DOAA
Georgia Department of Audits & Accounts

Greg S. Griffin
State Auditor

March 16, 2026

Honorable Chuck Hufstetler
Chairman, Senate Finance
121-C State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 1159 (LC 59 0350-ECS)

Dear Chairman Hufstetler,

The bill would exempt income received under the Farmer Bridge Assistance (FBA) and Assistance for Specialty Crop Farmers (ASCF) programs of the United States Department of Agriculture (USDA) from taxation. For taxable years beginning on or after January 1, 2025, taxpayers may subtract from Georgia taxable income any income received as payments under the FBA program for which 2025 acres planted in eligible crops were reported to the USDA on or before December 19, 2025, and any income received under the ASCF program for which 2025 planted acres were reported to the USDA on or before March 13, 2026. The exemption applies to electing S corporations and electing partnerships as well as C corporations and individuals.

Impact on Revenue
Georgia State University's Fiscal Research Center (FRC) estimates the bill would reduce state revenue by approximately $12.1 million in FY 2027. The appendix provides details of the analysis.

Impact on Expenditures
The Department of Revenue would be able to implement the bill's provisions with existing resources.

Respectfully,

Greg S. Griffin
State Auditor

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

Features of the Farmers Bridge Assistance Program (FBA)

The Farmer Bridge Assistance (FBA) program was officially launched on December 8, 2025. The announcement on that date was for a one-time $12-billion economic relief package, $11 billion of which would be provided under the FBA program. The program is designed to act as a "bridge" to support farmers of specified field crops facing market volatility due to trade disruptions. Crop-insurance participation is not required to receive FBA payments.

The remaining $1 billion is to be directed to producers of certain specialty crops under the Assistance for Specialty Crops Farmers (ASCF) program. These were commodities not covered under the FBA program. See details on the next page.

Payments, Exclusions and Limitations of the FBA Program
FBA payments are calculated based on 2025 planted acres as reported to Farm Service Agency (FSA). The deadline to verify 2025 acreage was December 19, 2025. Payments were expected to be distributed beginning February 28, 2026. USDA released the final payment rates on December 31, 2025. "Prevented planting" acres, grazing, cover crops, and abandoned crops are not eligible,[1] and payments are limited to $155,000 per producer. Eligibility is restricted to those with AGI below $900,000.

FBA Program Fiscal Impact Assumptions
To determine the likelihood of producers exceeding the $155,000 individual payment limit, we estimate the "threshold acreage" for each crop – the number of acres required to reach the cap – by dividing the $155,000 limit by the respective crop's payment rate.

The most recent available survey of agriculture that includes the data on total number of farm operations for each crop is for 2022. It estimates the average acres per farm at 235 acres for all crops. We used the survey data to further calculate the average acres per farm for each crop, though we omit from the table below the average for crops where acres planted is lower than the acres required to hit the cap. For crops with total acres planted in excess of that required for a single farm to reach the cap, the average acreage per farm is significantly below that threshold.

Since the $155,000 limit applies to the sum of all FBA payments received by a single person or legal entity, large-scale and diversified farms may reach the cap even if their individual-crop acreages are modest. Due to lack of data on the specific distribution of farm sizes and crop combinations, this analysis assumes the cap is non-binding. Consequently, the actual total payout to Georgia farmers would be lower to the extent that the cap is binding for any farmers.

FBA Program Fiscal Impact Estimation
Based on the 2025 USDA planted acreage data for Georgia and the finalized payment rates for eligible crops, the projected total payout is $186,720,399. A breakdown by crop type is provided in Table 1. Assuming that, under current law, this would be taxed at the current statutory rate of 5.19 percent, excluding these payments from state income tax would reduce state revenues by approximately $9.7 million.

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[1] "Prevented planting" refers to the acres that the farmer intended to plant but was physically unable to get the equipment into the field to do so, usually due to weather-related issues. "Abandoned crops" means farmers successfully planted the crop, but they did not manage it (stopped spraying, weeding, or watering) and decided not to harvest it. This is usually because the market price dropped so low, or the crop yield was so poor, that the cost of fuel to harvest was higher than the value of the crop itself.

Table 1. FBA Estimates by Crop

Commodity	Rate per acre	Acres planted (2025)	Acres to reach $155,000 cap	Average acres per farm (2022)	Estimated total FBA payments
Barley	$20.51	286	7,557		$5,871
Canola	$23.57	1,613	6,576		$38,011
Chickpeas (Small)	$26.46		5,858		$0
Chickpeas (Large)	$33.36		4,646		$0
Corn	$44.36	549,789	3,494	191	$24,388,650
Cotton	$117.35	825,659	1,321	559	$96,891,108
Flax	$8.05		19,255		$0
Lentils	$23.98		6,464		$0
Mustard	$23.21		6,678		$0
Oats	$81.75	48,013	1,896	172	$3,925,063
Peanuts	$55.65	912,421	2,785	307	$50,776,222
Peas	$19.60	2,494	7,908		$48,884
Rice	$132.89	2	1,166		$266
Safflower	$24.86		6,235		$0
Sesame	$13.68	2,101	11,330		$28,743
Sorghum	$48.11	51,999	3,222	178	$2,501,665
Soybeans	$30.88	149,746	5,019	175	$4,624,161
Sunflower	$17.32	2,646	8,949		$45,829
Wheat	$39.35	87,571	3,939	168	$3,445,925
Total					$186,720,399

Features of the Assistance for Specialty Crops Farmers (ASCF) program

The U.S. Department of Agriculture (USDA) is providing $1 billion in Assistance for Specialty Crop Farmers (ASCF) Program for specialty crops and sugar, commodities not covered through the initial Farmer Bridge Assistance (FBA) program. These one-time bridge payments will help address market disruptions, elevated input costs, persistent inflation, and market losses from foreign competitors engaging in unfair trade practices that impede exports. Crop-insurance participation is not required to receive ASCF payments.

Payments, Exclusions, and Limitations of the ASCF Program

ASCF payments are calculated based on 2025 planted acres as reported to Farm Service Agency (FSA). The deadline to verify 2025 acreage was March 13, 2026. Dry edible beans and peas covered by FBA will not be eligible for ASCF. USDA has not yet released the final payment rates, and it is expected to do so by the end of March 2026. Official information on the timeline for payments or AGI limitations has not been published either.

ASCF Program Fiscal Impact Assumptions and Estimation

For Georgia, the ASCF program would cover crops such as tree nuts (pecans), berries (blueberries), stone fruits (peaches), melons (watermelons), and vegetables (onions, peppers, cucumbers, squash, sweet corn). The list of all eligible specialty crops is shown at the end of this appendix. Since official information on payment or AGI limitations have not been published, we assume that, as in the FBA program, payments are limited to $155,000 per producer, and eligibility is restricted to those with AGI below $900,000.

Because payment rates and the timing of distributions for these commodities have not yet been published, we approximate the potential impact on Georgia by estimating the state's share of national specialty crop production using data from the 2022 Census of Agriculture. Table 2 presents Georgia's share of specialty crop production in acres, excluding pulse crops from the calculation because participation in this category is expected to be limited under the ASCF program; this share is approximately 4.7 percent of national production. Applying this share to the $1 billion allocation yields estimated payments of around $46.5 million to Georgia producers. Applying the applicable 5.19 percent tax rate yields an estimated state revenue impact of $2.4 million, bringing the total estimated impact of the bill to $12.1 million.

Table 2. ASCF Shares by Crop

Specialty Crops	USA	Georgia	
	Acres		Share
Land in Orchards	6,203,085	200,332	3.23%
Land in berries	356,896	30,290	8.49%
Land in Vegetables	3,927,522	88,380	2.25%
Pulse crops	3,175,706	762	0.02%
Average			4.66%

List of ASCF Program Eligible Crops Published by the USDA

(A) *Almond, Apple, Apricot, Aronia berry, Artichoke, Asparagus, Avocado* **(B)** *Banana, Bean (Snap or green; Lima; Dry edible), Beet (Table), Blackberry, Blueberry, Breadfruit, Broccoli (including Broccoli Raab), Brussels Sprouts* **(C)** *Cabbage (including Chinese), Cacao, Carrot, Cashew, Cauliflower, Celeriac, Celery, Cherimoya, Cherry, Chestnut (for Nuts), Chive, Citrus, Coconut, Coffee, Collards (including Kale), Cranberry, Cucumber, Currant* **(D)** *Date, Dry Edible Beans and Peas** **(E)** *Edamame, Eggplant, Endive* **(F)** *Feijou, Fig, Filbert (Hazelnut)* **(G)** *Garlic, Gooseberry, Grape (including Raisin), Guava* **(H)** *Horseradish* **(K)** *Kiwi, Kohlrabi* **(L)** *Leek, Lettuce, Litchi* **(M)** *Macadamia, Mango, Melon (All Types), Mushroom (Cultivated), Mustard and Other Greens* **(N)** Nectarine **(O)** *Okra, Olive, Onion, Opuntia* **(P)** *Papaya, Parsley, Parsnip, Passion Fruit, Pea (Garden; English or Edible Pod; Dry edible), Peach, Pear, Pecan, Pepper, Persimmon, Pineapple, Pistachio, Plum (including Prune), Pomegranate, Potato, Pumpkin* **(Q)** *Quince* **(R)** *Radish (All Types), Raspberry, Rhubarb, Rutabaga* **(S)** *Salsify, Spinach, Squash (Summer and Winter), Strawberry, Suriname Cherry, Sweet Corn, Sweet Potato, Swiss Chard* **(T)** *Taro, Tomato (including Tomatillo), Turnip* **(W)** *Walnut, Watermelon*