

SR 20: GA SENATE TAX AND BUDGET REFORM PROPOSAL DOES GEORGIA NEED ITS OWN TABOR?

SR 20 :: KEY PROVISIONS

- Is a state constitutional amendment
- Uses a formula of “population growth plus government inflation” to restrict state spending
- Requires a super-majority vote of both chambers to override
- Restricts spending above the “population-inflation” cap to school enrollment increases, reserves, debt, or taxpayer refunds

SR 20 :: IMPACT

- If the SR 20 spending cap were in place in the 1990s, there would have been significant budget cuts annually.
- By FY 2002 the state budget under the SR 20 cap would have been an estimated \$1.3 billion (9 percent) less than actual spending.
- It is doubtful that a cap as called for in SR 20 would have allowed Georgia to increase teacher salaries to the national average or implement stricter prison sentencing policies.



SR 20 :: QUESTIONS

- **What is the problem SR 20 is trying to fix?**
 - Supporters of SR 20 believe the amendment will stop “out-of-control” spending on public services. But Georgia is already a low tax and spend state, ranking 44th in state taxes. Georgians must ask whether being 50th in taxes is more important than having reliable, affordable, and quality education, health, and public safety for our families and communities.
- **Do the modifications to the Colorado TABOR formula protect Georgia against the disastrous effects TABOR had on Colorado?**
 - SR 20 is different than the Colorado TABOR. SR 20 removes local government budget restrictions contained in the Colorado TABOR, eliminates the “ratchet down” effect, and substitutes “government inflation” for “household inflation” in the formula.
 - While SR 20 is a modification of the Colorado TABOR, **the basic flaws of the formula remain.**
 - Similar to Colorado’s TABOR, the spending limit formula in SR 20 ties spending to the overall population growth. This is a problem because actual populations requiring public services grow much faster than the general public. For example, in Georgia, the overall population growth from 1991 to 2005 was 38 percent; however, the prison population grew four times faster (153 percent) and the University System population grew by 52 percent. **Even with the modifications, SR 20 would leave many Georgians behind and force long-term cuts in critical programs.**