



M E M O

Date: October 15, 2010

To: The Council on Tax Reform and Fairness

From: Aaron McWhorter, President

Re: Sod Exemption Helps Georgia Compete

I was pleased to read Mr. A.D. Fraizer say that your purpose is not to increase revenue but to look at fairness and pro growth.

Fairness and the ability to compete with suppliers from outside Georgia caused the establishment of the Georgia Sod Producers Association in 1989. Years later, the Governor and General Assembly eliminated sales tax on sod by farmer to the farmers' customers. Sales tax is collected if the sod is resold to a different end user.

In the last 30 years Atlanta has been one of the strongest sod markets in the world. It attracts sod from all of the bordering states, especially Alabama. Alabama at one time had twice as many sod farms as Georgia and did not report sales tax to any state. Since Georgia eliminated sales tax on sod, production in Georgia has increased and farms shipping to Georgia from Alabama have sharply declined.

The elimination of sales tax on Georgia sod and the equipment used to produce sod has kept Georgia competitive with our bordering states. **Please do not recommend reinstatement of taxes that will impact our industry's ability to compete.**