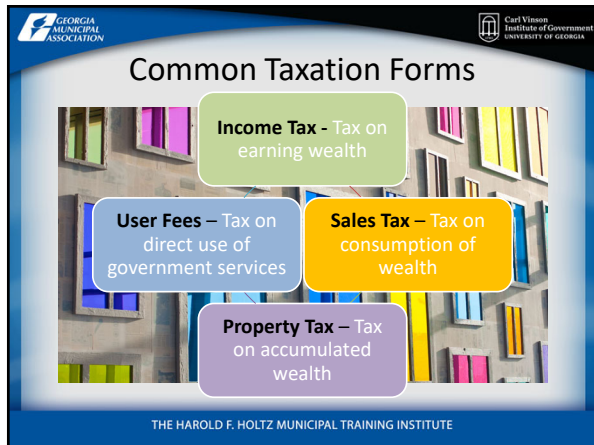
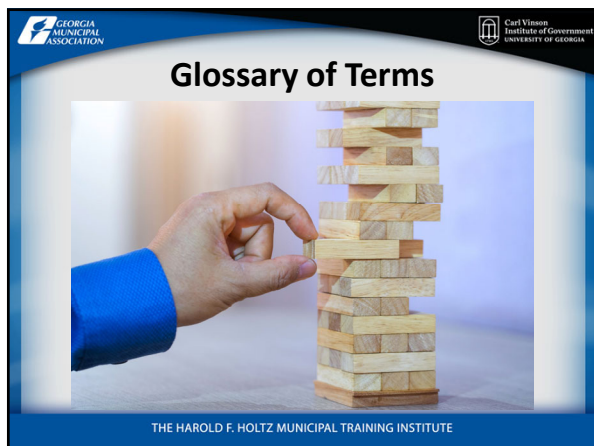


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2



3

- Ad Valorem Tax** – *Latin - According to Value.* A tax that is imposed on the value of property, real or personal.
- Body of Law** - Refers to the Official Code of Georgia Annotated (O.C.G.A.) and associated rules and regulations.
- Digest** - The digest is an official listing of all property owners, the assessed value of the property they own, and the taxes levied on this property.

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Ad Valorem

All property in Georgia valued at Fair Market Value (FMV) [O.C.G.A. § 48-5-2](#)

All counties and school systems have assessment level of 40%

- O.C.G.A. 48-5-6 (Municipal Taxation)
- FMV is the amount a willing buyer would pay, and a willing seller would accept for the property, at arm's length.
- [O.C.G.A. § 48-5-7](#)
- FMV of \$100,000 = Assessed value of \$40,000

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Ad Valorem

Cities set their assessment level

- [O.C.G.A. § 48-5-7](#)
 "(a)...municipalities shall use the fair market value finally determined for the property for county ad valorem property taxation purposes. (b)...when fair market value of property within a county is finally determined, such information shall be furnished without charge by the county to the governing authority of each municipality.....within the county."

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Property Tax – What Is It?

A method of allocating the cost of government based on relative wealth accumulation.

Also known as Ad Valorem Tax - “according to value”

Theory: The amount of tax paid should depend on the value of the property owned.

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Property Tax Today

- Use mass appraisal technology
- Uniform Appraisal Procedures Manual
- Property tax ceilings and limits
- Floating homestead exemptions
- Special Assessments
- 1902 – 78.2% of local government revenue
- 2017 - 24% (on average) of local government revenue

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Real or Personal?

Tangible real property is defined in O.C.G.A. §48-5-3 as all real property.

Tangible personal property is defined as all property, other than real, that may be seen, weighed, measured, felt, or touched.

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Who Is Responsible?

Laws Setting up Process – General Assembly

Assessments – Board of Tax Assessors

Tax Levies – County, School & City

Tax Collections – Tax Commissioner & City

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Board of Tax Assessors

Who are they?	Duties	Primary Deliverable
County residents who volunteer to serve	Ensure property tax laws are properly followed	Uniform tax digest
Appointed by County BOC for term of not < 3 years or > 6 years.	Ensure property values are assessed correctly and uniformly	
Consists of not less than 3 nor more than 5 members	Approve exemptions	
Meet monthly or as needed to carry out their duties	Oversee the actions of the Chief Appraiser	

[O.C.G.A. § 48-5-290](#)

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Board of Equalization

Who are they?	Duties	Primary Deliverable
County real property owners appointed by grand jury for 3 year terms	Ensure property tax laws are properly followed	Render a decision in writing specifying reason(s) for each decision as to issues of taxability, uniformity of assessment, value, or denial of homestead exemption.
Consists of 3 members and 3 alternate members	Hear and determine appeals from assessments & denials of homestead exemptions	
	Managed by the Clerk of Superior Court aka Appeals Administrator	All 3 members must be present. A majority vote is required in any matter.


[O.C.G.A. § 48-5-311](#)

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Basis of Property Taxation




Constitutional requirement of uniformity



O.C.G.A. § 48-5-10 based on "Fair Market Value" of the property on January 1st





The amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale




AND Current Use Value, Exemptions, Preferential Assessments

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Preferential Assessments




Conservation Use


- Agricultural
- Residential Transitional
- Environmentally Sensitive




Rehabilitated Historic Properties



Landmark Historic Properties





Brownfields



Forest Land Protection Act

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Conservation Use - Agricultural

[O.C.G.A. § 48-5-7.1](#)

- Primary use – Agriculture
- Up to 2,000 acres
- 10 year covenant (renewable)
- Value based on:
 - Current use (40%)
 - State-provided values
 - Limited by 3% annual increase cap
- Excludes value of any residence on property
- Substantial penalties for breach



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Residential Transitional

[O.C.G.A. § 48-5-7.4](#)

- Residence in area undergoing a change in use from single-family residential use to agricultural, commercial, industrial, office-institutional, multifamily, utility or a combo of uses.
- Maximum of 5 acres
- Valued as if located elsewhere
- Penalty if sold before end of 10-year covenant (renewable)

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Environmentally Sensitive

[O.C.G.A. § 48-5-7.4](#)

- 2,000 acre maximum
- Certified by DNR
- Maintenance in natural condition
- Controlling pollution
- Enhancing water quality
- Wildlife habitats
- Wetlands
- Annual inspection report

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Forest Land Protection Act

- Primary use Trees, timber, wood, wood fiber products
- Uses Conservation Use Valuation Areas (CUVA) Values
- 200 acre minimum in parcels of at least 100 acres
- No maximum acreage
- Excludes residence on property (after 1/1/2014)
- 10 year covenant (renewable)
- Substantial penalties for breach

[O.C.G.A. § 48-5-7.7](#)

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Historic Properties

Rehabilitated Historic

Landmark Historic

- Max 2 acres surrounding structure
- Tax year following year preliminary certification was filed count as 1st year of preferential eligibility
- Applies to certification after 7/1/1989 [O.C.G.A. § 48-5-7.2](#)

- Listed on historic register
- Certified by ordinance of local government
- Taxed at greater of "acquisition" cost or FMV at time of purchase for 9 years
- Graduated up to current FMV in 10th year [O.C.G.A. § 48-5-7.3](#)

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Brownfield Properties

Hazardous release

EPD approves remediation plan

DNR relieves purchaser's liability

Valued at the lesser of acquisition cost or FMV at time of application

Runs for 10 years with annual reporting requirements

[O.C.G.A. § 48-5-7.6](#)

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Homestead Exemption

Exempts all or portion of value of owner-occupied property

May be dependent:

Age

Income

Legislative authority

Statewide [O.C.G.A. § 48-5-44](#)

Local

Homestead Tax Exemption

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Other Exemptions

Disabled Veterans

Surviving Spouse of Veteran killed in war/armed conflict

Surviving Spouse of Firefighter or Peace Officer

Freeport Exemption – manufacturing

Inventory Exemption

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100% Exempt Property

Class Code	Class Name
E0	Non profit homes for the aged
E1	Public Property
E2	Places of religious worship
E3	Property used for charitable purposes
E4	Places of religious burial
E5	Charitable hospitals
E6	Educational Institutions
E7	Air and Water Pollution Equipment
E8	Farm Products in Hands of Producer
E9	Others

OCGA 48-5-41 & 48-5-41.1

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Tax Digest

A listing of assessments and exemptions

Real and Personal Property

Timber

Mobile Homes

Motor Vehicles

Heavy Duty Equipment

Public Utilities

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PROPERTY CLASSIFICATION	
R - RESIDENTIAL	- Classifies all land utilized, or developed to be utilized as a single family homestead; the residential improvements and, other non-residential homestead improvements thereon. Duplexes and triplexes shall also be considered single family residential improvements. Personal property owned by individuals which has not acquired a business situs elsewhere and is not otherwise utilized for agricultural, commercial, or industrial purposes.
T - RESIDENTIAL TRANSITIONAL	- Classifies land and improvements receiving current use assessment under O.C.G.A. 48-5-7.4 due to its proximity to or location in a transitional area.
H - HISTORIC	- Classifies land and improvements receiving preferential assessment under O.C.G.A. 48-5-7.2 or O.C.G.A. 48-5-7.3 due to its designation as rehabilitated historic or landmark historic property.
A - AGRICULTURAL	- Classifies all real and personal property utilized as a farm unit. Includes the single family homestead which is an integral part of the farm unit, the residential improvements, the non-residential improvements, the non-homestead farm land and the production and storage improvements. Also includes all personal property owned by individuals which is not connected with the farm unit but has not acquired a business situs elsewhere and the personal property connected with the farm unit which shall include the machinery, equipment, furniture, fixtures, livestock, products of the soil, supplies, minerals and off-road vehicles.
P - PREFERENTIAL	- Classifies land and improvements receiving current use assessment under O.C.G.A. 48-5-7.1 due to its devotion to bona fide agricultural purposes.
V - CONSERVATION USE	- Classifies land and improvements receiving current use assessment under O.C.G.A. 48-5-7.4 due to its good faith production of agricultural products or timber.
J - FOREST LAND CONSERVATION USE	- Classifies land receiving current use assessment under O.C.G.A. 48-5-7.7 due to its good faith timber production.
F - FOREST LAND FAIR MARKET ASSESSMENT	- Classifies all land assessed according to O.C.G.A. § 48-5-2(6) due to its good faith production of timber.
B - BROWNFIELD	- Classifies all land and improvements receiving preferential assessment under O.C.G.A. 48-5-7.6 due to its release of hazardous waste, constituents and substances into the environment.
W - ENVIRONMENTALLY SENSITIVE	- Classifies all land receiving current use assessment under O.C.G.A. 48-5-7.4 due to its certification as environmentally sensitive property by the Georgia Department of Natural Resources.
C - COMMERCIAL	- Classifies all real and personal property utilized as a business unit, the primary nature of which is the exchange of goods and services at either the wholesale or retail level. Also includes multi-family units having four or more units.
I - INDUSTRIAL	- Classifies all real and personal property utilized as a business unit, the primary nature of which is the manufacture or processing of goods destined for wholesale or retail sale.
U - UTILITY	- Classifies the property of companies which are required to file an ad valorem tax return with the State Revenue Commissioner, includes all the real and personal property of railroad companies, railroad equipment car companies, public utility companies and the flight equipment of airline companies.

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STRATA FOR REAL PROPERTY	
1 - IMPROVEMENTS	- Includes all in-ground and above ground improvements that have been made to the land including leasehold improvements and excluding all production and storage improvements utilized in the operation of a farm unit; and those improvements auxiliary to residential and agricultural dwellings not included in the Production/Storage/Auxiliary stratum. Land is not included in this stratum.
2 - OPERATING UTILITY	- Includes all real and personal property of a public utility, tangible and intangible, utilized in the conduct of usual and ordinary business. Real and personal property of a public utility not utilized in the conduct of usual and ordinary business shall be designated non-operating property and shall be included in the appropriate alternative strata.
3 - LOTS	- Includes all land where the market indicates the site is sold on a front footage or buildable basis rather than by acreage.
4 - SMALL TRACTS	- Includes all land which is normally described and appraised in terms of small acreage, which is of such size as to favor multiple uses.
5 - LARGE TRACTS	- Includes all land which is normally described and appraised in terms of large acreage, which is of such size as to limit multiple uses, e.g., cultivable lands, pasture lands, timber lands, open lands, wasteland and wild lands. The acreage breakpoint between small tracts shall be designated by the Board of Tax Assessors as being that where the market prices per acre reflects a distinct and pronounced change as the size of the tract changes. In the event the breakpoint cannot be easily determined, the Board of Tax Assessors shall designate a reasonable breakpoint not less than 5 acres nor more than 25 acres.
6 - PRODUCTION/STORAGE/AUXILIARY	- Includes those improvements auxiliary to residential or agricultural dwellings not included in the improvements stratum and all improvements to land which are utilized by a farm unit for the storage or processing of agricultural products.
9 - OTHER REAL	- Includes leasehold interests, mineral rights, and all real property not otherwise defined.

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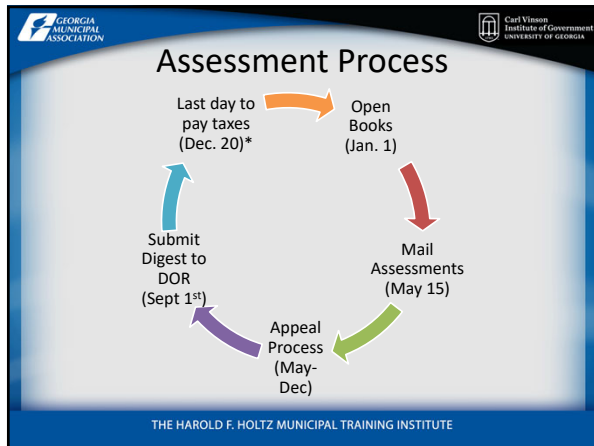



Assessment Ratios

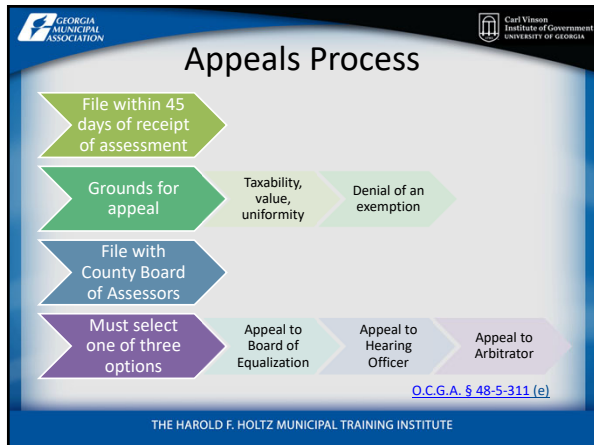
- Normally 40% of FMV
- Some municipal jurisdictions Assessed Value > 40%
- Timber taxed at 100% of FMV only at time of harvest
- Special Assessment at 40% of Special Value
 - Historic Properties
 - Brownfield (Contaminated) Property
- Special Assessments at 40% of Current Use Value
 - Conservation Use
 - Forest Land Preservation Act
 - Residential Transitional
 - Environmentally Sensitive
- Preferential Agricultural at 30% of FMV

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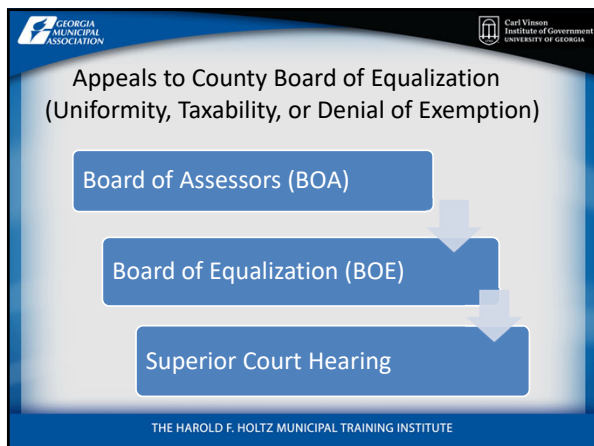
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33

Appeals to Hearing Officer

Only for value or uniformity of non-homestead real property over \$500,000

Hearing officer

- State certified real property appraiser
- Approved by Real Estate Commission
- Approved by Real Estate Appraiser Board

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Appeal to Arbitrator

Appeal value only

- Property owner submits appraisal

Independent arbitrator rules on FMV

- County pays for arbitration if taxpayer wins
- Taxpayer pays if county wins

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City Budget Process

- Develop Budget
 - Prepare departmental expenditure budgets
 - Identify all revenue from sources OTHER than property taxes
 - Determine revenue shortfall (amount needed from property taxes)
- Deliberate and adopt budget (hold required public hearing)
- Receive property tax digest from county
- Determine proposed millage rate
- Advertise Current Digest & 5 Yr. History per O.C.G.A. § 48-5-32
 - If greater than rollback rate, advertise millage rate as tax increase and hold 3 public hearings per O.C.G.A § 48-5-32.1
- Set millage rate and certify to tax commissioner
- Collect taxes

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Millage Rate

Total Budget	\$1,000,000
Other Revenue	\$750,000
Revenue Shortfall	\$250,000
Total Net Tax Digest	\$100,000,000
Necessary Millage Rate	2.500 mills*

*\$250,000 / \$100,000,000 = .0025

(To convert decimals to mills, multiply by 1,000.)

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LOST Rollback

O.C.G.A. §48-8-91 requires local taxing authorities to show how much the imposition of Local Option Sales Tax (LOST) has reduced the millage rate.

LOST Collections from previous calendar year	\$950,000
Total Net Tax Digest	\$100,000,000
LOST Rollback Millage	9.500 mills*

LOST collections / Net Digest = LOST rollback millage rate

*\$950,000 / \$100,000,000 = .009500 Converted to 9.50 mills

Note: The Revenue Commissioner certifies to the Tax Commissioner the total LOST payments made to the city each year.

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PT-38 Certification to DOR

CITY DISTRICTS	DISTRICT NO.	COLUMN 1
List Special Districts if different from City District below such as CID's, BID's, or DA's	List District Numbers	Gross Millage for Maintenance & Operations
City Millage Rate	1	12.000
Independent School System		
Special Districts		

COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5
*Less Rollback for Local Option Sales Tax	Net Millage for Maintenance & Operation Purposes (Column 1 less Column 2)	Bond Millage (If Applicable)	Total Millage (Column 3 + Column 4)
9.500	2.500		2.500
			0.000
			0.000

PT-38 Online

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Disclosures to Taxpayers

Current Digest and 5 Year History

- Publish in newspaper of general circulation and on website at least 7 days prior to meeting to set the millage rate
- Assessed value totals for five prior years
- Millage rates for five prior years
- Taxes levied for five prior years
- Current digest total
- Proposed millage rate
- Proposed taxes for current year
- Amount taxes will change in \$ and %
- Date and time where millage rate will be adopted

O.C.G.A. § 48-5-32
[Current Digest and 5 Year History](#)

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CITY OF ALPHARETTA 2021 TAX DIGEST AND LEVY NOTICE

The City of Alpharetta does hereby announce that the 2021 millage rate will be set at a meeting to be held at City Hall, 2 Park Plaza, Alpharetta, Georgia on June 21, 2021 at 6:30 p.m. and pursuant to the requirements of O.C.G.A. Section 48-5-32 does hereby publish the following presentation of the current year's tax digest and levy, along with the history of the tax digest and levy for the past five years.

	2016	2017	2018	2019	2020	2021
CURRENT 2021 TAX DIGEST AND FIVE YEAR HISTORY OF LEVY						
Real & Personal	\$ 148,812,753	\$ 332,437,231	\$ 688,973,057	\$ 1,342,262,229	\$ 324,742,723	\$ 637,796,890
Motor Vehicles	91,848,620	62,542,895	44,032,240	33,589,620	28,148,000	23,533,200
Motor Homes	8,662	8,662	-	-	-	-
Heavy Duty Equipment	55,589	854,042	161,080	-	44,753	-
Gross Digest	\$ 217,265,604	\$ 398,043,628	\$ 844,166,377	\$ 1,375,852,049	\$ 353,890,723	\$ 661,330,090
Less Bond Exemptions	175,954,388	173,383,112	97,872,515	88,954,925	129,664,521	129,500,000
Net Bond Digest	\$ 41,311,216	\$ 224,660,516	\$ 746,293,862	\$ 1,286,897,124	\$ 224,226,202	\$ 531,830,090
Less Maintenance & Operations	642,812,340	640,231,164	587,588,180	625,353,537	1,087,548,300	1,087,400,000
Net M&O Digest	\$ -221,496,124	\$ -411,567,648	\$ -1,391,294,318	\$ -1,444,456,413	\$ -733,652,098	\$ -546,069,910
Gross Millage Rate	8.827	8.910	8.920	8.758	8.735	8.664
Bond Millage	1.336	1.036	0.988	0.930	0.815	0.815
Less 0.75% "Rollback"	3.077	3.166	2.775	3.058	2.945	2.884
Net M&O Millage Rate	4.413	4.708	4.773	4.820	4.935	4.965
Net Bond and M&O Taxes Levied	\$ 26,948,932	\$ 27,824,152	\$ 31,372,281	\$ 32,088,417	\$ 32,196,308	\$ 32,083,114
Net Bond Taxes Levied	\$ 5,719,171	\$ 5,976,901	\$ 5,726,388	\$ 5,844,591	\$ 5,233,409	\$ 5,217,467
Net M&O Taxes Levied	\$ 21,229,761	\$ 21,847,251	\$ 25,645,893	\$ 26,243,826	\$ 26,962,899	\$ 26,865,647
Net Taxes % Increase/Decrease	1.210,221	875,219	3,548,128	714,136	109,891	(3,304)
Net Taxes % Increase/Decrease	6.79%	3.25%	12.78%	2.28%	0.34%	-0.01%


* Estimated Tax Digest and Exemptions for 2021.
 ** Recommended property owners have their taxable valuation growth capped at the lesser of 3% or GDP.

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"Rollback" Millage Rate (aka "Back Door" Tax Increase)

- Taxpayer Bill of Rights
- Digest Increases From:
 - New construction or renovation
 - Inflation
- Compute "rollback" millage rate
 - Previous year's millage rate minus millage equivalent of inflationary increase [Form PT-32.1 Online](#)
- If millage is not rolled back to offset inflationary increase, then local government must:
 - Press Release and Advertise "Notice of Property Tax Increase"
 - Hold 3 public hearings per O.C.G.A § 48-5-32.1



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Tax Increase Hearing Requirements

Make sure that the "Notice of Property Tax Increase" includes the statutory language and no more or no less than the required information

One may coincide with budget hearing

One may coincide with meeting to set final millage rate that was advertised in the 5-Year history advertisement, and

One must start between 6 PM and 7 PM

Two must be held at least two business days apart

If two are held on same day the first must be before noon and second held between 6 PM and 7 PM

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TAVT: Title Ad Valorem Tax

- Motor Vehicles part of digest prior to 2013
 - TAVT applies to all MVs purchased after 2013
 - Includes casual sales
 - New, used, and lease vehicles
- Vehicles titled before 2013 remain on digest
 - Subject to traditional ad valorem
- TAVT law combined sales and ad valorem into one tax
- The state and local governments split TAVT
 - Local governments (schools, counties, cities) split local portion
 - Split was based on variety of factors, but attempted to mirror the digest splits for cities, counties, and schools.

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TAVT Reform

- HB 329 passed in 2018
 - Permanently set share to 65/35% (local/state)
 - Changes local split
 - 51/49% (county/schools) in unincorporated
 - 23/28/49% (city/county/schools) in incorporated
- Went into effect in July of 2019
 - Cities saw a sharp decrease in % share from the previous system. Counties/Schools saw increase.

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TAVT Reform

- HB 779 was introduced and passed in 2020 to achieve the legislative intent of an equitable split between cities/counties/schools.
- Data collected by GMA lead to an adjustment in the formula.
 - County Schools: **28**/23/49% (City/County/School)
 - City Schools: **34**/23/43% (City/County/School)

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SALES AND USE TAXATION

AKA: Alphabet Soup

LOST, SPLOST, MOST, T-SPLOST, E-SPLOST

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SALES AND USE TAXATION

Local Option Sales Tax (LOST)

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Purpose of LOST

To Assist in Funding Government Services

Law Enforcement, Garbage, Streets, Parks & Rec., Water, Sewer, Transit, Libraries

Provide property tax rollback

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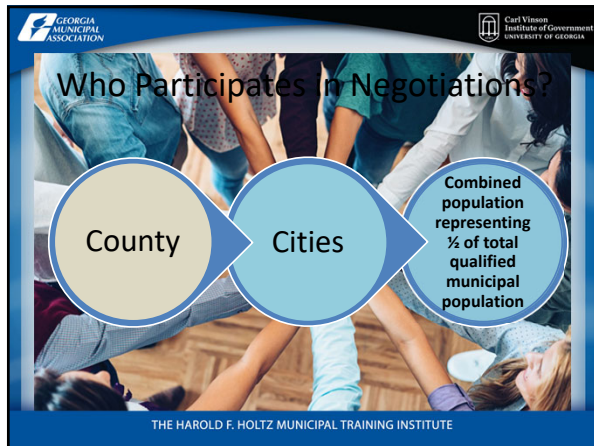
Who is Eligible to Receive LOST?

- Qualified Municipality that imposes a tax other than LOST **AND**
- Provides at least 3 services:

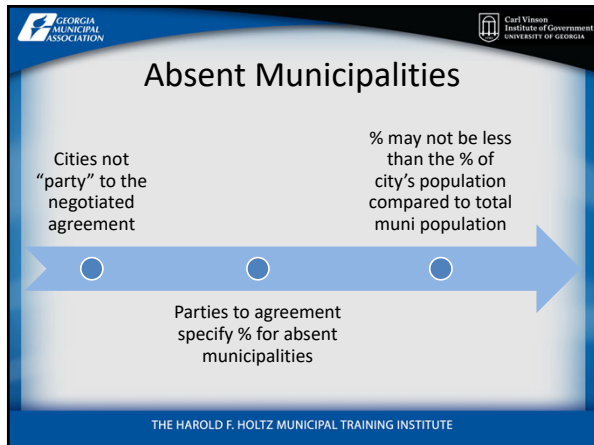
Water	Sewer	Garbage
Police	Fire	Library

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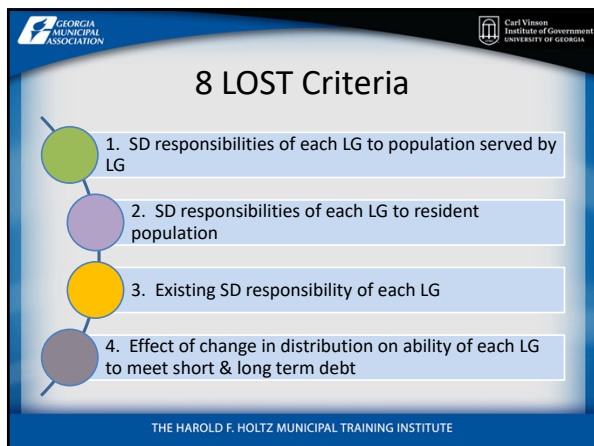
51



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8 LOST Criteria

5. Point of sale and use that generates tax
6. Intergovernmental agreements between LGs
7. Use by any LG of property taxes & other revenues from some taxpayers to subsidize cost of services provided to other taxpayers
8. Any coordinated plan of county & city service delivery and financing

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Rollback Required

Must show millage rate rollback on property tax bill

Not required when LOST reduces millage rate to zero

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LOST Renegotiation Triggers

Changes in service delivery

City population increases 15% by annexation

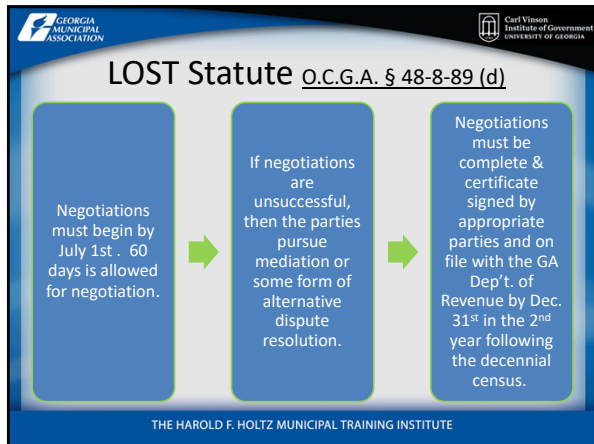
Decennial census

New qualified municipality

City no longer a "qualified municipality"

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Important Dates to Remember

- **July 1, 2022** – County deadline to notify DOR that renegotiation proceedings have begun.
 - If county doesn't initiate, A qualified municipality can
- **December 30, 2022** – Deadline to file Certificate of Distribution with DOR.

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LOST Negotiating Strategies

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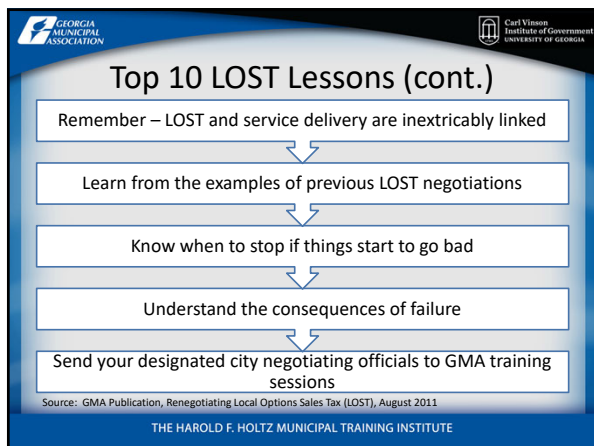
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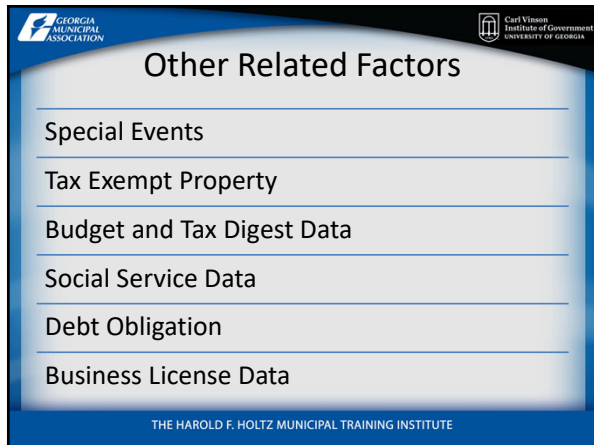
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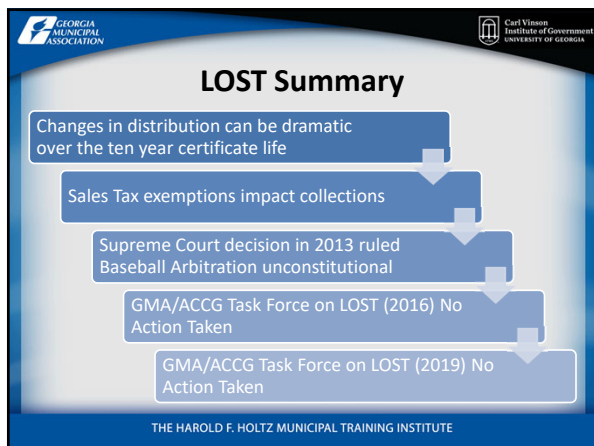
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Sales Tax: Rates and Data

Distribution data:
<https://gtc.dor.ga.gov/>

Rates and Commodity data:
[sales-tax-commodity-report](#)
[sales-tax-distribution-rates-counties-and-cities](#)

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<https://gtc.dor.ga.gov/>

Monthly Distribution Search Results

- Adjustments - Changes to revenue due to refunds, transfers or corrections to previous distributions.
- Admin Fee - Revenue reduced due to the Department's statutory administrative fee, 1% of distribution.
- Audits - From audit collections processed during period(s) requested and includes penalties and interest.
- Billing - From assessment billings processed during period(s) requested and includes penalties and interest.
- Returns - From processed returns during the period(s) requested.

Export

Date	County Name	Jurisdiction	Amount	Tax Type	Returns	Billing	Audits	Adjustments	Admin Fee
31-Jan-2021	Jackson	CITY OF COM	183,686.30	LOST	183,426.52	2,275.50	-132.55	-27.75	1,855.42
28-Feb-2021	Jackson	CITY OF COM	139,381.36	LOST	138,792.63	2,125.70	-111.60	-17.48	1,407.89
31-Mar-2021	Jackson	CITY OF COM	127,106.03	LOST	127,733.59	1,024.56	-365.55	-2.66	1,283.91
30-Apr-2021	Jackson	CITY OF COM	162,045.92	LOST	161,209.62	2,098.89	377.23	-2.99	1,636.83
31-May-2021	Jackson	CITY OF COM	161,260.09	LOST	162,034.72	730.70	124.68	-1.11	1,628.00
12-Jun-2021	Jackson	(Pro Rata) CIT	202.28	LOST	152.34	0.00	0.00	51.99	2.05
30-Jun-2021	Jackson	CITY OF COM	160,070.00	LOST	159,630.93	1,708.28	349.61	-1.95	1,616.87

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Special Purpose Local Option Sales Tax






SPLOST

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Special Purpose LOST (SPLOST)






-  Authorized in 1985 by the legislature
-  Time-limited for capital improvements
-  Subject to county-wide referendum
-  Amended in 2004 to require negotiations between cities and the county
-  Amended in 2011 to provide ability to abandon projects that are infeasible

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SPLOST Definitions




- "Capital Outlay Project" – broad but does not include maintenance & operations expenses
- "County-wide project" – must be for use and benefit of citizens of entire county

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What Can SPLOST Fund?

-  Any capital outlay project owned, operated or both either by the county, a qualified municipality within the special district, one or more local authorities within the special district, or any combination thereof
-  Retirement of previously incurred GO debt of the county or one or more cities
-  New debt if so stated on referendum, for specified capital projects

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Level One County-Wide Project

County project to carry out functions on behalf of the state and **limited to** courthouse, administrative building for elected officials, jail or detention facility, health dept. facility, or a combination

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Level Two County-Wide Project

A city, county or joint county-wide project **other than** a level one project

Examples: roads, streets and bridges; libraries; recreation facilities; airports

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Intergovernmental Agreement

Must Include the Following:

- The specific capital outlay projects to be funded
- The estimated \$ amounts allocated for each SPLCAT project
- The procedures for distributing proceeds to qualified municipalities
- A schedule for distributing proceeds; priority in which projects will be fully or partially funded

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Intergovernmental Agreement

Must Include the Following:

- A provision that SPLOST proceeds will be maintained in separate accounts and used exclusively for the specified purposes
- Record-keeping and audit procedures necessary to carry out the law
- Other provisions as the parties choose to address
- Provision – all capital outlay projects in the agreement will be funded from the tax unless otherwise agreed

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Qualified Municipality

Must provide at least 3 of the following

Law enforcement	Waste-water treatment	Recreational facilities	Solid waste management
Water supply or distribution or both	Electric or gas utility services	Road & street construction or maintenance	Fire protection
Storm water collection & disposal	Code Enforcement	Planning and Zoning	Library

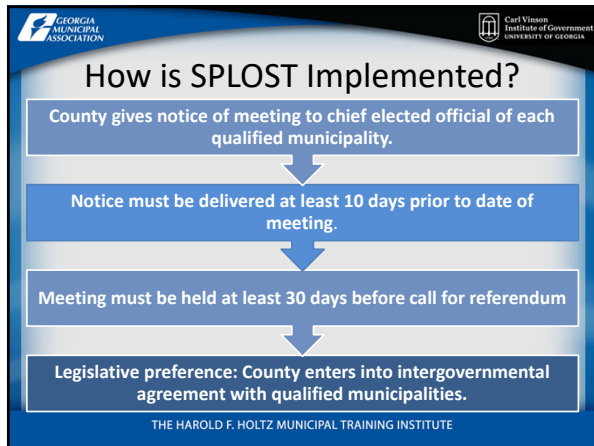
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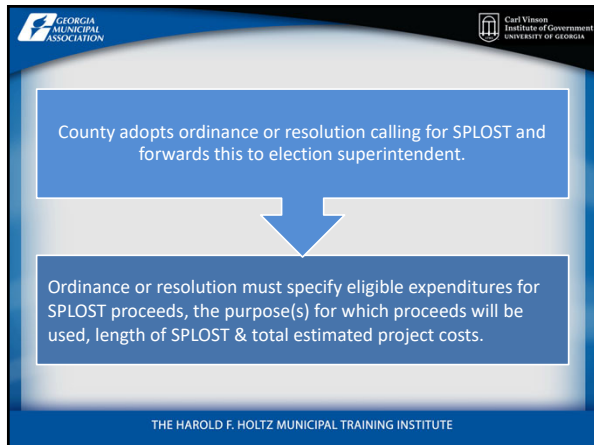
<p>If an IGA covers all proceeds, may be collected for entire 6 years</p>	<p>If level one project(s) included, must be collected for 5 years & will extend for 6 years if level one project costs exceed 24 months of proceeds</p>
<p>Otherwise, SPLOST can be called for up to 5 years. Collections cease at the end of calendar quarter when revenue estimate is met</p>	<h3>When Does SPLOST End?</h3>

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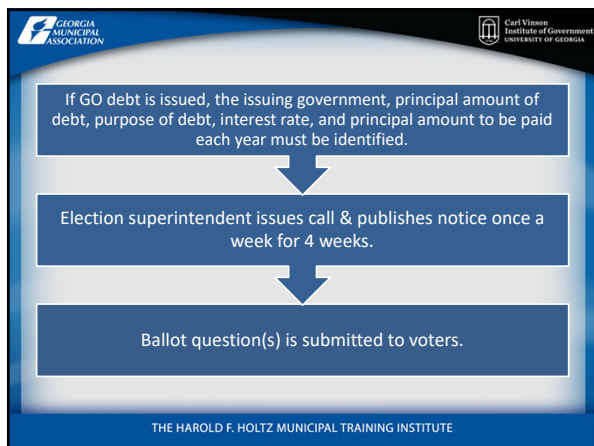
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Accountability for Proceeds

- Proceeds must be used only for purposes specified in the resolution or ordinance.
- Proceeds must be kept in a separate account and not commingled with other funds.
- Each local government receiving proceeds must maintain a record of each and every project and include a schedule in their annual audit.

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SPLOST Transparency

A report must be published within 180 days of the end of the fiscal year end in a newspaper of general circulation showing for each project or purpose in the resolution or ordinance calling for the tax:

- Original estimated cost
- Current estimated cost
- Amounts expended in prior years and current year

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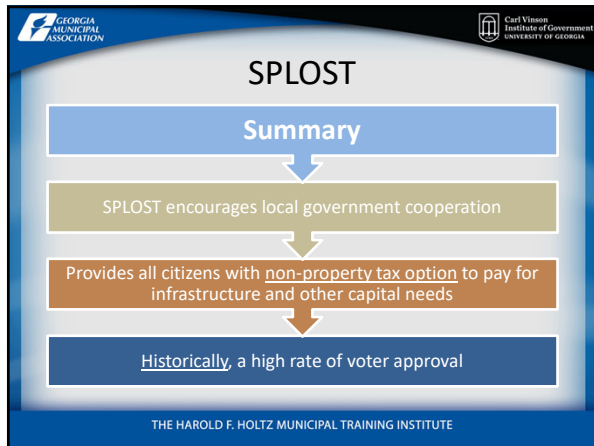
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SPLOST Transparency (cont'd.)

- If a project is underfunded or behind schedule, city must also include a statement of corrective action it intends to take regarding each project that is under funded or behind schedule.
- Report must also include statement of any surplus funds which have not been expended for a project or purpose.

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The slide has a light blue background with a subtle pattern. It contains a list of bullet points detailing the Transportation Infrastructure Sales Tax. The text is in a dark blue, sans-serif font. The slide includes logos for the Georgia Municipal Association and the Carl Vinson Institute of Government in the top corners, and the text "THE HAROLD F. HOLTZ MUNICIPAL TRAINING INSTITUTE" at the bottom.

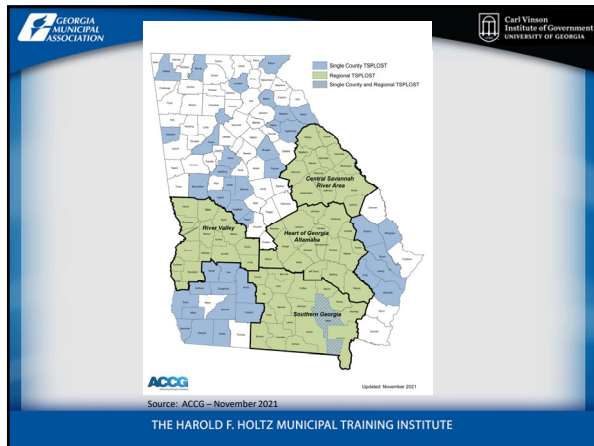
Transportation Infrastructure Sales Tax

- 2010 Transportation Investment Act (TIA) - regional sales tax
- State established 12 regional special tax districts
- City/county officials & state established priorities and projects
- Proceeds dedicated to broad range of transportation needs
- Election held in July of 2012 in all 12 regions
- Tax passed in 3 of 12 regions (25% of state – 46 counties) & runs for 10 years. 1 additional region added in 2015 (18 counties)
- 2015 - Provision for Single County TSPLOST approved - 34 counties now have TSPLOST
- 98 counties (62%) have either a Single County or Regional TSPLOST

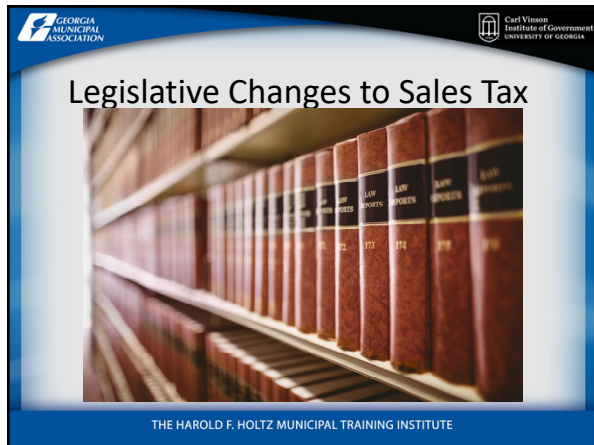
<http://www.ga-tia.com/>

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Digital Sales

Effective Jan 1, 2020

- Remote users with \$100,000 (\$250,000 prior to Jan 1) or more in sales in previous year
- OR
- Conducted 200 or more retail sales

- MUST collect and remit state and local sales tax based on where goods are delivered



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Effective April 1, 2020

Marketplace facilitator (a person that conducts a retail sale through or facilitated by any physical or electronic marketplace or platform) must collect and remit state and local sales & use tax if the total value of the sales price of all such retail sales, combined across all its marketplace sellers and the marketplace facilitator itself, equals or exceeds \$100,000.00 in aggregate in the previous or current calendar year.

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General Sales Tax Issues

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General Sales Tax Issues

- General Rule: Cities are exempt from paying sales taxes
- Pay attention to utility bills for sales tax line item

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Contractors must pay use tax if using personal property to fulfill contract EVEN IF city initially purchased the property

- If city purchases items for contractors use, must tell contractor in writing how much tax is owed or city becomes liable for tax


Exception: items used for installation, repair, extension of public gas, water or sewer system if installed for general distribution purposes

Contractors




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Sales Taxes Owed by Cities

If city sells items, must collect and remit sales tax to state


Contact DOR Local Government Services Division for more information: (404) 968-0707

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Additional Resources

- GMA Publications
 - [A-Budget-Guide-for-Georgias-Municipalities](#)
 - [Double-Taxation-Handbook-A-Practical-Guide](#)
 - [SPLOST-Building-for-the-Future](#)
 - [Renegotiating-Local-Option-Sales-Tax-\(LOST\)](#)
- [DOR – Sales Tax Rates](#)


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
Thank You!




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
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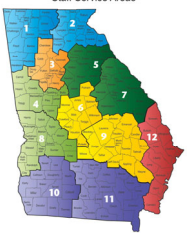



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GMA Member Services Consulting Staff Service Areas





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