The Property Tax Reform Amendments
(HR 1246, HB 979, and SR 796)

1. The State ¼ mill property tax levy would be eliminated

2. In 2009 it provides a tax credit to completely offset the property taxes owed by each individual on their personal vehicles.

3. Imposes a new $20 motor vehicle fee on all vehicles. Half of this fee is intended to be used for funding the Georgia Trauma Trust Fund.

4. In 2010 it provides a tax credit to completely offset the school property taxes owed by an individual on their primary residence.

5. If additional revenues are available in the future, the General Assembly will eliminate all remaining school property taxes.

6. The credit would not apply to general obligation indebtedness incurred prior to January 1, 2010, intangible taxes, tax allocation districts, or community improvement districts.

7. The current Homestead Tax Relief Grant Credit received on county and city property tax bills would be eliminated.

8. Taxpayers that are currently receiving a 100% local homestead exemption for their school property taxes could be granted an alternate credit on their remaining county and city tax bills worth up to $30,000 of their assessed value.

9. The 8 counties that have a LOST for rolling back school taxes would have this 1% sales tax eliminated or have to redirect that revenue to the counties and the cites for a rollback of their property taxes.

10. Assessed property values would be frozen at their 2008 level. Then in 2010 the assessed value of residential property could not increase by more than 2% annually and the assessed property of nonresidential property could not increase by more than 3% annually.

11. Local governments could change the assessment caps if approved in a local referendum.

12. Property would be reassessed at its fair market value at the time it is sold or transferred.

13. Improvements and additions to property would be valued at fair market and added to the base value of the entire property.

14. Millage rates would be capped at their 2007 level and allowed to increase annually by no more than government inflation.
15. In 2009 the State 4% sales tax would be applied to food and lottery tickets

16. In 2010 the State 4% sales tax would be applied to 174 services as defined by the North American Industry Classification System Code (NAICS).

17. An individual’s sales tax liability would be capped at $10,000 per vendor per year.

18. The new sales tax on services would not apply to business to business, medical, child care or educational services. The sales tax would also be exempt on services related to new construction.

19. Cable and video service providers would get a credit against their sales tax liability in the amount of franchise fees collected and paid.

20. An income tax credit for food expenses would be created for individuals making less than 200% of the poverty level.

21. If the state does not receive sufficient sales tax revenues to fund the property tax credit for school property taxes and personal vehicle property taxes, the General Assembly can choose not to renew the program before 2013 and the constitutional amendments and general laws will stand repealed.