



# **Understanding Georgia's New Local Option Sales Taxes: FLOST and LHOST and Other New Requirements in SB 33 and SB 566.**

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# SB 33 - Mandating the Floating Base Year Homestead Exemption Statewide

- Applies the HB 581 (2024) Base Year Floating Homestead Exemption to all local governments and school districts.
- Eliminates any prior opt-outs of the HB 581 exemption.
- Effective for Tax Year 2027
- Caps annual increases in assessment at the rate of inflation.
- Limited to primary residence + five acres.
- If newly applicable for 2027, the base year value would be based on the 2026 value of the home.
- Must utilize FLOST proceeds available as of July 1 each year, rather than the total from the prior calendar year.



# SB 566 – Annual Notice of Assessment

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## Effective for 2026

- Revises the Notice of Assessment by focusing on what is actionable for a taxpayer.
- Does not put any estimated tax or millage rates on the notice.
- Focuses the Notice on:
  - The appraised value of the property;
  - The exemptions that have been applied; and
  - Opportunities for appeal.
- Repeals the concept of estimated roll-back rate, which has been confusing to taxpayers and often required multiple notices.

# SB 566: Revisions to the Notice of Annual Assessment

## Contents of the Notice:

- Appraised value of the property in the previous year and current year;
- Listing any changes occurring since the previous year;
- Providing which exemptions or preferential assessments have been applied (ex. homestead, CUVA, FLPA, QTP, or freeport).
- Specifying additional exemptions that may be available for the taxpayer;
- Listing the taxpayer's total estimated tax savings due to exemptions, preferential assessments, and credits;
- Specifying how, when, and what a taxpayer can appeal; and
- Specifying when and how the taxpayer may apply for additional homestead exemptions:
  - Ensures a taxpayer can file a homestead exemption at any point during a year until the appeal window closes, which is 45 days after they receive their annual notice of assessment.
  - Note: This does not change timing for eligibility.



[County Name] Board of Assessors Mailing Address Physical Address City, State Zip Code [Board of Assessors' Phone Number]	<h3 style="text-align: center;">[Year] Notice of Assessment</h3> <p style="text-align: center;"><b>Date Notice Mailed: [Date Mailed]</b>  <b>Appeal Deadline: [45 Days from Date Mailed]</b></p>
[ MAY INCLUDE COUNTY LOGO WITH MAILING AND/OR PHYSICAL ADDRESS AND PHONE NUMBER ]	Appeals, homestead applications, or other specialized assessment applications must be filed within 45 days from the Date Notice Mailed
Property Owner(s) Mailing Address City, State Zip Code  [ LAST KNOWN ADDRESS OF JANUARY 1 OWNER ]	<p style="text-align: center;"><b>***You are required by law to notify [insert name of appropriate local tax official] if you become ineligible for any homestead exemption listed in this notice and subject to penalties for failing to do so.***</b></p>

**Rights to Appeal and Apply for Homestead Exemption**

You have the right to appeal the property values provided in this notice. You may also apply for homestead exemptions if your property was owned and occupied as your family's primary residence and homestead as of January 1 of [Current Tax Year]. If you wish to appeal your [Current Tax Year] property value or apply for homestead exemptions, you must do so in writing no later than 45 days after the date of this notice. If you do not file an appeal or apply for homestead exemption by this date, your right to do so for this year will be lost.

For further information on filing appeals, applying for homestead exemptions, or reporting your ineligibility for a homestead exemption, visit or contact [insert name of appropriate local tax official, board, or office together with their respective website, address, and telephone number or, in the event that one or more local tax officials, boards, or offices is responsible for such duties, insert the names and identify the responsibilities of the appropriate local tax officials, boards, or offices together with their respective websites, addresses, and telephone numbers].

**Board of Equalization:** Appealing value, uniformity, exemptions, or taxability.

**Nonbinding Arbitration:** Appealing value only. Requires a certified appraisal.

**Hearing Officer:** Appealing value or uniformity. For a parcel of non-homestead real property with a fair market value of more than \$500,000; one or more accounts of wireless personal property with an aggregate fair market value of more than \$500,000; or one or more accounts of personal property other than wireless property with an aggregate fair market value of more than \$200,000.

**Superior Court:** Requires a written agreement with the county board of tax assessors.

To file an appeal with the [County Name] County Board of Tax Assessors or for more information regarding reasons for any assessment change or the appeals process, contact [Appraiser 1] and [Appraiser 2] at [Phone Number]. All documents and records used to determine the [Current Tax Year] Value are available upon request from the [County Name] County Board of Tax Assessors and must be provided within 10 business days of such request.

Account Number	Property Identification Number	Total Acreage	Tax District
[ Account Number ]	[ Parcel Number ]	[ Acreage ]	[ Tax District ]
<b>Property Description</b>		[ Legal Description of Property ]	
<b>Physical Property Address</b>		[ Property Address ]	
	<b>[Previous Tax Year] Value</b>	<b>[Current Tax Year] Value</b>	<b>[Current Tax Year] Other Value *</b>
<b>100% Fair Market Value</b>	\$0	\$0	\$0

**Please note:** Tax rates for counties, school districts, and cities will be established by each local government later this year. If a local government intends to increase revenue on existing properties, they must advertise and hold three public meetings to do so.

\* [Current Tax Year] Other Value reflects the fair market value of any preferential assessment for properties or any portion of properties meeting certain requirements.

**Taxable Assessed Value Changes Since [Previous Tax Year]**

[Reason for Assessment Notice]

**[Current Tax Year] Exemptions, Credits, and Preferential Assessments \*\***

[State Homestead Exemption] [Local Homestead Exemption] [Covenant Type & Term (January 1, YYYY - December 31, YYYY)]	\$0  <b>Estimated Tax Savings</b>
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\*\* The estimated tax savings under the [Current Tax Year] Exemptions, Credits, and Preferential Assessments is determined by totaling the dollar value of any exemptions, credits, or preferential assessments applied to your property for [Current Tax Year] using the [Previous Tax Year] millage rates for taxing authorities and types. All [Current Tax Year] exemptions, credits, or preferential assessments listed include all taxing authorities, and such estimate may not reflect the total savings provided on the [Current Tax Year] tax bill.

This area below the notice of assessment may contain any QR codes or online appeal directions and/or access code if applicable.

# SB 566: Revisions to Tax Bills

Revises the Tax Bill by:

- Clarifying that taxes imposed by each given taxing authority on the bill must have distinct line items.
- Breaking out any tax reductions due to exemptions, credits, and preferential assessments for each local government.
- Removing the required disclaimer for when the estimated rollback rate has been exceeded.



# SB 566 - Changes to Homestead Exemptions



Statewide Homestead Exemption List to be Established by Department of Revenue

County tax officials must:

Annually submit data to DOR so that the Department can update the list of recipients of homestead exemption; and  
Check homestead applications against the list.



Provides a statement on the notice of assessment that each person must report any homestead exemption that they have been granted, but are ineligible for, by the final date to file an appeal of the annual notice of current assessment.



Failure to timely notify of ineligibility will result in the taxpayer being appropriately billed for all taxes and interest due plus a penalty imposed of 50% of the amount by which the taxes were to be reduced from improper exemptions.

# Empowering Our Counties to Provide Property Tax Relief: Navigating FLOST vs. LHOST

Purpose:

- Each community to make a decision:
  - FLOST
  - LHOST
  - No new sales tax
- To clarify and compare two new local option sales taxes for additional property tax relief: FLOST (HB 581) & LHOST (SB 33)
- To encourage informed community-based decisions.



# Property Tax Relief Local Option Sales Tax (PTRLOST), Better Known as FLOST:



## What is FLOST?

Introduced via HB 581 (2024)

FLOST aims to provide property tax relief by reducing the millage rate levied on all property by the proceeds available as of July 1<sup>st</sup> of each year.



## Primary Benefits & Rate:

All taxable property for taxes imposed by participating local governments.

The rate is up to 1% in .05% increments.



## Duration and Renewal:

The FLOST is authorized for a term of five years and may be renewed subject to a local Act of the General Assembly.

The voters must also approve the renewal of the FLOST.

## Initiation of the Tax:

The county must enter into an intergovernmental agreement with the municipalities that actually levy property taxes and represent at least 50% of the municipal population (of municipalities that actually levy property taxes) within the county. After agreement upon various terms, the tax is subject to approval in a referendum.

See: <https://dor.georgia.gov/local-government-services/digest-compliance/property-tax-millage-rates>

## Allocation of the Proceeds:

The parties must reach a negotiated formula in their IGA that provides for the distribution of proceeds among the cities and county.

Municipalities that levy property taxes, but do not sign the IGA, can receive a default portion of the proceeds under the absent municipality provision.

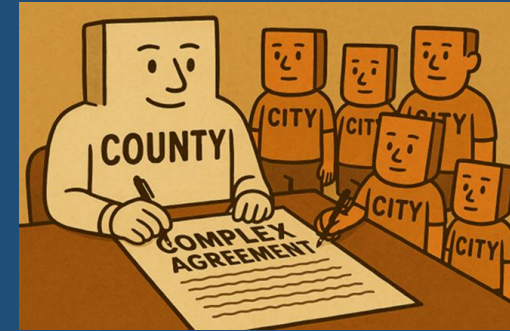
## Excess Proceeds:

There are no explicit provisions for proceeds in excess of those necessary for a given jurisdiction to eliminate all of its property tax.



# Implications of FLOST

## Impact on Revenue and Operations



### Primary Beneficiaries

All taxable property within the special district.



### Potential Economic Impact

Effects on consumer spending by shifting property tax to consumption tax.



### Administrative Considerations

Complexity of IGA negotiation and referendum process.

Proceeds must be included in rollback millage rate calculation.

# Introducing LHOST: Local Homestead Option Sales Tax

## Understanding the Mechanics and Purpose



### What is LHOST?

Introduced via SB 33 (2026), LHOST provides property tax relief for homestead property through a homestead exemption equal to the amount of assessed value that can be exempted with the proceeds of the sales tax available in the trust account each year as of August 1<sup>st</sup>.



### Primary Benefits & Rate:

Homestead property only; limited to the primary residence up to five acres.

The rate is 1%.



### Duration and Renewal:

The LHOST may run for up to ten years before renewal and may be renewed by local Act of the General Assembly.

The voters must approve the renewal of the LHOST at a referendum.

### Initiation of the Tax:

The tax is initiated by a local Act of the General Assembly granting the homestead exemption for, at least, the county; other jurisdictions within the county will be included through their own local Acts.

(Under the Constitution, homestead exemptions are always subject to approval of the voters within the given jurisdiction)

### Allocation of the Proceeds:

Local tax officials annually calculate the assessed value eliminated by the exemption which can be granted based on the trust account balance and the total taxable homestead digest of each participating jurisdiction. Local governments are only reimbursed dollar-for-dollar in the amount of funds they lost due to cost of the homestead exemptions within their jurisdictions.

### Excess Proceeds:

If the tax generates proceeds in excess of the amount needed to grant a 100% homestead exemption for the county and all participating cities, then the excess proceeds are dispersed proportionately to reduce the millage rate for all property.

# Implications of LHOST

Impact on Revenue and Operations



## Primary Beneficiaries

Homesteaded Property (primary residence up to 5 acres).

Potential for General Rollback.



## Potential Economic Impact

Effects on consumer spending by shifting property tax to consumption tax.



## Administrative Considerations

Requires annual calculation and administration of homestead exemptions.

Requires millage rates to be adopted by September 1<sup>st</sup>

# Core Differences

## FLOST



- FLOST reduces millage rates across the board, in a uniform manner, for all property owners. (residential, commercial, industrial, etc.)
- Requires a negotiated agreement between the county and municipalities.
- Revenue sharing is up for negotiation.

## LHOST



- LHOST reduces homestead property taxes first.
- Requires a local Act of the General Assembly.
- Distributed proportionately among the county and participating cities based on their actual homestead digests.
- Excess proceeds are used to reduce millage rates across the board for all property owners.

# Decision Framework: Potential Questions in Choosing the Right Path

## Right Path



- What percentage of your county's digest is homestead property versus commercial and industrial?
- How much is your annual sales tax revenue compared to your annual homestead property tax revenue?
- Could a general property reduction help attract commercial or industrial growth?
- What is the retail base of the county and how might large retailers react to an increase in the sales tax rate?
- How might consumers in the community react to an increase in sales tax rate?
- Would the elimination of taxes on homestead property lead to less political pressure to keep taxes low for non-homestead property?

# Questions?

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