to date represent 80-90 percent of the final total. On this basis, total payments eligible for the exemption are projected to be between about $148 million and $167 million, with most paid in tax year 2019 and the balance in 2020.

Finally, according to the Georgia Dept. of Agriculture (GDA), the Additional Supplemental Appropriations for Disaster Relief Act of 2019 appropriated an additional $800 million for the USDA to make block grants to states impacted by the various disasters of 2018-19, to provide further relief to affected producers. $347 million of that has been block-granted to Georgia and GDA will be accepting applications between March 18 and April 8, 2020. Otherwise unreimbursed losses to beef, dairy, fruit and vegetable, pecan, poultry, timber, and uninsured infrastructure are eligible for recovery. GDA indicates that eligible losses should absorb available funds, though uncertainty remains due to limits on individual claims and as to actual applications that will be made in the 21-day window. Thus, it is assumed that between 70 and 100 percent of the available funds, $243-347 million, will ultimately be paid out to Georgia producers, with all payments made in tax year 2020.

Taken together, payments from USDA programs and the block grant program are estimated to total between $391 and $514 million. Assuming average effective tax rates of between 4.70 percent and 5.15 percent, based on microsimulation results under current law, the impact on state revenues from exemption of these payments would be between $18.4 million and $26.5 million.

Estimating the timing of these revenue effects is complicated by a few factors. First, even if the bill is enacted before the end of the current session, may 2019 payment recipients will have already filed their 2019 tax returns and would need to file amended returns to benefit from the exemption. Also, those who hadn't yet filed may take filing extensions. In either case, the effects on their final tax payment or refund is likely to fall in FY 2021 rather than 2020. Payments received in 2020 would be reflected as lower taxable income on returns filed in FY 2021 or, with extensions, in FY 2022. Second, given that estimated direct losses to Georgia agriculture from Hurricane Michael, over $2 billion according to the University of Georgia Extension Service, far exceed the actual and anticipated payment amounts, it seems likely that many payment recipients will have net operating loss carryforwards from the year of the storm (and possibly continuing) and thus little or no taxable income for some period even absent the proposed exemption. Given this uncertainty, the state revenue impact is assumed to be spread over FY 2021-23. Exemptions of USDA program payments are assumed to have a larger impact in the first two years, tapering off into FY 2023, while payments under the block grant program are assumed to impact collections evenly over the three fiscal years. Resulting estimates are provided in Table 1.

Part II: For-Hire Transportation

Taxis and Limousines

Section 2-1 of the bill proposes to exempt all transportation services subject to the new excise tax imposed by Section 2-2 of the bill from the state and local sales tax. The current revenue-producing transportation services to be subject to the proposed excise tax include taxi and limousine services. The high and low revenue losses from the exemption of taxi and limo services are based on the following:

- The Georgia Department of Revenue (DOR) reports that annual state sales tax collections for the taxi and limousine industry (NAICS 4853) were $1.34 million in FY 2019. Tax collections have been declining since 2013 for taxis. However, limousine tax revenue has grown since 2013, surpassing that of taxi revenue in FY 2019.
- Historical DOR data suggests that limousine service will account for any revenue growth in this sector, with taxi revenue continuing to decline. The steep rise in limousine revenue from FY 2018-19 seems to be an outlier given historical data. The most recent 5 years captures the decline in taxi revenue and the increase in limousine revenue. Thus, we use the 5-year average growth rate of 1.1 percent for the sector as the high growth estimate and a growth rate of zero as our low estimate. Note that in FYs 2010-13, prior to the ascendance of ride-sharing services, taxi revenue grew.
- Local sales tax estimates assume an average effective local sales tax rate of 3.31 percent, the population-weighted average local rate as of January 2020, according to the Tax Foundation.

Table A2. Taxi and Limousine Services, Projected Current Law Revenue

(*$ millions*)	FY 2020*	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
State Revenue						
High	$0.34	$1.37	$1.39	$1.40	$1.42	$1.43
Low	$0.34	$1.34	$1.34	$1.34	$1.34	$1.34
Local Revenue						
High	$0.28	$1.13	$1.15	$1.16	$1.17	$1.19
Low	$0.28	$1.11	$1.11	$1.11	$1.11	$1.11

*Reflects effective date of April 1, 2020

Section 2-2 of the bill establishes two new excise taxes. The first excise tax is a 50 cent per-trip excise tax on for-hire ground transportation services, including trips provided by taxi or limousine service and standard ride sharing provided by Uber and Lyft. The second excise tax is a 25-cent excise tax per shared ride or trip. The 25-cent tax applies to services in which individual riders are matched with other riders for a shared ride, but who pay separate fares. The two major ride-share services offer this option as UberPOOL and Lyft Shared. The 25 cent tax is discussed further in the section on ride-sharing services.

The bill stipulates that the excise tax should be increased annually by the rate of inflation from the previous calendar year, using the CPI-U. The method for accounting for inflation is discussed further in the section preceding Table A5.

The revenues generated from this tax are intended for the construction of transportation infrastructure. The high and low revenue gains to the state from this excise tax on taxis and limousines are based on the following:

- Projected taxable rides underlying the estimates in Table A3 are generated from the DOR data discussed above, using the reported taxable sales for taxis and limos, then dividing by estimated average fares or booking charges to estimate the numbers of taxable rides.