



2026 ABC of Georgia Weekly Legislative Report

Budget Week / January 23, 2026

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Budget Briefings

While the House and Senate did not officially convene the week of January 19, members of the Appropriations Committees spent more than 25 hours hearing from agency heads about their funding needs. Governor Brian Kemp touted the state's AAA bond rating, healthy reserves, and accelerated income-tax reductions. The state economist characterized Georgia's fiscal position as stable, despite uncertainty around national conditions.

Winter Weather Watch

In anticipation of potentially crippling winter weather, the House and Senate are expected to gavel in on Monday, January 26 but not conduct any substantive business. If conditions permit, the General Assembly will resume work on Tuesday. We expect to be inundated with new policy measures when members return to Atlanta.

Tax Incentives and Economic Development

Data Centers. On January 15, the House Ways and Means Committee received a report from the Department of Audits and Accounts regarding tax incentive evaluations, including the High-Tech Data Center Equipment Exemption. Key findings from the report ([here](#)) are as follows:

- Georgia's incentive package is similar to what is offered by many other states,
- The incentive is responsible for about 30% of the data centers constructed in the state (meaning 70% would have been built without tax incentives),
- Forgone revenue is estimated at \$430 million,
- Approximately 10,000 jobs are attributed to the exemption,
- The exemption is responsible for \$1.25 billion in value-added to the state, meaning the state's return on investment is \$2.89 per dollar of forgone revenue, and
- It is the construction of data centers that generates the super-majority of economic impact.

Chairman Shaw Blackmon told committee members that Ways and Means would take a deeper look at data centers during a separate meeting.

Data Center Exemption ([SB 410](#))

Sen. Matt Brass, R-Newnan

Pending in the Senate Finance Cmte

SB 410 repeals the sales tax exemption on data center equipment sales upon signature of the Governor. Certificates of exemption issued prior to the date of repeal will still be valid. Sen. Nan Orrock (D-Atlanta) has also filed legislation ([SB 408](#)) to accelerate the sunset of the exemption from January 1, 2032 to January 1, 2027.

Construction, Real Estate, and Property Taxes

State-Wide Water Management Plan ([HR 1008](#))

Pending in the House Rules Cmte

HR 1008 is a resolution to ratify amendments to Georgia's comprehensive state-wide water management plan. The amendment reduces membership of the State Water Council to improve effectiveness and participation. It does not substantively change water rights or allocations.

Mandatory State-wide Base Year Homestead Exemption ([SB 382](#))

Pending in the Senate Finance Cmte

In 2024, Georgia voters approved a statewide base year homestead exemption, freezing the taxable value of homesteaded property. Under the law, cities, counties, and school systems could opt out of the freeze, creating a patchwork across the state. SB 382 eliminates the local opt-out authority and makes the base-year freeze mandatory statewide. It also changes procedures for SPLOST and ELOST referendums, potentially making it easier for local governments to levy additional sales taxes. The property tax portion of SB 382 shifts more of the future tax burden on commercial property, multifamily housing, rental homes, second homes, and new homebuyers.

Procurement and Banking

Private Fund Liability ([HB 1010](#))

Pending in the House Hopper

HB 1010 revises securities regulation and private fund liability. It increases reporting requirements and fees, expands financial liability for certain private funds, and eliminates or narrows several tax preferences. Private equity and private funds may face higher risk exposure when acquiring Georgia companies.

QBS for Procurement ([HB 377](#))

Pending in the Senate Banking and Financial Institutions Cmte

HB 377 requires local governments to procure engineering, architecture, and landscape architecture services using the Qualifications Based Selections (QBS) process rather than the low-bid method where the cost exceeds specific thresholds. It allows the local government to determine selection criteria and provides for direct negotiations with a sole offeror. This language was originally contained in [SB 51](#).

Taxation and General Business

Tax Credit for Individuals ([HB 1000](#))

Pending in the House Hopper

HB 1000 provides a one-time tax credit for individual taxpayers who filed income tax returns for the 2024 and 2025 taxable years. This is a key component of Governor Kemp's final legislative package.

- Single taxpayers are entitled to a \$250 tax credit,
- Heads of household are entitled to a \$375 tax credit, and
- Married couples filing a joint return are entitled to a \$500 tax credit.

Reduce the Income Tax Rate ([HB 1001](#))

Pending in the House Hopper

HB 1001 accelerates a reduction in the state income tax rate to 4.99% effective for tax year beginning January 1, 2026. This is one of Governor Kemp's legislative priorities.

Immigration Enforcement ([SB 391](#))

Assigned to the Senate Judiciary Cmte on Jan-14

Rep. Lynn Smith, R-Newnan

Sen. Chuck Hufstetler, R-Rome

Rep. Marvin Lim, D-Norcross

Rep. Rob Leverett, R-Elberton

Rep. Matthew Gambill, R-Cartersville

Rep. Will Wade, R-Dawsonville

Sen. Nabilah Parkes, D-Duluth

SB 391 is part of Senate Democrat's response to national ICE enforcement operations. It prohibits activities related to immigration enforcement in certain locations without a valid judicial warrant. Democrats also introduced [SB 389](#), which requires ICE to wear visible ID and prohibits face coverings; and [SB 390](#), which prohibits the deployment of state military into Georgia without the permission of the Governor.