House Bill 581 & DeKalb County

HB 581 became effective on January 1, 2025, after being signed into law April 2024, by Governor Kemp. It amends the Georgia Revenue and Taxation Code.

HB 581 is a very complex tax law with multiple sections, covering a variety of changes in the law.







HB 581: Discussion Topics

It (1) creates a statewide homestead exemption, (2) allows the County to opt out, and (3) creates a new floating local option sales tax (nicknamed “FLOST”).






HB 581: Decision

DeKalb County must decide to take advantage of the newly created statewide homestead exemption or opt out.







Terms to Consider

1. A “**homestead exemption**” is a reduction in the amount of property tax qualified homeowners owe on their legal residences.
2. A “**base year homestead tax exemption**” freezes or holds the taxed value at the year of the initial homestead and thereby discounts the tax paid by the amount of the property value increase.
3. A “**local option sales tax**” is a percent sales tax activated by local referendum and imposed on the purchase of tangible personal property and/or services.
4. DeKalb County has an existing base year homestead tax exemption.

Statewide Homestead Exemption

1. HB 581 creates a statewide base year homestead exemption that will freeze the taxed value of property starting with 2024 values.

2. The statewide exemption will limit annual assessment increases on homestead properties to an inflation rate (could be based on the consumer price index) set annually by the Georgia Department of Revenue.

3. DeKalb's 2007 existing base year homestead tax exemption "freezes" the taxed value as early as 2006 values.

4. The Tax Commissioner must apply the base year homestead exemption that is more beneficial for the taxpayer in a jurisdiction with more than one base year exemption.

Automatic Statewide Exemption

1. HB 581 creates a statewide base year homestead exemption will apply to DeKalb automatically, unless the County completes the “Opt Out” procedure.

2. The Tax Commissioner must apply the base year homestead exemption that is more beneficial for the taxpayer in a jurisdiction with more than one base year exemption.

OPT OUT PROCEDURE

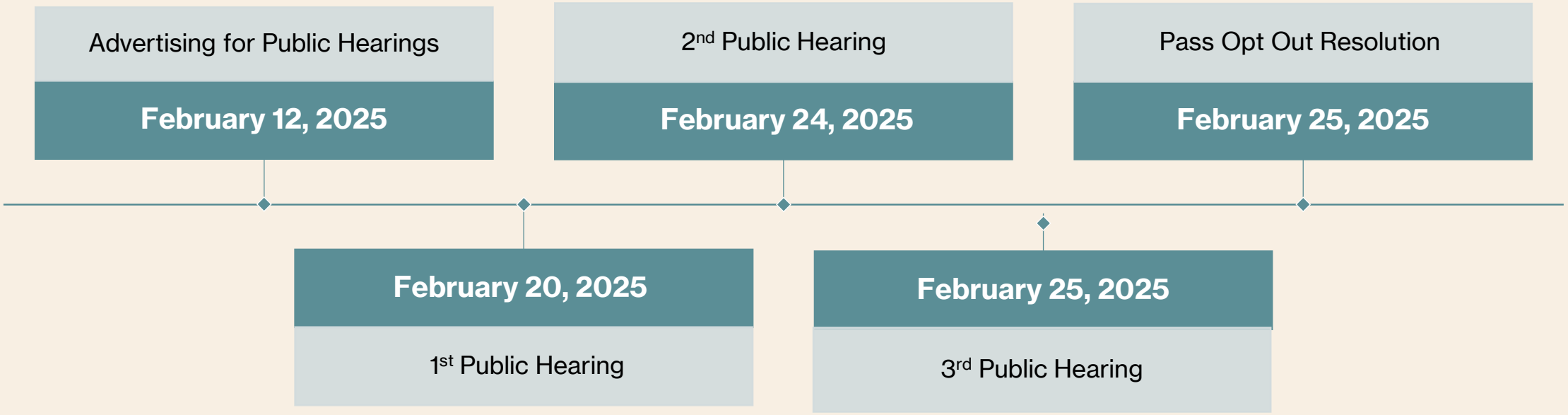
1. Advertise the County's intent to opt out in the newspaper, on the website, and by press release to local media for at least one week prior to public hearings.

2. Conduct at least three public hearings regarding the County's intent to opt out with at least one held between 6:00pm and 7:00pm on a business weekday;

3. Following the notice and public hearing requirements above, pass a resolution to opt out of the new floating homestead exemption; and

4. File a copy of the resolution as well as proof of completion of all HB 581 required procedures and hearings by March 1, 2025.

Expedited Opt Out Timeline



Local Option Sales Tax

1. Creates a new local option sales tax that permits counties to levy a local option sales tax of either .05 percent or one percent, solely for the purpose of providing property tax relief.

2. To levy the new local option sales tax, the County must have in effect the floating homestead exemption provided for in HB 581 or some other base year value homestead exemption.

3. All of the municipalities within the County must have a base year value homestead exemption or the County is prohibited from implementing this tax.

HB 581: Decision

On January 25, 2025, the DeKalb County Board of Commissioners voted to “opt-in” the statewide homestead exemption. Since Dekalb County has its own Homestead exemption that is more advantageous than the state floating local option sales tax, DeKalb county homeowners will continue to receive the benefit of our current tax exemption until 2030 or until further action is taken by the General Assembly that would alter the current law.

