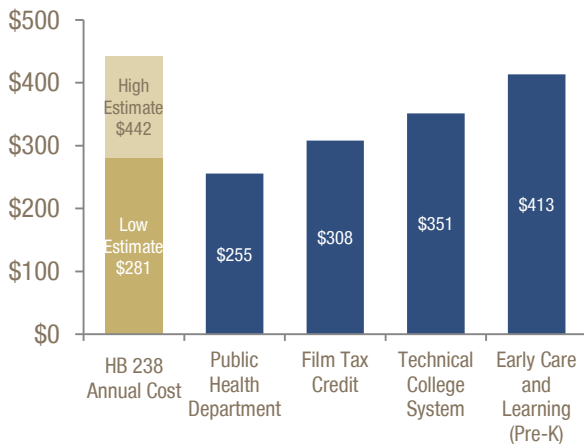


House Bill 238 gives hard working middle-class families just a few extra dollars a month, yet hands a big tax break to a small sliver of wealthy Georgians

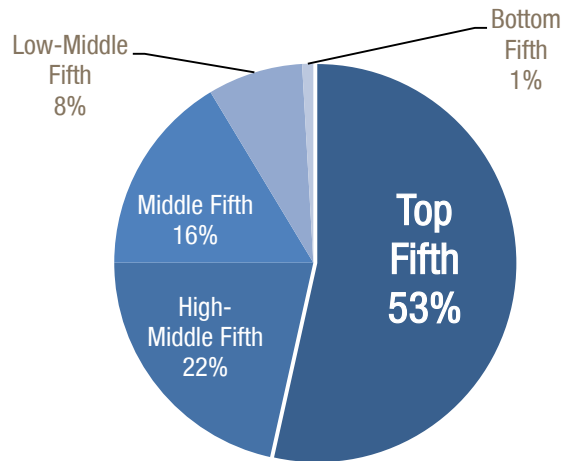
- Georgia’s tax system falls most sharply on low- and moderate-income families. HB 238 does nothing to change that. The 80 percent of households with annual income below \$100,000 would see average tax cuts of less than \$90 per year.
- The plan reduces Georgia’s top income tax rate, giving the wealthiest households the biggest break. Those earning \$100,000 a year or more would get the largest tax cuts—with those in the top 1 percent (≥\$501,000 a year) receiving nearly \$2,850 annually.
- Aspects of HB 238 that limit some special income tax deductions and increase exemptions to shield a certain amount of income from the tax could be beneficial—if paired with provisions to help middle-class families such as an Earned Income Tax Credit.

Estimated lost revenue from HB 238 vs. selected FY 2017 expenditures



Wealthiest 20% of Georgians Get More than Half of Benefit

Share of overall tax cut, by income quintile, 2016 incomes



Source: Institute on Taxation and Economic Policy

Sizable Hit to State Revenue Jeopardizes Public Investment in Broad Prosperity

- Revenue loss from HB 238 would hamper Georgia’s ability to meet the needs of a growing population.
 - Georgia grew by nearly 4 million people from 1990 to 2015 and needs to be able to accommodate the nearly 4 million more residents we will gain between now and 2040.
- Georgia’s investment in public schools is only barely being restored after years of substantial cuts.
 - A new hit to Georgia’s revenues could once again bring substantial cuts to education.
- The cost of this proposal blocks Georgia’s efforts to address a variety of obstacles to prosperity, such as the state’s high poverty rate, large number of residents without health insurance and need to prepare a workforce for the 21st century economy.