

---

# SUMMARY OF GEORGIA STATE INCOME TAX CHANGES FROM 2018 THROUGH 2030



**2018 – HB 918**

**2021 – HB 593**

### **2018 - House Bill 918**

- Doubled the standard deduction to \$4,600 for single filers and \$6,000 for married filing jointly.
- Reduced the top personal income tax bracket rate and the corporate income tax rate to 5.75% in tax year 2019 and 5.50% in tax year 2020. The rate reduction for 2020 was dependent upon the General Assembly passing a joint resolution affirming the change and the resolution being signed by the governor.
  - The 2020 rate reduction did not occur because of the financial uncertainty surrounding COVID-19.

### **2019 – House Bill 593**

- House Bill 593 increased the standard deduction to \$5,400 for single filers and \$7,100 for married taxpayers filing a joint return, beginning tax year 2022.

# 2022 – HB 1437

## 2022 - House Bill 1437, the 'Tax Reduction and Reform Act of 2022'

- Eliminated the personal income tax brackets and replaced them with a tax rate of 5.49%.
- Allowed for future annual reductions of 0.10% until reaching 4.99% if:
  - The governor's revenue estimate for the succeeding fiscal year is greater than 3% above the revenue estimate for the current fiscal year;
  - The prior fiscal year's net revenue collection was higher than each of the preceding five fiscal years' net tax revenue collections;
  - And the Revenue Shortfall Reserve (RSR) contains a sum that exceeds the amount of the decrease in state funds projected to occur as a result of the reduction in the tax rate set to occur in the following year.
- Eliminated the standard deductions of \$5,400 for single and head of household taxpayers and \$7,100 for married taxpayers filing a joint return.
- Increased the personal exemptions from \$2,700 to \$12,000 for single and head of household taxpayers and from \$7,400 to \$18,500 for married taxpayers filing a joint return.
  - The personal exemption for married taxpayers filing a joint return increases to \$20,000 for 2026; \$22,000 for 2028; and \$24,000 for 2030.
- Increased the amount of earned income allowed to be included in the retirement income exemption from \$4,000 to \$5,000.

# SUMMARY OF INCOME TAX CHANGES 2018 - 2030

	Tax Rate		Standard Deduction			Personal Exemption		
	Top Tax Rate	Tax Brackets	Single	Head of Household	Married	Single	Head of Household	Married
2018	6%	Yes	\$2,300	\$2,300	\$3,000	\$2,700	\$2,700	\$7,400
2019	5.75%	Yes	\$4,600	\$4,600	\$6,000	\$2,700	\$2,700	\$7,400
2020	5.75%	Yes	\$4,600	\$4,600	\$6,000	\$2,700	\$2,700	\$7,400
2021	5.75%	Yes	\$4,600	\$4,600	\$6,000	\$2,700	\$2,700	\$7,400
2022	5.75%	Yes	\$5,400	\$5,400	\$7,100	\$2,700	\$2,700	\$7,400
2023	5.49%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$18,500
2024	* 5.39%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$18,500
2025	* 5.29%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$18,500
2026	* 5.19%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$20,000
2027	* 5.09%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$20,000
2028	* 4.99%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$22,000
2029	* 4.99%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$22,000
2030	* 4.99%	No	\$0	\$0	\$0	\$12,000	\$12,000	\$24,000

\*Change occurs if conditions are met.

# TAX OWED ON INCOME OF \$50,000 FOR SINGLE AND \$100,000 FOR MARRIED

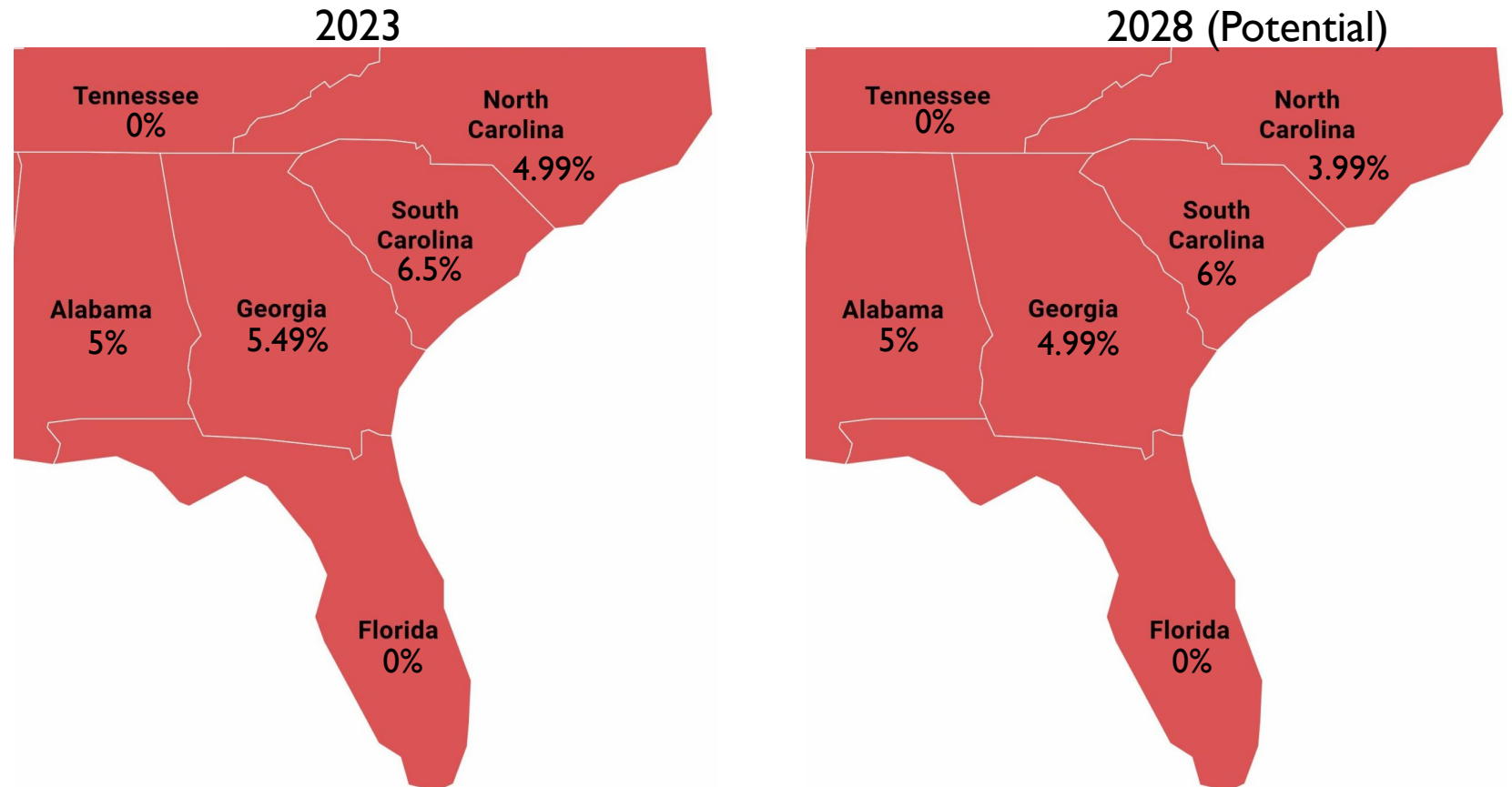
	Single	Head of Household	Married
2018	\$2,510	\$2,440	\$5,116
2019	\$2,283	\$2,220	\$4,745
2020	\$2,283	\$2,220	\$4,745
2021	\$2,283	\$2,220	\$4,745
2022	\$2,237	\$2,174	\$4,681
2023	\$2,086	\$2,086	\$4,474
2024	\$2,048	\$2,048	\$4,393
2025	\$2,010	\$2,010	\$4,311
2026	\$1,972	\$1,972	\$4,152
2027	\$1,934	\$1,934	\$4,072
2028	\$1,896	\$1,896	\$3,892
2029	\$1,896	\$1,896	\$3,892
2030	\$1,896	\$1,896	\$3,792

2018 – 2030	Single	Head of Household	Married
Dollar Change	(\$614)	(\$544)	(\$1,324)
Percent Change	-24%	-22%	-26%

\* Marriage penalty is eliminated in 2030.

## SOUTHEAST COMPARISON

- Georgia's potential 2028 flat rate of 4.99% will match the current rate of North Carolina but not North Carolina's 2027 rate of 3.99%. Georgia's potential flat rate of 4.99% is lower than Alabama's 5% top rate and South Carolina's potential 6% top rate.



# STATES WITH FLAT INCOME TAX RATES OR NO INCOME TAX

- 14 states have, or are implementing, a flat income tax rate.
  - Colorado, Illinois, Indiana, Kentucky, Massachusetts, Michigan, North Carolina, Pennsylvania, and Utah have a flat income tax rate.
  - Arizona, Georgia, Idaho, Iowa, and Mississippi are implementing a flat income tax rate.
- 9 States have no state income tax.
  - Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming

# HEADLINES

- In 2023, a family of four will receive \$24,500 in exemptions resulting in their first \$24,500 of income being tax free, \$4,000 more than in 2022. In 2030, that family's exemptions will grow to \$30,000.
- Tax savings are achieved across all income levels. The tax increase caused by eliminating the brackets is more than offset by the tax reduction resulting from the increase to the personal exemption.
- The state began collecting sales and use tax from marketplace facilitators in 2020 and in fiscal year 2022 collected an estimated \$830 million from those facilitators.
- Georgia's history of fiscally conservative budgeting, even in the midst of a global pandemic, has resulted in a record level of savings in the state's RSR and an income tax refund being issued for the 2021 tax year.
- Governor Kemp has announced plans to issue income tax refunds again this coming year as well as a property tax refunds.