



## GMA's Transportation Funding Proposal

---

### **Adjust the Rate of Local Sales Taxes to Offset Removal of Motor Fuel from the Sales Tax Base**

- Establish a taxation rate for all future LOSTs and SPLOSTs which make local governments whole;
- An adjusted rate which makes local governments whole will also allow for a continuation of property tax rollbacks and reduce the need for future property tax increases; and
- An adjusted local sales tax rate will be aimed at making local governments revenue neutral, while allowing for continued flexibility in local investment priorities.

*These actions would be revenue neutral for local governments in the aggregate.*

### **Amend the Transportation Investment Act (TIA) to Provide Regional Flexibility and Generate New Revenue for Transportation Purposes**

- Allow TIA roundtables to initiate another attempt at crafting a viable regional project list without state legislative action.
- Allow roundtables to determine the length of the term of the tax.
- Allow regions to decide which election date is best to hold future referenda.
- Allow regional roundtables, by a supermajority vote, to select sub-regional configurations.
- Amend the local government "LARP factor" formula within the TIA so that lane miles of paved roads, rather than paved and unpaved centerline miles, are considered.

**Side by Side Comparison of Local Tax Components  
GMA Proposal vs. Current House Subcommittee Version (HB170)  
February 11, 2015**

<b>House Subcommittee Version: Local Excise Gas Taxes</b>	<b>GMA Proposal: Adjustment in Sales Tax Rates</b>
<ul style="list-style-type: none"> <li>Remove motor fuel from the sales tax base</li> </ul>	<ul style="list-style-type: none"> <li>Remove motor fuel from the sales tax base</li> </ul>
<ul style="list-style-type: none"> <li>Allow up to 6cpg local excise gas tax increase by county ordinance</li> </ul>	<ul style="list-style-type: none"> <li>Statutorily adjust current local sales taxes to a rate which makes local governments whole (initial estimates are rates of approximately 1.15%)</li> </ul>
<ul style="list-style-type: none"> <li>Revenues split by LMIG distribution as of January 1, 2015</li> </ul>	<ul style="list-style-type: none"> <li>Revenues split based on local agreements and voter determination</li> </ul>
<ul style="list-style-type: none"> <li>Revenues may only be used for transportation purposes</li> </ul>	<ul style="list-style-type: none"> <li>Revenues used to keep property taxes low through local option sales tax (LOST) rollback provisions &amp; to fund local priorities, including transportation</li> </ul>
<ul style="list-style-type: none"> <li>Counties control the decision to raise local gas taxes, to refuse to impose tax, or to repeal any time</li> </ul>	<ul style="list-style-type: none"> <li>One-time statutory change; future SPLOST programs at voters discretion</li> </ul>
<ul style="list-style-type: none"> <li>Creates varying motor fuel tax rates, high gas tax rates compared to border states and creates competition between GA counties</li> </ul>	<ul style="list-style-type: none"> <li>Tax rate remains stable</li> </ul>