House Budget and Research Office

COVERDELL LEGISLATIVE OFFICE BUILDING, ROOM 412
ATLANTA, GEORGIA 30334
404-656-5050

CHRISTINE MURDOCK
DIRECTOR

2025 SESSION: WAYS AND MEANS LEGISLATIVE HIGHLIGHTS

During the 2025 Session, the House Ways and Means Committee was assigned 125 bills and resolutions, of which 49 were passed out of committee, 37 were passed by the House of Representatives, and 19 received final passage. The bills heard by the committee addressed tax credits, exemptions, and assessment processes to provide Georgians with tax relief; support communities and local governments; and promote economic development in the state.

Tax Relief for Georgians

- HB 90 (Rep. Chuck Efstration, 104th) amends O.C.G.A. 48-7-20, related to bona fide conservation use property, to increase the maximum acreage to qualify as a bona fide conservation use property from 2,000 acres to 4,000 acres. These changes are effective on January 1, 2027 only if the related constitutional amendment is ratified by voters in the statewide election held in November 2026.
- HB 92 (Rep. Shaw Blackmon, 246th) amends O.C.G.A. 48-5-44.2, relating to base year homestead exemptions, by allowing a governing authority that has opted out of the homestead exemption program provided for in in this chapter to rescind their opt out resolution through 2029. For the recension of the opt out to be effective in tax year 2025, the governing authority must take appropriate steps by April 30, 2025, or by March 1 of any given tax year from 2026 through 2029. A governing authority that has opted out of the homestead exemption program provided for in this chapter must complete the same existing opt out procedures again by March 1, 2027 if they elect to remain opted out. Related to the definition of 'homestead' as it pertains to this statewide homestead exemption, eligible homesteads are a primary residence and up to five acres of land. Additionally, the exemption may pass to a surviving spouse without the need for reapplying for the homestead exemption.

  Local school systems that have adopted a base year value or adjusted base year value homestead exemption may be exempted from local sales and use taxes collected on the purchase of construction materials utilized for projects funded using E-SPLOST revenue.

  As it relates to the sales tax provided for in O.C.G.A. 48-8-109.31, a municipality that levies a property tax and has a population that represents less than 5% of the county's total population will not disqualify an otherwise FLOST-eligible county and municipalities.

  If a local government or school system opts out of the homestead exemption provided for in O.C.G.A. 48-5-44.2 and does not otherwise have a base year value homestead exemption, then the tax bill issued by the governing authority shall contain specific language stating the governing authority has opted out of the statewide homestead exemption program.

Relating to requirements for annual notices of current assessments, the bill allows for a levying or recommending authority to provide an estimate for the current year's taxes utilizing the previous year's millage rate and current assessment if the estimated rollback rate is not certified by the time the annual notice is given. Additionally, the bill allows for a homestead exemption applicant to complete an application for an exemption during or in lieu of an appeal of a homestead reassessment.

- HB 111 (Rep. Soo Hong, 103rd) amends O.C.G.A. 48-7-20, relating to individual income tax rates, to lower the individual income tax rate effective on January 1, 2025 from 5.39 percent to 5.19 percent.
- HB 112 (Rep. Lauren McDonald III, 26th) provides a one-time income tax refund to taxpayers who filed returns for both the 2023 and 2024 tax years equal to the lesser of either the taxpayer's 2023 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 2023 tax year, or an estate or trust.
- HB 223 (Rep. James Burchett, 176th) amends O.C.G.A. 48-7-27, relating to the computation of taxable net income, to exclude any federal disaster relief payments, federal assistance grants, and federal crop insurance proceeds received to address agricultural losses from Hurricane Helene for tax years 2024 through 2029.

  The bill provides a tax credit that must be claimed by December 31, 2030 for an amount equal to 100 percent of a taxpayer's timber casualty loss to be calculated by multiplying the number of acres impacted by $400. The program may not exceed $200 million in aggregate. Tax credits may be carried forward for 10 years from the end of the taxable year in which they were claimed and any amount in excess of the taxpayer's liability may be refundable.

  Governing authorities in areas that are affected by a disaster may offer relief from taxation of eligible standing timber, per O.C.G.A. 48-5-7.5, during the final quarter of 2024 and all of 2025. An eligible taxpayer that has already paid taxes based on affected timber will receive a refund. Governing authorities may receive reimbursement for lost revenue from the state based on the following: 1) estimated revenue loss; 2) relevant revenue received during each of the preceding three years; and 3) damage estimate provided for in the Hurricane Helene Timber Damage publication by the Georgia Forestry Commission.

  The bill provides an exemption on sales and use tax for building materials used to repair or replace greenhouses or real property structures used for the production of animals.
- HB 266 (Rep. Steven Sainz, 180th) amends O.C.G.A. 48-7-27, relating to the computation of taxable net income, to increase the exclusion for income related to military retirement benefits for retired military members under 65 to $65,000.

  The bill amends O.C.G.A. 48-7-29.25, relating to income tax credits for contributions to law enforcement foundations, by adding to the definition of "law enforcement foundation" a nonprofit corporation that maintains a formal relationship with one or more local enforcement units or provides support to law enforcement statewide. Qualified expenditures is expanded to include the purchase or lease of supplies and materials for technology updates, and the lease of facilities and purchase of goods for community engagement initiatives. Any contribution amount that has been preapproved, but not contributed, may be applied for and disbursed by the Department of Revenue at 95 percent of the amount otherwise allowed by this Code section. Any contribution by certain corporate entities is limited to being utilized against 50 percent of that entities tax liability. The bill eliminates the ability to carry forward any unused portions of the tax credit to be used against future tax years' liabilities.

- HR 32 (Rep. Chuck Efstration, 104th) amends the Georgia Constitution to increase the maximum acreage allowable as bona fide conservation use property from 2,000 to 4,000 acres.
- HR 42 (Rep. Matthew Gambill, 15th) ratifies executive orders issued by the governor between September 24, 2024 and October 16, 2024 related to suspension of the collection of motor fuel and diesel fuel taxes.

Provide Community Support

- HB 136 (Mark Newton, 127th) HB 136 amends O.C.G.A. 48-7-29.24, relating to tax credits for contributions to foster child support organizations, to expand qualified expenditures for the credit to include wraparound services for aging foster children and justice involved youth who meet one of the following criteria: are enrolled in a public or private postsecondary education institution; enrolled in a program to obtain a high school diploma or equivalent; enrolled in a vocation school; or participating in a registered and compliant apprenticeship program. The bill adds to the definition of "aging foster children" former foster children between 16 and 25 years old who were in foster care for at least six months after the age of 14.

  HB 136 adds to the definition of "justice involved youth" by including those between the ages of 16 and 25 who were in foster care for at least six months after reaching age 14. The bill includes mentorship services provided to justice involved youth as a qualified expense, and limits the amount of contributions that can be used for expenses other than qualified expenses to no more than 20 percent. The annual compensation threshold to receive the credit is increased from $500 to $1,200 per year, and payments made to employees of a qualified mentorship organization that provide services other than mentorship are a qualified expense.

  Corporations contributing under this program are limited to credits totaling no more than 30 percent of the entity's income tax liability. The bill further adds business enterprises, defined as an insurance company required to pay the tax provided for in O.C.G.A. 33-8-4, to be eligible for the credit for qualified expenditures related to wraparound services. The bill raises the aggregate cap for credits under this program from $20 million to $30 million, and eliminates the ability to carry forward any unused tax credit. No more than $10 million in aggregate can be used by business enterprises.

  The bill allows for the Division of Family and Children Services to decertify an organization that does not meet program requirements or has violated any other law. An organization seeking to be certified, but is not a licensed child-placing agency, must demonstrate it has operated an aging out program, and provided services to at least 50 aging foster children or justice involved youth over the course of at least two calendar years. After receiving certification, the organization must annually demonstrate that it is continually providing these services.

  The bill adds that each qualified organization is required to post on its website a certification, signed by the organization's chief executive officer, that contains language provided for in the bill, to include a description of how qualified contributions were utilized.

HB 136 also creates a tax credit to be claimed by eligible employers that offer child care payments of at least $1,000 per year directly to child care facilities for employees. An employer may earn $500 per child per year that the payments are made, or $1,000 per child for the first year an employer offers such incentive. The annual aggregate limit for the program is $20 million and the credit may not be carried forward to any subsequent tax year. Additionally, a taxpayer with a qualifying child may claim a tax credit of $250 per child under the age of 6, provided that the credit shall not exceed the taxpayer's income tax liability. Additionally, a taxpayer may claim a credit equal to 50% of a qualified child or dependent's care expenses, provided that the credit shall not exceed the taxpayer's income tax liability. The bill is effective on July 1, 2025 and applicable to all taxable years beginning on January 1, 2026.

- HB 360 (Rep. Chuck Efstration, 104th) amends O.C.G.A. 48-7-29.8, relating to tax credits for the rehabilitation of historic structures, to allow a taxpayer preapproved by the commissioner of the Department of Revenue to claim credits in tax year 2027 or 2028 for certified structures other than historic homes to receive the credit during tax year 2026 in amounts as follows: not to exceed 90% if the credit was preapproved for tax year 2027 or not to exceed 85% if the credit was preapproved for tax year 2028.
- HB 511 (Rep. Eddie Lumsden, 12th) creates O.C.G.A. 48-7-28.5 to allow for the creation of a catastrophe savings account to be used during qualifying catastrophic events. The account will be a savings or money market account, and can only be used for catastrophic weather events declared a disaster or emergency be the state's governor. A qualifying expense is either an insurance deductible or any expenses related to the qualifying damage to a taxpayer's primary residence that is not covered by insurance. The contribution limits are set at no more than $2,000 if a taxpayer's deductible is less than $1,000; twice the taxpayer's deductible for deductibles over $1,000, up to $25,000; or up to $250,000 if a taxpayer is self-insured. A taxpayer is granted a deduction on contributions to the account, interest income will be exempt from tax, and excluded from the taxpayer's income when making a qualifying distribution from the account.
- HB 532 (Rep. Buddy DeLoach, 167th) amends O.C.G.A. 12-6A-12 and 48-14-4, relating to annual grants for state-owned property and annual grants for counties with 20,000 or more acres of unimproved land owned by the Department of Natural Resources, by eliminating language that prohibited counties from receiving grant funding from both programs in any given year.
- SB 141 (Rep. Bo Hatchett, 50th) extends the appeal or protest date for tax assessments, the denial claim for certain refunds, proposed assessment or license fees imposed by the Department of Revenue, erroneous payment of intangible taxes, and petition to provide information related to allocations and apportionments for their business activity, from 30 days to 45 days.

  Additionally, the commissioner of the Department of Revenue is able to reinstate a canceled license within 45 days, rather than 30 days. The bill also extends the due date of any licenses or taxes, excluding ad valorem or income tax, from 30 days to 45 days after notice.

  The bill further amends both O.C.G.A. 48-5-7.2 and 48-5-7.3, relating to preferential assessment for rehabilitated historic property and landmark historic property, to allow for a classification and assessment approved by a county to continue for up to an additional 12 years for income-producing property.

Prepared By: David Hartman, Senior Budget and Policy Analyst
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Promote Economic Development

- HB 129 (Rep. Chas Cannon, 172nd) amends O.C.G.A. 48-5-7.4, related to bona fide conservation use property, to allow property leased by a corporation, partnership, general partnership, limited partnership or corporation, or a limited liability company to qualify as bona fide conservation use property if it meets the following conditions: entity is owned by at least one natural or naturalized citizen, and the primary purpose of the property is related to production of agricultural or timber products. The bill amends O.C.G.A. 48-7-40.26A, relating to tax credits for postproduction expenditures, by extending the programs effective date to January 1, 2026 until January 1, 2031.
- HB 153 (Rep. Beth Camp, 135th) amends O.C.G.A. 48-8-3.2, relating to sales and use tax exemptions for certain manufacturing equipment, by extending the sunset date for an exemption on maintenance and replacement parts of machinery or equipment used with mixed concrete from June 30, 2026 to June 30, 2031.
- HB 156 (Rep. Todd Jones, 25th) defines the term "vertiport" and includes vertiports in the definition of "landing field" which grants the Department of Transportation authority over vertiports. The bill also revises the term "tourism product development" to include air service product expansion at air carrier airports for taxation purposes. *(Assigned to the Technology and Infrastructure Innovation Committee)*
- HB 416 (Rep. Chuck Efstration, 104th) amends O.C.G.A. 36-88-6, relating to enterprise zone criteria, to restrict annual enterprise zone infrastructure fees assessed by local governing bodies to being assessed only on retailers that are qualifying businesses or service enterprises receiving a sales and use tax exemption for being located within a designated enterprise zone. The bill amends O.C.G.A. 36-88-10, relating to time limitations for enterprise zones, to change the start of the 30-year duration of an enterprise zone authorized by O.C.G.A. 36-88-6 from beginning to the completion of the redevelopment project, and retiring of any revenue bonds related to the project to the first issuance of a bond with a principal amount of at least $100,000. *(Assigned to the Governmental Affairs Committee)*
- HB 586 (Rep. Bruce Williamson, 112th) amends O.C.G.A. 48-6-60, 48-6-66, and 48-6-68, relating to the application of the intangible recording tax, by changing the period length in the definitions of a long-term note secured by real estate, the placement of a lien upon real estate, and bonds for a title in the absence of a security deed from three years to 62 months.
- HB 652 (Rep. Todd Jones, 25th) amends Georgia's motor fuel tax code to clarify taxation of electricity used as a motor fuel through electric vehicle (EV) charging stations. The bill introduces a fuel tax exemption for EV charging stations owned or operated by nonprofit organizations with 501(c)(3) tax exempt status, as long as they meet certain requirements. *(Assigned to the Technology and Infrastructure Innovation Committee)*
- HR 557 (Rep. Dar’shun Kendrick, 95th) creates the House Study Committee on Georgia's Investment Funds. The committee will be comprised of five members of the House of Representatives appointed by the speaker, of which two will be of the minority caucus. The committee will stand abolished on December 31, 2025.