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2026 SESSION: WAYS AND MEANS LEGISLATIVE HIGHLIGHTS

During the 2026 Session, the House Ways and Means Committee was assigned 82 bills and resolutions, of which 64 were passed out of committee, 42 were passed by the House of Representatives, and 23 received final passage. The bills heard by the committee addressed tax relief for Georgians, support for communities and local governments, and economic development in the state.

Tax Relief for Georgians

- HB 973, the Amended FY 2026 budget, includes \$850 million to provide the maximum exemption allowable by the Georgia Constitution via the Homeowner Tax Relief Grant (HTRG) program.
- [HB 463](#) (Rep. Shaw Blackmon, 146th) amends O.C.G.A. 48-7-20, relating to individual tax rates, by lowering the income tax rate to 4.99 percent and revising the final income tax reduction rate from 4.99 percent to 3.99 percent. The bill revises O.C.G.A. 48-7-26, relating to personal exemptions, to increase the dependent exemption to \$5,000, then by \$125 any year the state achieves the same economic metrics required for an income tax rate reduction until it reaches \$6,000. The bill revises O.C.G.A. 48-7-27, relating to computation of taxable net income, to increase the standard deduction for a single filer to \$15,000, then by \$375 any year the state achieves the same economic metrics required for an income tax rate reduction until it reaches \$18,000. The standard deduction for married joint filers will increase to \$30,000, then by \$750 any year the state achieves the same economic metrics required for an income tax rate reduction until it reaches \$36,000. The exclusion for retirement income at 65 years old increases from \$65,000 to \$70,000, effective January 1, 2027. O.C.G.A. 48-7-27 is amended, relating to the computation of taxable net income, to allow up to \$1,750 to be deducted by any taxpayer who receives tips or overtime from January 1, 2026 until December 31, 2028. The deduction applies to overtime premiums only, and for employees working in a profession defined as customarily and regularly receives tips. The bill amends O.C.G.A. 45-12-93, relating to the revenue shortfall reserve, to increase the limit from 15 percent to 20 percent, and allows for any undesignated surplus in excess of the 20 percent to fill the revenue shortfall reserve to be used for tax relief upon an act of the General Assembly. The minimum threshold above which the governor may release from the revenue shortfall reserve for appropriation by the General Assembly is increased from four percent of the previous fiscal year's net revenue to eight percent of the previous fiscal year's net revenue. The funds set aside for taxpayer relief in this section will be cited as the "Taxpayer Relief Fund." The bill repeals the following Code sections and corresponding tax incentives:

O.C.G.A. 48-7-29.11, relating to tax credits for eligible teleworking expenses; O.C.G.A. 48-7-40.1A, relating to tax credits for personal protective equipment manufacturers; O.C.G.A. 48-7-40.1B, relating to tax credits for manufacturers of medical equipment and supplies, pharmaceuticals, and medicine; O.C.G.A. 48-7-40.15, relating to tax credits for base year port traffic increases; O.C.G.A. 48-7-40.15A, relating to tax credits for employers with base year port traffic increases; O.C.G.A. 48-7-40.16, relating to tax credits for alternative fuel, low-emission, and zero-emission vehicles and electric vehicle chargers; 48-7-40.18, relating to tax credits for businesses headquartered in state and full-time jobs; 48-7-40.20, relating to tax credits for businesses engaged in manufacturing cigarettes for exportation; and 48-7-40.22, relating to tax credits for business enterprises that purchase or lease a motor vehicle to provide transportation for employees. The bill further repeals paragraphs (24), (33.1), (61), and (69) of O.C.G.A. 48-8-3. The bill sunsets paragraph (36) of O.C.G.A. 48-8-3, but allows for certificates issues before the sunset date to continue in effect as they were before the sunset.

- [HB 1000](#) (Rep. Matthew Gambill, 15th) provides a one-time income tax refund to taxpayers who filed returns for both the 2024 and 2025 tax years equal to the lesser of either the taxpayer's 2024 income tax liability or \$250 for a taxpayer filing as single; \$375 for a taxpayer filing as head of household; or \$500 for a married couple jointly filing a return. The refund will not be made available to nonresident alien individuals, individuals claimed as a dependent during the 2024 tax year, or an estate or trust.
- [HB 1199](#) (Rep. John Carson, 46th) provides the annual Internal Revenue Code update to Georgia Code by revising definitions found in O.C.G.A. 48-8-2. The updates are applicable to tax years on or after January 1, 2025 for relevant federal laws passed on or before January 1, 2026. The bill places an annual aggregate cap on the state low-income housing tax credit provided for in O.C.G.A. 48-7-29.6 of \$100 million for tax years 2026 through 2028. The bill also suspends the collection of excise tax on motor fuel for 60 days beginning on the effective date of the Act.
- [SB 33](#) (Sen. Kay Kirkpatrick, 32nd) amends Titles 20, 21, 36, and 48 O.C.G.A. to provide comprehensive property tax reform by doing the following: Section 2-1 adds Article 2C to O.C.G.A. 48-8-6 to allow the Local Homestead Option Sales Tax (LHOST), to be used to offset the loss of revenue received homestead property taxes due to the reduction of assessed value. Section 2-2 amends O.C.G.A. 48-8-109.42, relating to the use of tax proceeds, to allow a political subdivision to utilize proceeds in the first year of the sales and use tax collected before July 1 to be applied to that same year, and proceeds after July 1 of the first year the sales and use tax collected to be utilized in the subsequent year. Section 2-3 adds Article 2C to Title 48, Chapter 8 to create the Local Homestead Option Sales Tax (LHOST), the proceeds of which are to be used to offset the loss of revenue received homestead property taxes due to the reduction of assessed value. For the purpose of the LHOST, a homestead is defined as referenced in O.C.G.A. 48-5-40, as well as restricted to a primary residence and not more than five contiguous acres of land surrounding the residence, or a primary residence and underlying property excluded from preferential assessment agreements authorized per O.C.G.A. 48-5-7.4 or 48-5-7.7. A LHOST can be levied at a rate of one percent for up to ten years before requiring renewal. Section 3-1 amends O.C.G.A. 20-2-164 to adjust the equalized adjusted school property tax by reducing it by the value of various homestead exemptions. Section 3-2 amends O.C.G.A. 20-2-167 to increase the cap on local school system reserve funds from 15 percent to 25 percent. Section 4-1 amends O.C.G.A. 21-5-540, relating to conduct and timing of special primaries and special elections, to provide dates a measure can be presented to voters dealing with an increase in revenue by a local governing authority. Section 5-1 amends O.C.G.A. 48-5-44.2, relating to base year homestead

exemption, by repealing subsection (i), which in effect mandates the base year homestead exemption provided for in the chapter. The bill clarifies certain definitions, including "base year assessed value" and "substantial property change." The bill also clarifies that someone who becomes ineligible for a homestead exemption, subsequently becomes eligible, and applies for the homestead exemption shall have their base-year value adjusted as if they are a new applicant. Section 5-2 amends O.C.G.A. 48-5-302, relating to revisions and submission of taxpayer returns, to add municipal and school tax officials, in addition to the county board of tax assessors, to review and revise property tax return assessments by July 15 of any given tax year. Section 5-3 amends O.C.G.A. 48-5-303, relating to correction of mistakes in county tax digests, so as to prohibit a tax assessor from retroactively assessing ad valorem taxes if a homestead exemption was mistakenly applied. ****SB 33 was originally assigned to the House Agriculture and Consumer Affairs Committee.***

Support for Communities and Local Governments

- [HB 165](#) (Rep. Lehman Franklin, 160th) amends O.C.G.A. 48-8-3, relating to sales and use tax, by eliminating language that excludes the local portion of sales and use tax from a 50 percent exemption on the sales price of a manufactured home that has been converted to real property.
- [HB 328](#) (Rep. Kasey Carpenter, 4th) amends Georgia's student scholarship organization (SSO) laws by expanding eligibility and adjusting scholarship funding requirements for private school tuition scholarships. The bill expands the list of qualifying students to access SSOs without the current six-week public school attendance requirement if they are military dependents stationed in Georgia, students with IEPs, Section 504 plans, or certain diagnosed disabilities. The legislation would apply beginning with the 2026 tax year. The bill prohibits any member of the General Assembly or a member's spouse from receiving any income from a student scholarship organization during a taxable year in which the organization receives a contribution for a tax credit per O.C.G.A. 48-7-29.16. The bill amends O.C.G.A. 20-2A-5, relating to parent or guardian endorsement of awards, to allow for the use of an electronic signature for the deposit to be made into an account of a private school. The bill amends O.C.G.A. 48-7-29.16, relating to tax credits for contributions to student scholarship organizations, to increase the aggregate cap for tax credits to \$150 million. The amount that may be used against insurance premium tax liability is changed from \$6 million to 6 percent of the aggregate amount of tax credits. The bill amends O.C.G.A. 48-7-29.21, relating to tax credits for donations to nonprofit corporations awarding grants to public schools, to increase the aggregate amount of tax credits to \$25 million. The bill prohibits counties from using revenue from a transportation purposes sales and use tax (TSPLOST) to provide free or reduced fares for public transit services. The bill provides that when a county holds a referendum to levy a transit purposes sales and use tax (Transit SPLOST) and voters reject it, the county is prohibited from resubmitting the referendum for eight years.
- [HB 445](#) (Rep. Chuck Martin, 49th) amends O.C.G.A. 48-1-2, relating to definitions of revenue and taxation, by adding "private water systems and sewage systems with at least 10,000 connections for services" to the definition of "public utility." The bill amends O.C.G.A. 48-5-306 relating to the annual notice of current assessment, contents, posting notice, and new assessment description by requiring that the option to appeal directly to a hearing officer for tangible personal property with a fair market value of greater than \$200,000 be included on the notice of assessment. The bill amends O.C.G.A. 48-5-311 relating to county boards of equalization, duties, review of assessments, and appeals by

allowing a taxpayer with tangible personal property having a fair market value greater than \$200,000 to appeal directly to a hearing officer. A former or current appraiser IV or chief appraiser may serve as a hearing officer for taxable personal property other than wireless property following the submission of an application, a list of counties within which the hearing officer is willing to serve, and a resume to the Georgia Real Estate Commission and the Georgia Real Estate Appraisers Board. The hearing officer may not serve in the county of which they previously served as an appraiser IV or chief appraiser.

- [HB 1159](#) (Rep. Matthew Gambill, 15th) allows for deduction of payments from the Farmer Bridge Assistance Program of the U.S. Department of Agriculture received on or before March 31, 2026, from taxable state income.
- [SB 59](#) (Sen. Sam Watson, 11th) amends O.C.G.A. 48-7-40.37, relating to tax credits for timber producers who incurred losses from Hurricane Helene, to increase the aggregate limit for tax credits offered to affected timber producers from \$200 million to \$250 million. Producers who have already received a pro-rated credit will receive the full value of the credit for which they initially applied. The Department of Revenue will open applications up for any amount that remains under the aggregate cap no later than July 31, 2026 and notify award recipients no more than 45 days upon accepting an application.
- [SB 111](#) (Sen. John Albers, 56th) amends the definition of "rural hospital organization" to include "rural freestanding emergency department." The organization must also have its primary campus in a rural county and be licensed to provide maternal/newborn services, or have at least five percent of its annual net revenue categorized as indigent care, charity care, or bad debt. ****SB 111 was originally assigned to the House Judiciary Committee.***
- [SB 285](#) (Sen. Randy Robertson, 29th) amends O.C.G.A. 33-8-8.3, relating to the funding of local government services, to require each county and municipal corporation to remit 1.5 percent of all funds distributed to them from insurance premium tax collections to the Peace Officers' Annuity and Benefit Fund. The bill requires the use of funds remitted per O.C.G.A. 33-8-8.3 to be used solely for the purpose of paying benefits to members of the Peace Officers' Annuity and Benefit Fund. The General Assembly intends to appropriate an amount equal to one-half of one percent of state insurance premium tax collections to the Peace Officers' Annuity and Benefit Fund. The bill defines the term "funded ratio" as the actuarial value of plan assets divided by the actuarial accrued liability of the plan. Starting July 1, 2027, the board overseeing the Peace Officers' Annuity and Benefit Fund is authorized to increase the benefit multiplier from \$30 per month up to \$35 per month, provided any increase is for not less than \$1 and does not lower the funded ratio of the system below 90 percent.
- [SB 306](#) (Sen. Randy Robertson, 29th) amends O.C.G.A. 48-5-7.4, relating to preferential assessment for bona fide conservation use property. It allows for a single property owner with parcels of bona fide conservation use property subject to multiple covenants to consolidate the parcels under a one, new, and 10-year covenant, provided all property involved would otherwise be eligible to be placed under a renewal covenant. The bill allows for notification of the expiration date of a covenant to be sent via certified mail if requested by the taxpayer. The county board of tax assessors will send an electronic copy of the notification to a submitted email address at the request of the taxpayer. The bill clarifies that the purpose of bona fide conservation use property may also be for carbon sequestration as a secondary use. The bill places an annual cap on the state low-income housing tax credit provided for in O.C.G.A. 48-7-29.6 of \$100 million for each of tax years 2026 through 2028.

Economic Development

- [HB 134](#) (Rep. Beth Camp, 135th) amends O.C.G.A. 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, and 48-7-40.4, relating to the designation of counties as less developed areas for the purpose of qualifying for various tax credits. It adds forestry manufacturing to the definition of business enterprises that qualify for a credit provided to enterprises headquartered in less developed areas of the state. The bill provides for an extensive list of businesses that qualify as a forestry manufacturer. Any credit earned by a forestry manufacturer from January 1, 2026 to January 1, 2031 may be transferred or sold to another Georgia taxpayer. The bill allows for a tax credit equivalent to 10 percent of the cost of all qualified investment property purchased or acquired for forestry manufacturing facilities operating in a tier 2 county designated per O.C.G.A. 48-7-40. A tax credit equivalent to three percent of the cost of all qualified investment property purchased or acquired for forestry manufacturing facilities operating in a tier 3 or 4 county designated per O.C.G.A. 48-7-40 is provided. Both of these credits sunset on December 31, 2030. An aggregate limit of \$250 million per year is placed upon tax credits for forestry manufacturers authorized per O.C.G.A. 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, and 48-7-40.4. Additionally, the aggregate limit for forestry manufacturers operation in tier 3 and 4 counties, authorized per O.C.G.A. 48-7-40 and 48-7-40.4, shall not exceed \$100 million per year.
- [HB 141](#) (Rep. Martin Momtahan, 17th) amends O.C.G.A. 48-13-14, relating to businesses or practitioners with locations in more than one jurisdiction, to allow for affidavits of certified public accountants to be provided in lieu of tax returns.
- [HB 376](#) (Rep. Scott Hilton, 48th) amends O.C.G.A. 48-7-29.8, relating to tax credits provided for the rehabilitation of historic structures, to increase the maximum amount of credits that can be issued for individual certified structures other than historic homes from \$30 million to \$60 million. A tax credit for a certified structure other than a historic home is lowered from 25 percent of qualified rehabilitation expenditures to 20 percent for credits issued on or after January 1, 2026. An additional 10 percent may be offered for counties with a population of less than 50,000. The minimum amount needed for a rehabilitation to meet the definition of "substantial rehabilitation" for an otherwise certified structure is increased from \$5,000 to \$25,000. For rehabilitation projects that create at least 200 permanent jobs or a payroll of at least \$5 million within two years of the placed in service date, the maximum amount of credits a project can qualify for is increased from \$10 million to \$15 million.
- [HB 519](#) (Rep. Ron Stephens, 164th) creates a state tax credit tied to the parameters of the federal tax credit authorized by Section 51 of the Internal Revenue Code, known as the Work Opportunity Tax Credit. The credit is provided to taxpayers who employ an individual who is a part of a targeted group certified by the U.S. Department of Labor. The state credit will not exceed \$500 per eligible employee per tax year. The credit may not exceed a taxpayer's income tax liability nor be applied to liabilities other than in the year in which the credit was claimed. The annual aggregate limit for the credit is \$10 million per tax year.
- [HB 1070](#) (Rep. Leesa Hagan, 156th) amends O.C.G.A. 48-7-40.34, relating to tax credits for Class III railroads, to increase the per mile of railroad owned or leased rate used to calculate the credit limit for the program from \$3,500 to \$5,000. Both the sunset date for the program, as well as the window for which the credit is transferable, are extended to from January 1, 2027 to January 1, 2028.

- [HB 1077](#) (Rep. Noel Williams, 148th) amends O.C.G.A. 48-8-3, relating to exemptions to sales and use taxes, by extending the sunset date for a sales tax exemption on the sale of tickets or charges for admission to a fine arts performance or exhibition from December 31, 2027 to December 31, 2032. The bill extends the sales and use tax exemption to sales of tickets, fees, or charges for admission to the Georgia National Fair at the Georgia National Fairgrounds and Agricenter.
- [HB 1209](#) (Rep. Ron Stephens, 164th) amends O.C.G.A. 48-8-3, relating to exemptions from sales and use taxes, by providing a sales and use tax exemption of tangible property and construction material used for the construction and furnishing of buildings that meet the following criteria: located at any wharf lot; improvements located between 1,500 feet and 5,000 feet of a state-owned convention or meeting facility with 150,000 square feet to 750,000 square feet of meeting space; and located on an island in a river that serves as the state's boundary. The exemption will exist from July 1, 2026 until June 30, 2033, or until the aggregate amount of sales and use tax refunded exceeds \$7 million.
- [HB 1261](#) (Rep. David Huddleston, 72nd) amends O.C.G.A. 48-5-48.2, relating to level 1 freeport exemptions, to exempt electric utility equipment held in inventory by an electric utility. An ad valorem exemption will not be provided if the equipment has been incorporated into operating electric generation, distribution, or transmission facilities. A corresponding change is made in O.C.G.A. 48-5-48.1, relating to applications for the level 1 freeport exemption, to require a summary of inventory related to electric utility taxpayer's operations.
- [SB 430](#) (Sen. Randy Robertson, 29th), Section 1, amends O.C.G.A. 48-13-50.2, concerning definitions related to excise taxes on rooms, lodgings, and accommodations, to clarify that the term "tourism product development" applies to museums, to include military museums. Section 2 amends O.C.G.A. 48-13-51, relating to county and municipal levies on public accommodations for program of tourism, by removing a \$500,000 tax revenue threshold for local governing authorities that triggers the ability for a local governing authority to alter or change the private sector nonprofit organization engaged to promote tourism without an agreement between the parties. If the governing authority and destination marketing organization cannot agree on a change to the designated nonprofit, the matter will be addressed by the Hotel Motel Tax Performance Review Board. The bill provides for criteria to be considered by the board when evaluating agreements. Section 3 amends O.C.G.A. 48-13-56.1, relating to the Hotel Motel Tax Performance Review Board to require the board to meet quarterly as well as within 90 days of the receipt of a complaint. The board must transmit findings to the commissioner of the Department of Community Affairs within 30 days of a hearing. If the commissioner deems remedial action is necessary, the subject of a complaint has 60 calendar days from the receipt of a notification of noncompliance to submit a new report specifying the rate of taxation and amounts collected and remitted. The subject of a complaint will provide a notification of noncompliance to the legal organ of the county within 30 days of receipt. The bill adds that the commissioner of the Department of Community Affairs will notify the commissioner of the Department of Revenue of any failure to take remedial action, which can trigger compliance enforcement.
- [SB 566](#) (Sen. Chuck Hufstetler, 52nd) amends O.C.G.A. 48-5-34, relating to tax bill procedures and requirements, by adding that tax bills must include the amount by which taxes have been reduced as a result of exemptions and credits, as well as eliminates language related to a levying authority that adopts a millage rate that exceeds the estimated roll-back rate. The bill amends O.C.G.A. 48-5-45,

relating to applications for homestead exemptions, to require a person no longer eligible for the exemption to report their ineligibility to the tax commissioner by the final date to file an appeal of the annual notice of current assessment. The bill adds O.C.G.A. 48-5-51.1 to create a penalty of 50 percent of the amount property taxes were to be reduced by exemptions and credits for failing to report a loss of homestead exemption eligibility. A tax commissioner will notify a taxpayer in writing of their denial or removal of a homestead exemption. The bill creates O.C.G.A. 48-5-57, requiring the creation and use of a state-wide homestead exemption database, which will be accessible for local tax officials and ensure the accuracy of the data compiled. Each local tax official will review the database before approving a homestead exemption and annually before issuing notices of assessments for the taxing jurisdiction. The bill eliminates O.C.G.A. 48-5-306.2, relating to the annual calculation and certification of estimated roll-back rate. The bill amends O.C.G.A. 48-5-306, relating to annual notice of current assessments, by changing required verbiage for the notice of assessment, including the addition of a brief description of changes to taxable assessed value from the previous assessment, estimated savings from exemptions, credits, and preferential assessments, and a description of how a taxpayer may appeal the assessment. The Department of Revenue will consult with the chairpersons of the House Ways and Means Committee and the Senate Finance Committee.