

**Comments to the Special Council on Tax Fairness for Georgians
Sales Tax Exemption Retained for Child Welfare Agencies
September 14, 2010**

The Special Council on Tax Fairness for Georgians was established pursuant to OCGA 28-12-2 ([HB1405](#)) to "conduct a thorough study of the state's current revenue structure and make a report of its findings and recommendations for legislation to the Speaker of the House and the Lieutenant Governor no later than January 10, 2011.

[Special Council on Tax Fairness for Georgians Website](#)

Submit comments here: <http://fiscalresearch.gsu.edu/taxcouncil/contribute.htm>

Comments to the Tax Reform Council

Georgia Code O.C.G.A 48-8-3 (.41) provides for sales tax exemptions to private, not for profit Child Caring Institutions, Child Placing Agencies and Maternity Homes. These privately licensed agencies are better known as children homes, foster care agencies and unwed mothers homes.

This sales tax exemption has been in existence for years to Child Caring Institutions or children's homes and has been important in protecting the viability of this important resource to Georgia children who are at risk of out-of-home care. In 2005, the exemption was updated to include other child welfare agencies that serve foster children, Child Placing Agencies, and those that serve pregnant mothers and their children, Maternity Homes.

These child serving organizations serve over 3000 children who are in Georgia's foster care system or who are at risk of being in Georgia's foster care system. These agencies give to the State of Georgia over \$30 million dollars annually in uncompensated services. They serve nearly 1000 children each year in free care. Without this charitable work, these children would be in Georgia's child welfare system.

This sales tax exemption is important to these agencies for the following reasons:

1. It allows them to serve more children with more services.
2. It saves the State money in that the State does not have to compensate these agencies for the sales tax paid for the services that are compensated by the State.
3. It demonstrates Georgia's support for these community based and supported agencies by exempting them from this additional economic burden.

We ask that this important exemption be secured in the tax code. It is important to these agencies that serve children. More importantly, it is important to the welfare of these children.