



Numbers and Figures: More Take Home Pay Act

The following represents the original proposed numbers included in the More Take Home Pay Act upon filing. These numbers are subject to change during the legislative process.

Income Tax Reduction

- Cuts the income tax burden on Georgia families by over \$2.5 billion
- A Georgia household of four making \$29,500 or more will see an increase in take home pay
- Georgia households of four bringing in \$48,000 (the median Georgia household income) will keep \$1,200 extra annually (*\$100 more in their pockets each month*)
- Reduces income tax rate to 4% over a period of three years (2016: 4.5%, 2017: 4.25%, 2018: 4.0%)
- Keeps itemized deductions and personal exemptions while doing away with many special interest loopholes

Broadening the Tax Base

The More Take Home Pay Act seeks to broaden the tax base and move toward a more fair consumption-based model. Under this model, Georgia families will keep more of their personal income.

- Raises general state sales tax by 1% on January 1, 2017
 - Will raise from the current 4% to 5%
 - Includes digitally-delivered goods (Downloadable software, e-books, music and movies, video games, and apps) that are taxed in many other states
- Phases in a grocery state sales tax over a four year period (2016: 0%, 2017: 3%, 2018: 4%, 2019: 5%)
 - Food stamp purchases will be exempt from grocery tax
 - Each 1% will contribute \$130 million to state budget
- Implements a flat, fair communications service tax beginning on January 1, 2016
 - State telecom: 5%, State cable: 5%, State direct broadcast satellite (DBS): 7%, Local telecom: 1.25%, School telecom: 0.75%, Local cable: 2%
- Increases the current cigarette excise tax over three years (2017: \$0.45 , 2018: \$0.55, 2019: \$0.65)

Comparing to Other States

Tax Description	Current Georgia Tax Rate	More Take Home Pay Act	AL	AR	FL	KY	LA	MS	NC	SC	TN	VA
Income	6%	4%	5%	7%	0%	6%	6%	5%	5.8%	7%	0%	5.75%
State Sales	4%	5%	4%	6.5%	6%	6%	4%	7%	4.3%	6%	7%	5.3%
Grocery*	0%	5%	4%	1.5%	0%	0%	0%	7%	0%	0%	5%	2.5%
Digital Goods*	0%	5%	4%	0%	0%	6%	4%	7%	0%	0%	7%	0%
Telecom (DBS)	0%	7%	0%	6.5%	13.7%	5.4%	0%	7%	7%	6%	8.25%	5%
Cigarette**	\$0.37	\$0.65	\$0.425	\$1.15	\$1.339	\$0.60	\$0.36	\$0.68	\$0.45	\$0.57	\$0.62	\$0.30

*Does not factor local taxes

**Excise tax

For more information on the More Take Home Pay Act, please contact Representative John Carson at (404) 656-0287 or john.carson@house.ga.gov