Georgia

#24

Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Property Tax Rank	Unemployment Insurance Tax Rank
24 ▼ 6	16 ▼ 8	16 ▲ 3	21 ▼ 1	37 ▼ 2	20 ▲ 2

IN THE 2027 *Index*

Georgia dropped from 18th to 24th in its overall ranking, driven largely by a reduction in its corporate income tax score. Georgia did not conform to the competitive corporate expensing provisions in the OBBBA, including Section 168(n), leading the state to be passed by competitors like Kansas and Oklahoma, which conformed to expensing provisions or reduced their individual income tax rates. Georgia also partially exempted tips and overtime pay from its individual income tax, narrowing the base.

FORTHCOMING, NOT YET REFLECTED

As part of a tax reform package passed this year, Georgia's top individual income tax rate will fall by 0.125 percentage points annually if revenue thresholds are met, with the standard deduction increased on a triggered basis as well. If those tax changes are triggered, Georgia will see *Index* score improvements in coming years.

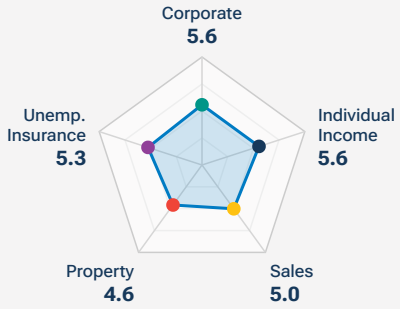
Georgia's tax code includes all major tax types. The state transitioned to a flat individual income tax in 2024 and is gradually reducing the tax rate (currently 4.99 percent), two positive developments in terms of tax competitiveness. However, the state still faces strong regional competition, as both Florida and Tennessee do not impose individual income taxes, while North Carolina has lower rates.

Since 2024, Georgia's corporate income tax rate has been aligned with the individual income tax rate, also currently sitting at 4.99 percent. However, the state does not allow first-year expensing of capital investment and imposes a nuisance capital stock tax of up to $5,000 per year. Like many states, Georgia also taxes tangible personal property. The state offers a de minimis exemption, but it is quite low.

Georgia's state sales tax rate is relatively low at 4 percent, but localities are authorized to impose local sales taxes, with an average rate of 3.56 percent, bringing the combined rate to 7.56 percent, which is above the national average. Georgia does not impose inheritance, estate, or gift taxes.

Component scores

out of 10



Georgia and its neighbors

Overall rank, 2027 Index, with change from 2026

Florida	#4	–
Tennessee	#8	–
North Carolina	#11	▲ 2
Georgia	**#24**	▼ 6
South Carolina	#34	▼ 6
Alabama	#35	▲ 2