

State Handbook of Economic, Demographic, and Fiscal Indicators 2006

Georgia



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AARP**

Introduction

The *State Handbook of Economic, Demographic, and Fiscal Indicators 2006* represents the sixth edition of the state handbook series. We produce a new updated handbook biennially. It is an easy-to-use reference book for anyone in search of up-to-date information about state economic, demographic, and fiscal conditions. Policymakers, public officials, and policy analysts will find useful data on such topics as population, poverty rates, per capita state personal income, state and local revenues, expenditures, tax rates, and property tax relief programs. Gender and age comparisons are provided for some of the data. Throughout the book we use the most current data available.

This handbook facilitates state-by-state and state-national comparisons, which can serve a variety of purposes. For example, a state's tax burden can be compared with the national average or with that of other states in the region. Per capita state personal income, unemployment, and median household income can be used to assess how residents in one state fare vis-à-vis those in another.

State Economic, Demographic, and Fiscal Summaries

This part of the book features economic, demographic, and fiscal summaries of the entire United States, each state, and the District of Columbia, along with summaries for the Virgin Islands and Puerto Rico. Most of the book's information is presented in this section. Users will find statistics on several major economic indicators, such as state personal income, median household income, and employment, as well as on population and poverty, distribution of household income, revenues, expenditures, tax rates, and debt ratio measures.

A section on state-specific property tax relief summarizes homestead exemptions and credits, circuit breakers, and tax deferral programs, all of which are defined in the source notes and explanations section at the end of the book. We did not include all of the property tax rates, because they can vary within states, and because data on the varying rates are not easily available. In addition, nominal rates often do not equal effective rates.

Homestead exemptions are reductions in the amount of assessed property value subject to taxation. When reporting homestead exemptions, we note the assessed property value; however, the value of the tax reduction depends not only on the assessed property value but also on the fractional assessment level. For example, the fractional assessment percentage in Alabama is 10 percent for residential property, so the *reported* exemption value of \$4,000 translates into an exemption of \$40,000 in fair market value (\$4,000 divided by 0.1). For this reason, assessed values must first be converted into fair market values before comparing homestead exemptions among states.

The section on state and local general revenues and expenditures shows revenues and expenditures per capita and as a percentage of state personal income, as well as average annual changes from 1992 to 2002. The year 2002 was the most current year that we could obtain revenue and expenditure data from the U.S. Census Bureau. Comparisons can be made between each state and the national average of the amounts spent on expenditure programs. State and local debt information is provided on a per capita basis and per \$1,000 of personal income. The composition of short-term and long-term debt is also presented.

We have made some changes in the contents of the economic, demographic, and fiscal summaries since the 2003 *Handbook*. First, we now provide more current information on poverty rates by age and gender and the percent of households by age and income, thanks to the new American Community Survey (ACS) by the Census Bureau. The ACS features a much larger sample size (about 800,000 households that will increase to 3 million households in 2005) than the Current Population Survey (CPS) (about 100,000 households). State data are available on a more timely basis; instead of having to wait for the decennial census, users can obtain new data yearly.

Since we are now collecting poverty rate data from the ACS instead of the CPS, we no longer report the poverty rate in the economic indicators table (the first table in the state summaries). This is because we cannot make a 10-year comparison of state poverty rates until ACS has 10 years of poverty data.

Second, we added health and long-term care state income tax exemptions and credits. We describe only those state tax exemptions and credits that are more generous than what are available on the federal return. Therefore, we exclude tax exemptions, e.g., medical savings account deductions, which are found in federal adjusted gross income. Further, we exclude state itemized deductions, since we only want to describe tax exemptions and credits that benefit all taxpayers, not just those who itemize. Therefore, all the state health and long-term care tax provisions described here are available to all state filers, whether they itemize or not. Finally, since we are only interested in the general population, we exclude state health and long-term care tax breaks that are targeted specifically for self-employed persons.

Third, we described how the state tax income base is related to the federal income tax base, such as federal adjusted gross income. The state income tax base may be unrelated to the federal base; it may link to federal adjusted gross income (AGI), federal taxable income, or to federal gross income. If state taxable income is unrelated to federal income, we say that the state's income tax base is not directly related to federal income.

Fourth, we highlighted the minimum income levels at which taxpayers must file their state income taxes. Fifth, because some states have local expenditure limits which may affect the amount of property taxes collected, we describe how localities limit the growth of their expenditures.

Tables and U.S. Maps

The handbook provides tables and maps of selected state economic, demographic, and fiscal data (found primarily in the economic, demographic, and fiscal summaries part). This presentation of the data makes it easy to compare any or all states and the District of Columbia on such economic indicators as per capita income or gross state product. The tables provide state rankings for easy comparisons. We do not include Puerto Rico and the Virgin Islands because the data are either unavailable or not as current as state data, in the tables.

Data Sources and Explanations

Data sources and explanations of concepts or terms can be found in this part of the handbook. Most of the information in the handbook comes from the U.S. Bureau of the Census, including poverty rate by age group and household income by age group from the American Community Survey, median household income from the Current Population Survey, population estimates by age group based on decennial census data, and revenues and expenditures from the Census of Governments.

We collected economic data, such as per capita income and gross state product, from the U.S. Bureau of Economic Analysis and employment data from the U.S. Bureau of Labor Statistics. In addition, we obtained tax rate and property tax relief information from a survey of state and local government offices, such as state legislative offices and state and local assessors' offices.

For Puerto Rico and the Virgin Islands, we collected household income, poverty rate, and population data from U.S. decennial census data. Employment data came from the U.S. Bureau of Labor Statistics (Puerto Rico) and the Virgin Island's Bureau of Economic Research. Per capita income came from Puerto Rico's Department of the Treasury and the U.S. Census Bureau (Virgin Islands). Tax rates, general revenue, and general expenditure data came from Puerto Rico's Department of the Treasury, the Virgin Islands Office of Management and Budget (revenues), the U.S. Internal Revenue Service (income tax data), and the Virgin Islands Bureau of Internal Revenue (miscellaneous tax data).

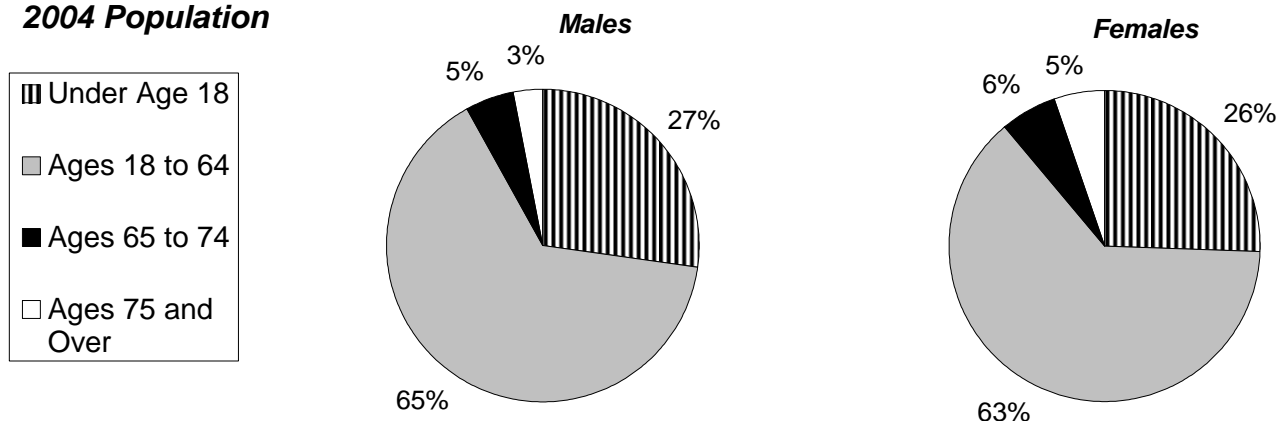
As state and local economic conditions and demographic patterns change, policymakers may consider adjusting their policies on taxes and spending programs. These adjustments become more difficult when economic and demographic changes depart from historical trends. It is our belief that this publication will contribute to more informed public policy decisions by identifying significant economic, demographic, and fiscal changes.

Georgia

Economic Indicators	1994		2004		Average Annual Change 1994-2004	
	GA	US	GA	US	GA	US
	Per Capita Income.....	\$20,711	\$22,172	\$30,074	\$33,041	3.8%
Median Household Income.....	\$31,467	\$32,264	\$40,970	\$44,389	2.7%	3.2%
Gross State Product (in millions).....	\$184,256	\$6,865,513	\$343,125	\$11,665,595	6.4%	5.4%
Full- and Part-Time Positions (in thousands).....	4,046	145,224	5,017	170,104	2.2%	1.6%
Employed Persons (in thousands)	3,413	123,060	4,188	139,251	2.1%	1.2%
Unemployment Rate.....	5.1%	6.1%	4.6%	5.5%	n/a	n/a

Sources: U.S. Bureau of the Census, U.S. Bureau of Economic Analysis, and the U.S. Bureau of Labor Statistics

2004 Population



Population and Poverty	Population				Poverty Rate	
	1994	2004	Percentage Change 1994-2004		2004	
	GA	GA	GA	US	GA	US
Total Population.....	7,045,900	8,829,383	25.3%	12.8%	14.8%	13.1%
Males.....	3,423,779	4,365,423	27.5%	13.8%	12.4%	11.6%
Under Age 18.....	964,016	1,192,387	23.7%	7.8%	20.1%	18.3%
Ages 18 to 64.....	2,185,519	2,826,153	29.3%	16.7%	9.6%	9.6%
Ages 65 to 74.....	175,332	216,304	23.4%	1.6%	8.6%	6.5%
Ages 75 and Over.....	98,912	130,579	32.0%	28.8%	9.0%	6.8%
Females.....	3,622,121	4,463,960	23.2%	11.9%	17.1%	14.5%
Under Age 18.....	919,596	1,140,180	24.0%	8.1%	22.5%	18.6%
Ages 18 to 64.....	2,268,394	2,823,581	24.5%	14.6%	15.0%	13.6%
Ages 65 to 74.....	234,158	260,267	11.2%	-3.6%	13.9%	9.7%
Ages 75 and Over.....	199,973	239,932	20.0%	19.6%	19.7%	13.3%

Source: U.S. Bureau of the Census

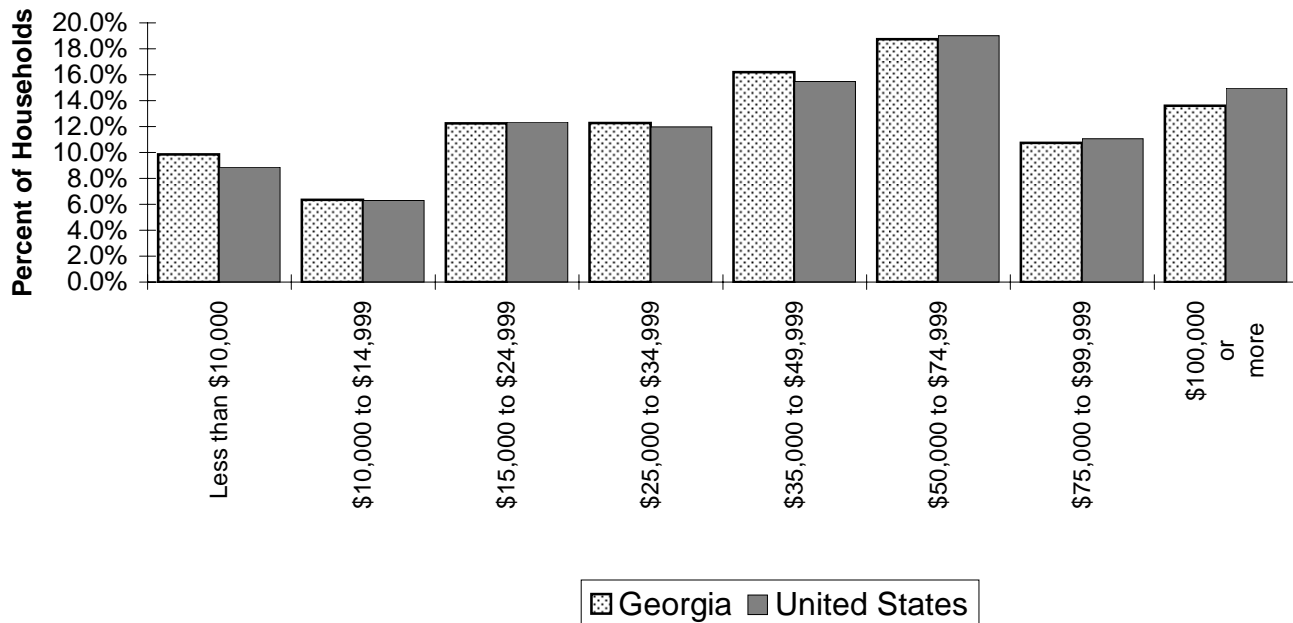
Georgia

Percent Distribution of Households by Age of Householder and Income, 2004

Age of Householder	Less than \$10,000	\$10,000 to \$14,999	\$15,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 or more	All Households
Under 25 years.....	25.2%	13.5%	19.2%	16.2%	12.8%	7.2%	4.4%	1.4%	100.0%
25 to 44 years.....	6.8%	4.3%	10.8%	12.6%	18.4%	22.1%	11.7%	13.2%	100.0%
45 to 64 years.....	7.6%	4.8%	9.1%	10.5%	15.0%	19.9%	13.2%	19.8%	100.0%
65 years and over.....	17.2%	12.7%	20.5%	13.8%	14.1%	11.3%	5.1%	5.4%	100.0%
Georgia (all ages).....	9.8%	6.4%	12.2%	12.3%	16.2%	18.8%	10.7%	13.6%	100.0%
United States (all ages).	8.9%	6.3%	12.3%	12.0%	15.5%	19.0%	11.1%	15.0%	100.0%

Source: U.S. Bureau of the Census

Percent of Households by Household Income Bracket, 2004



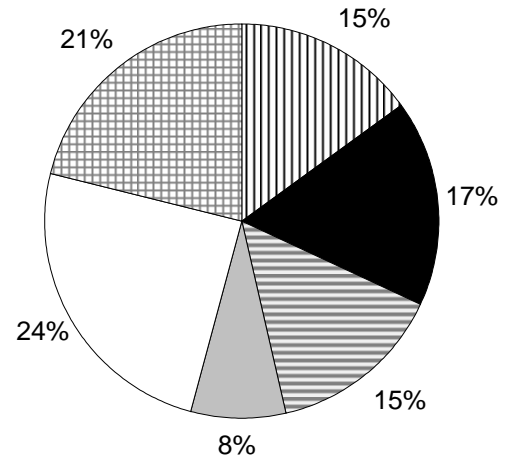
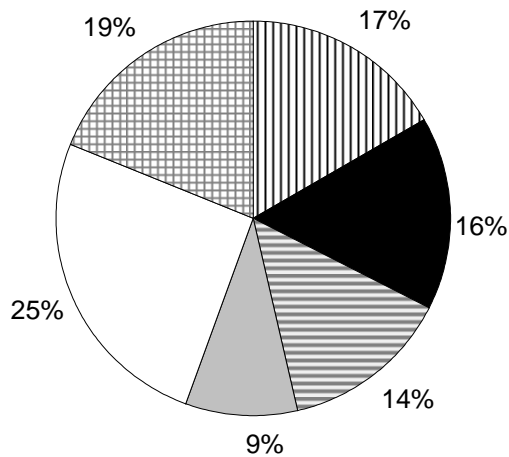
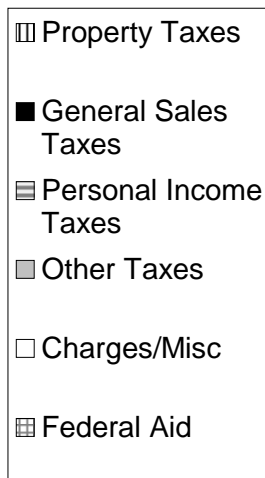
Georgia

State and Local General Revenues, FY 2002	General Revenues (millions)	Per Capita		Percent of Personal Income		Average Annual Revenue Change 1992-2002	
		GA	US	GA	US	GA	US
Total General Revenues.....	\$44,360	\$5,194	\$5,851	18.4%	19.3%	7.1%	5.6%
Own Sources.....	\$35,002	\$4,099	\$4,599	14.5%	15.2%	6.8%	5.2%
Taxes.....	\$24,058	\$2,817	\$3,143	10.0%	10.4%	6.8%	4.9%
Property Taxes.....	\$6,640	\$778	\$969	2.8%	3.2%	5.9%	4.5%
General Sales Taxes.....	\$7,493	\$877	\$774	3.1%	2.6%	7.7%	5.4%
Personal Income Taxes.....	\$6,488	\$760	\$705	2.7%	2.3%	7.7%	5.8%
Other Taxes.....	\$3,437	\$403	\$695	1.4%	2.3%	5.2%	4.3%
Charges/Miscellaneous.....	\$10,944	\$1,282	\$1,456	4.5%	4.8%	6.6%	5.7%
Federal Aid.....	\$9,357	\$1,096	\$1,252	3.9%	4.1%	8.2%	7.2%

Source: U.S. Bureau of the Census (2002 data are the most current available.)

1992 General Revenue

2002 General Revenue



Georgia

I. Personal Income Tax (2004)

State Income Tax Base

Georgia's income tax base is linked to federal adjusted gross income.

Filing Requirements

Taxpayers must file if their income exceeds the following:

Filing Status	Income
Under Age 65	\$5,000 (single); \$8,400 (married, filing jointly; both spouses under age 65).
Age 65 and older	\$6,300 (single); \$11,000 (married, filing jointly; both spouses age 65 and older).

Rate Structure

Single		Married, Filing Jointly	
<u>Taxable Income</u>	<u>Rate</u>	<u>Taxable Income</u>	<u>Rate</u>
First \$750	1.0%	First \$1,000	1.0%
\$750 - \$2,250	2.0%	\$1,000 - \$3,000	2.0%
\$2,250 - \$3,750	3.0%	\$3,000 - \$5,000	3.0%
\$3,750 - \$5,250	4.0%	\$5,000 - \$7,000	4.0%
\$5,250 - \$7,000	5.0%	\$7,000 - \$10,000	5.0%
Over \$7,000	6.0%	Over \$10,000	6.0%

Retirement Income Exemption

\$15,000 exemption (persons age 62 or older); the first \$4,000 of the \$15,000 exemption may be earned income.

Social Security Benefits..... Full exemption

Standard Deductions and Personal Exemptions Combined

Under age 65 \$5,000 (single); \$8,400 (married, filing jointly; both spouses are under age 65)
 Age 65 or older \$6,300 (single); \$11,000 (married, filing jointly; both spouses are age 65 or older)

Sources: AARP 2005 telephone survey of state legislative staff, state departments of revenue, state controllers' offices, state assessors' offices, and state treasury offices.

Georgia

Low-Income Credit

Taxpayers whose federal adjusted gross income is less than \$20,000 may be eligible for a tax credit up to the following amounts:

Filing Status	Income
Under Age 65	\$26 (single); \$52 (married filing jointly; both spouses under age 65 with no children).
Age 65 and older	\$52 (single); \$104 (married filing jointly; both spouses age 65 and older with no children).

Local Income Taxes Localities can levy a 1% tax on Georgia taxable income only if they do not levy a local general sales tax.

II. General Sales Tax Rates (2004)

State 4.0%
 Combined state/local tax rates 5.0% to 8.0%

III. Miscellaneous Tax Rates (2004)

Corporate income (highest marginal rate)..... 6.0% All taxable income
 Gasoline (per gallon) \$0.075 A 1% sales tax and a 3% excise tax also apply.
 Cigarette (per pack of 20) \$0.12
 Beer (per gallon)..... \$0.323 Local taxes where levied are additional.

Sources: AARP 2005 telephone survey of state legislative staff, state departments of revenue, state controllers' offices, state assessors' offices, and state treasury offices.

Georgia

IV. Real Property Tax Relief Programs (2005)

Homestead Exemption or Credit

Requirements

Benefits

All homeowners	\$2,000 assessed value (from state, county, and school taxes, except for school taxes levied by municipalities and bonded indebtedness)
	\$8,000 assessed value (from state, county, school, municipal, and some special district taxes)
Homeowners age 65 or older whose household income is \$10,000 or less; household income does not include retirement income up to \$46,536.	\$4,000 assessed value for state and county taxes
Homeowners age 62 or older whose household income is \$10,000 or less; household income does not include retirement income up to \$46,536	\$10,000 assessed value for school property taxes
Disabled veterans residing in an independent or county school district	\$50,000 assessed value for state, county, municipal, and school taxes
Circuit Breaker	None

Deferral Program

Requirements

Benefits

Homeowners age 62 or older whose income is \$15,000 or less	Defer taxes on the first \$50,000 of assessed value
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V. Real Property Tax Limits, Caps, or Freezes (2005)

Homeowners age 62 or older whose federal adjusted gross income is \$30,000 or less are eligible to receive a freeze on their assessed property value for state and county property taxes (except for bonded indebtedness). If homeowners are granted this freeze, they do not qualify for homestead exemptions. The freeze does not apply to improvements or land that is added to the homestead.

County school systems cannot levy a property tax rate greater than \$20 per \$1,000 of assessed value without state legislative approval. This limit does not pertain to bonded indebtedness.

Sources: AARP 2005 telephone survey of state legislative staff, state departments of revenue, state controllers' offices, state assessors' offices, and state treasury offices.

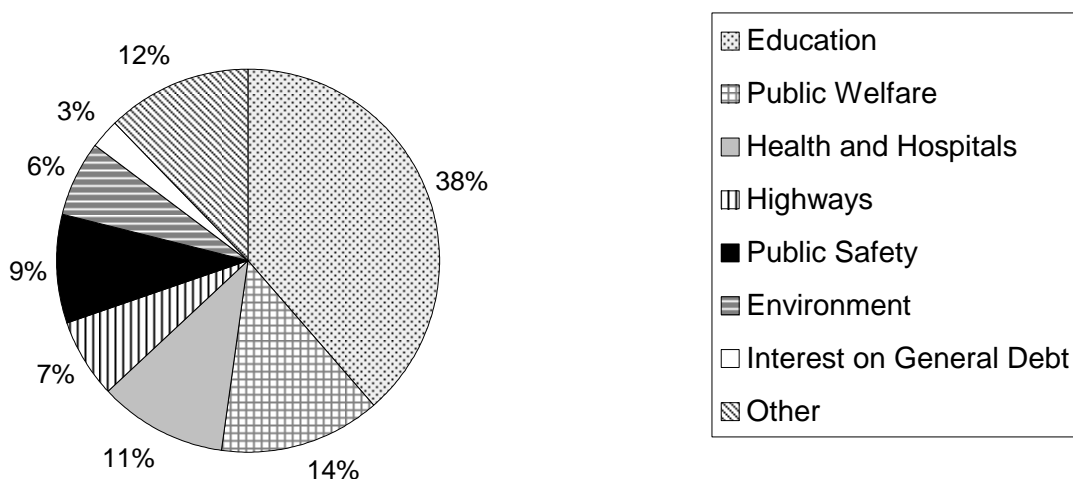
Georgia

State and Local General Expenditures, FY 2002	General Expenditures (millions)	Per Capita		Percent of Personal Income		Average Annual Expenditure Change 1992-2002	
		GA	US	GA	US	GA	US
		State/Local Direct General Expenditures	\$44,951	\$5,264	\$6,026	18.7%	19.9%
To State/Local Government	\$44,951	\$5,264	\$6,011	18.7%	19.9%	7.2%	5.9%
Education*	\$17,366	\$2,034	\$2,065	7.2%	6.8%	9.1%	6.2%
Public Welfare	\$6,159	\$721	\$971	2.6%	3.2%	6.2%	6.1%
Health and Hospitals	\$4,832	\$566	\$508	2.0%	1.7%	2.9%	5.2%
Highways	\$2,939	\$344	\$401	1.2%	1.3%	7.9%	5.5%
Public Safety*	\$4,143	\$485	\$545	1.7%	1.8%	8.1%	6.3%
Environment	\$2,836	\$332	\$356	1.2%	1.2%	8.0%	5.1%
Interest on General Debt	\$1,132	\$133	\$262	0.5%	0.9%	2.9%	3.1%
Other	\$5,544	\$649	\$904	2.3%	3.0%	7.7%	6.5%
To Federal Government	\$0	\$0	\$15	0.0%	0.1%	0.0%	1.9%

*Education includes higher and lower education; public safety includes police, fire, corrections, and protection and inspection.

Source: U.S. Bureau of the Census (2002 data are the most current available.)

State and Local General Expenditures, FY 2002
(excluding payments to federal government)



2002 Debt Ratio Measures	Total Debt Outstanding			Long-term Debt		Short-term Debt	
	Debt (billions)	Per Capita	Per \$1,000 of Personal Income	Debt (billions)	Percent of Total	Debt (billions)	Percent of Total
Georgia (State and Local)	\$34.3	\$4,017	\$ 142.55	\$33.7	98.1%	\$0.64	1.9%
United States	\$1,681.4	\$5,839	\$ 192.88	\$1,638.1	97.4%	\$43.24	2.6%

Source: U.S. Bureau of the Census