

# Council on Tax Reform and Fairness for Georgians



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# Tax Issues

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- Inventory of issues for consideration
- Conflict with Principles or state's economic structure
- Need to consider as a system (tax portfolio)

# Overarching Issues

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- Distribution of tax burdens vs. effect on growth, complexity, etc.
- Change the tax structure
  - Eliminate a tax?
  - Adopt a new major tax?

# Personal Income Tax

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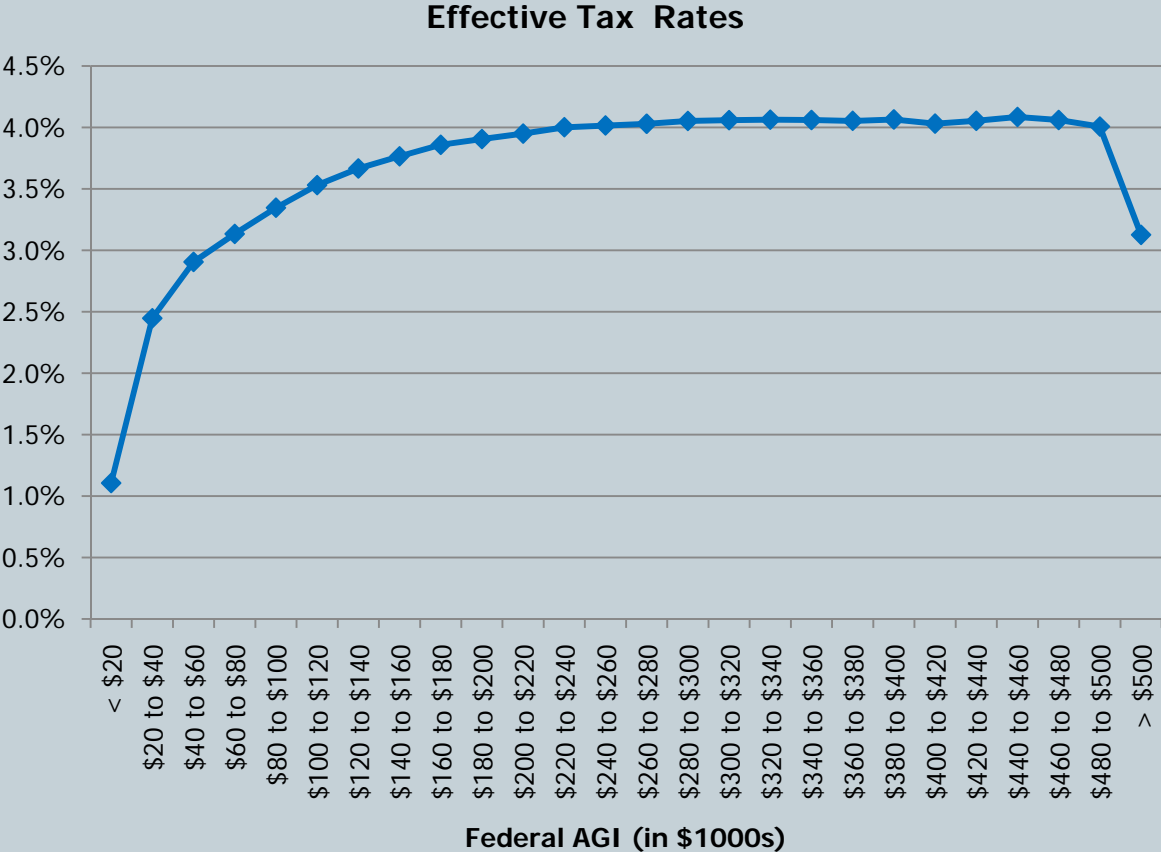
- Rate structure
- Personal exemptions
- Conformity to Federal income tax
- Adjustment to Federal AGI
- Credits

# Personal Income Tax Credits

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- Disabled Person Home Purchase or Retrofit Credit
- Child and Dependent Care Expense Credit
- Georgia National Guard/Air National Guard Credit
- Qualified Caregiving Expense Credit
- Driver Education Credit
- Disaster Assistance Credit
- Rural Physicians Credit
- Adoption of a Foster Child Credit

# Effective Tax Rates



# Sales and Use Tax

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- Doesn't tax services

# Categories of Services

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- Agricultural Services
- Industrial and mining services
- Construction
- Utilities
- Transportation
- Storage
- Finance, Insurance, Real Estate
- Personal services
- Business services
- Computer services
- Automotive services
- Admissions and amusements
- Professional services
- Leases
- Fabrication, repair and installation
- Miscellaneous



# Sales and Use Tax

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- Doesn't tax services
- There are numerous exemptions

# Categories of Sales Tax Exemptions

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- Households
- Health Care
- Farming/Fishing
- Education
- Government/Government Agencies
- Nonprofits
- Religious Entities
- Non-farm Business

# Sales and Use Tax

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- Doesn't tax services
- There are numerous exemptions
- Purchases by businesses
- Internet sales

# Corporate Income Tax

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- Credits

# List of Business Tax Credits

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## *Employee Benefit -*

- Qualified Health Insurance Expense Credit
- Teleworking Credit
- Qualified Transportation Credit
- Business Enterprise Vehicle Credit
- Employer's Credit for Purchasing Child Care Property / Employer's Credit for Providing or Sponsoring Child Care for Employees

## *Housing -*

- Low Income Housing Credit
- Historic Rehabilitation Credit

## *Environmental -*

- Diesel Particulate Emission Reduction Technology Equipment
- Low and Zero Emission Vehicle Credit/Electric Vehicle Charger Credit
- Land Conservation Credit
- Clean Energy Property Credit / Wood Residuals Credit

## *Education -*

- Qualified Education Expense Credit

# List of Business Tax Credits

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## *Employment -*

- Employer's Credit for Basic Skills Education
- Employer's Credit for Approved Employee Retraining
- Employer's Jobs Tax Credit
- Headquarters Tax Credit
- New Facilities Jobs Credit
- Port Activity Tax Credit
- Alternate Port Activity Tax Credit

## *Investment -*

- Manufacturer's Investment Tax Credit
- Optional Investment Tax Credit
- New Manufacturing Facilities Property Credit

## *Economic Development -*

- Film Tax Credit
- Research Tax Credit
- Seed-Capital Fund Credit

# Corporate Income Tax

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- Credits
- Applies only to C-corps
- Apportionment formula
- Tax avoidance issues
- Net Worth tax

# Other Taxes

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- Insurance Premium Tax
  - High tax rate
  - Tax Abatement
- Motor Fuel Tax
- Tobacco Taxes
- Inheritance Tax
- Severance Tax



# Discussion

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