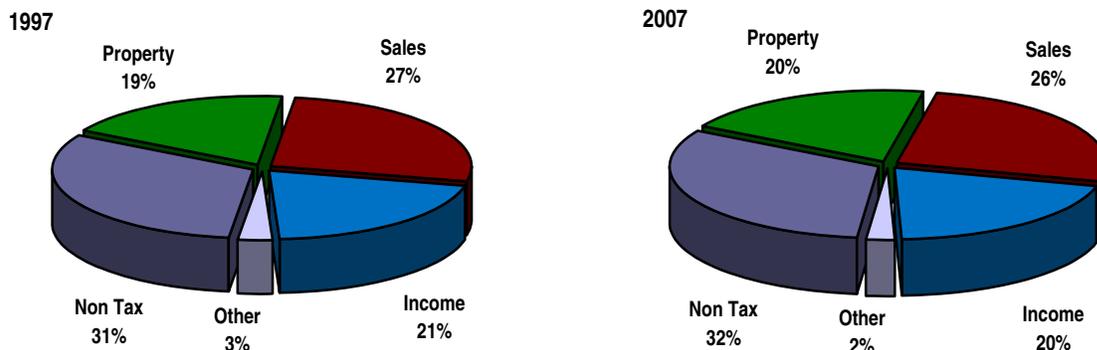
Recent Developments

- ▲ Suspended state-funded homeowner property tax exemption
- ▲ Enacted an income tax credit for child and dependent care expenses

Percent of Taxpayers Paying Top Personal Income Tax Rate



Change in the Composition of Revenue



Source: U.S. Census Bureau, Government Finances