DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 11, 2026

Honorable Shaw Blackmon
Chairman, House Ways and Means
133 State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 1077 (LC 59 0271)

Dear Chairman Blackmon:

The bill would extend the sunset date of the sales tax exemption currently allowed for under O.C.G.A § 48-8-3 (100) from December 31, 2027, to December 31, 2032. The provision to be extended is a sales tax exemption for the sale of tickets, fees, or charges for admission to a fine arts performance within a facility owned or operated in the state by an organization with a tax exemption under 501(c)(3) of the Internal Revenue Code or other museums of cultural significance.

Impact on Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease revenue as shown in Table 1. The appendix provides details of the analysis.

Table 1. Estimated State Revenue Effects of HB 1077 LC 59 0271

($ *millions*)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
State	$0.0	($3.2)	($6.5)	($6.7)	($6.9)
Local	$0.0	($2.4)	($5.7)	($5.8)	($6.0)

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

The subject bill would extend the sunset date for the sales tax exemption provided for under O.C.G.A §48-8-3(100) from December 31, 2027, to December 31, 2032. This section exempts the sale of tickets, fees, or charges for admission to a fine arts performance within a facility owned or operated in the state by an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code or to museums of cultural significance from state and local sales taxes.

Data on tax-exempt 501(c)(3) organizations located in Georgia, from the IRS's Exempt Organization Business Master File, are used to estimate revenues qualifying for the exemption. These data include National Taxonomy of Exempt Entities (NTEE) codes, which identify the organization's primary exempt activity, as well as entity revenues and other data from tax exempt organizations' most recent year 990 filings, primarily from tax years ending in 2024. NTEE codes were selected that match the statutory language and were further divided into two subcategories: museums and all other qualifying performing arts entities.

Total revenue for the performing arts category in the latest year available was approximately $363 million, while the museum category reported revenues of approximately $122 million. However, the statutory language does not limit museum eligibility to only those with tax exempt status. To account for qualifying museum revenue not reflected in the IRS data, we utilize data from the 2022 Economic Census for Georgia. The revenue data for museums (NAICS 712110) is suppressed due to census privacy rules. However, the economic census data indicates that 20.8 percent of museum employees in Georgia work at museums subject to the federal income tax (for-profit museums). Thus, we assume revenue to be proportional to the number of employees and use the employment share figure of 20.8 percent to estimate total industry revenues from the nonprofit total. This brings the total estimated museum revenues to approximately $154 million, and the total of both categories to $517 million in 2024.

These figures are projected forward using population growth projections from the Governor's Office of Planning and Budget and expected inflation rates from Moody's Analytics December 2025 baseline CPI forecast.

To estimate the share of sales from admissions, a sample of the form 990 data for which admissions revenues were reported separately was used, suggesting that the typical qualifying organization collects approximately 27 percent of revenues from admissions. Projected admissions revenues are shown in Table 2 below.

Table 2. Estimated and Projected Admissions Revenues

($ *millions*)	TY 2027	TY 2028	TY 2029	TY 2030	TY 2031
Admissions Revenue	$155.6	$160.1	$164.5	$169.1	$173.7

As the exemption is currently scheduled to sunset at the end of calendar year (CY) 2027, there is no fiscal impact for FY 2027 and only half a year's impact in FY 2028. For the revenue-impact estimates in Table 1, calendar years are converted to fiscal years (FY) assuming a 50/50 fiscal split. Local effects are calculated using the population-weighted average local sales tax rate as of January 2026, reported by Tax Foundation.