

Sutton Consulting LLC

Habersham County & Cities Flexible Local Option Sales Tax (FLOST)

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FLOST Sales and Use Tax

Comprehensive Property Tax and Sales Tax Reform Package

1. Effective January 1, 2025; with the ratification of the constitutional amendment on November 5, 2024

- A. Tax Assessors Rules Reform will
 - 1. Revise the Tax Estimate Notice on Tax Bills
 - 2. Establish a Three-Year Lock for Appeals
 - 3. Sales Ratio Study Changes
- B. Legislation authorizes a statewide floating base property value for homestead exemption for all local governments with an opt-out provision.
- C. Legislation simplifies the local sales tax cap which now goes from a maximum of 8 cents to 9 cents.
- D. Legislation Creates (FLOST) for property tax relief. (Section 48-80-109.42)



HB 581 – Property and Sales Tax Reform

2. Statewide Floating Homestead Exemption

- Establishes a statewide "floating homestead" exemption which allows tax digest assessment on homestead exempt properties to only rise annually at the rate of inflation, based on the Consumer Price Index (CPI).
- Approved through voter's referendum in November 2024; Applies to taxable years beginning in 2025.
- Property value resets with a sale of the property or adjusts with "substantial property change".
- This exemption will be in addition to other homestead exemptions, except other base year value exemptions (freezes or floats).



Homestead Exemption

What type of homestead exemption does HB 581 provide? Is there a difference between floating, base-year, adjusted base-year, and frozen homestead exemptions?

Homestead Exemption

Reduces or eliminates property tax increases due to rising home values after purchase.

Base-Year/Frozen Exemption Habersham County

Locks the assessed value at the base year, preventing any increase.

Taxable value stays fixed, though millage rates may rise. Tax value may rise with the sale of the property or substantial renovation.

Base-Year/ Floating Exemption Cities in Habersham

HB 581, the base-year value is set but adjusted annually by inflation, capping taxable value growth at the inflation rate (e.g., CPI).

Tax value may rise with the sale of the property or substantial renovation.

New Local Sales Tax Rules & Limits 9%

- **Higher Local Cap** – Maximum local sales tax rate increases from 8% to 9% (total with state tax can be up to 9%).
- **Standard Local Limit Remains** – Local governments can still levy up to 2% for general use taxes like LOST, ELOST, and SPLOST. Total 6% Sales Tax
- **Three Special “Buckets”** – Each can add up to 1% for specific purposes:

1

Education – ESPLOST (school capital project funding)

2

Transportation – Single County TSPLOST, Regional TSPLOST, Transit SPLOST, or MARTA

3

Other – FLOST (property tax relief), OLOST (operations), CSPLOST (Coliseum projects), or MOST (city of Atlanta options)

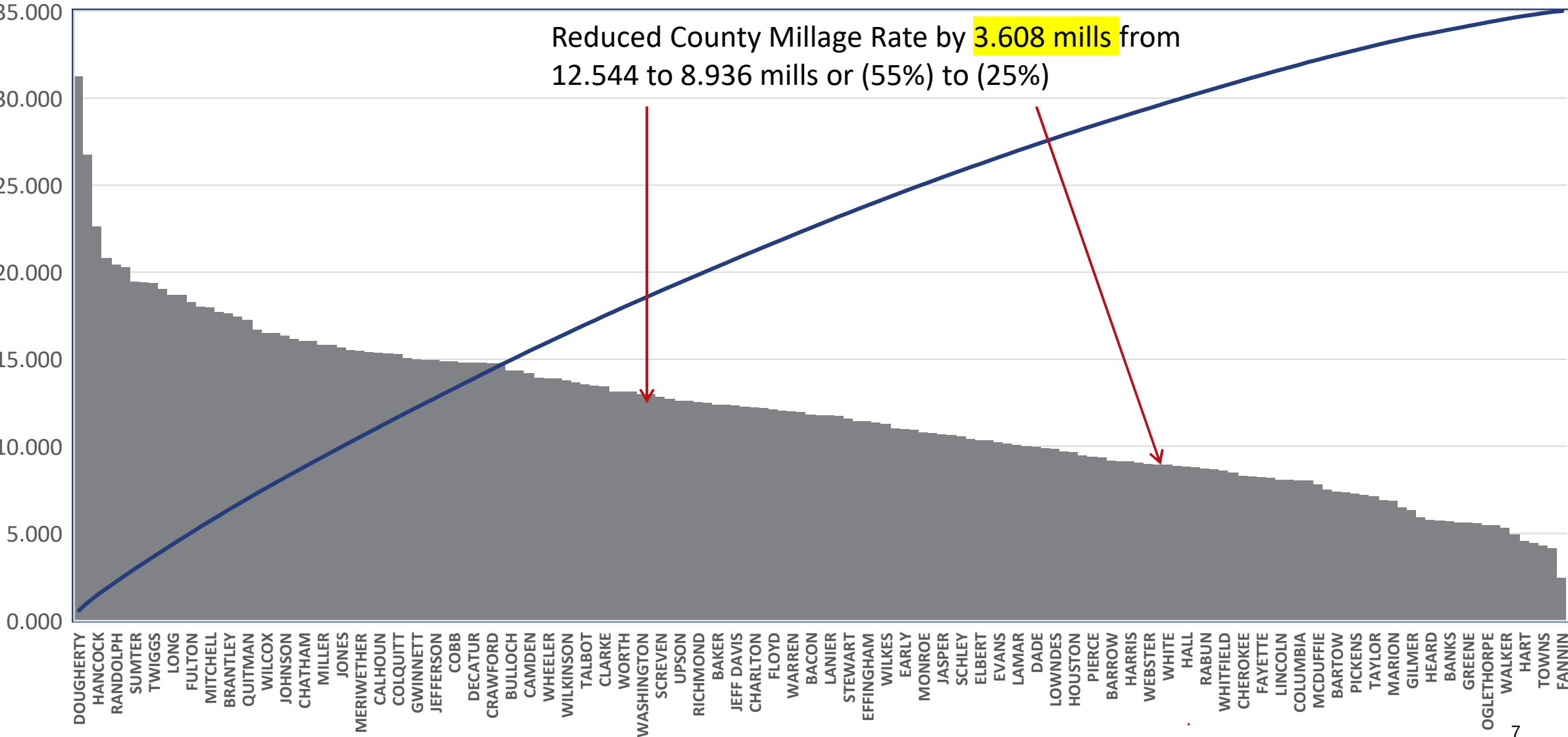
Creates a New Local Options Sales Tax for Counties and Cities

Creates a new Flexible Local Option Sales tax (FLOST)

1. Up to 1 percent sales and use tax for "property tax relief"
2. Split between the county and cities "that levy an ad valorem tax on property"
3. Freeze or Float: County and all cities must have "in effect a base year value or adjusted base year value homestead exemption" (property tax Freeze or a Floating limited by CPI)
4. Intergovernmental Agreement (IGA): Distributes revenue between county and city based on property tax collections
5. The FLOST law requires and the IGA states that FLOST is used "exclusively for tax relief"
6. Tax may be levied for five years but may then be renewed
7. For renewal, local act by the general assembly will be required in addition to the IGA and referendum

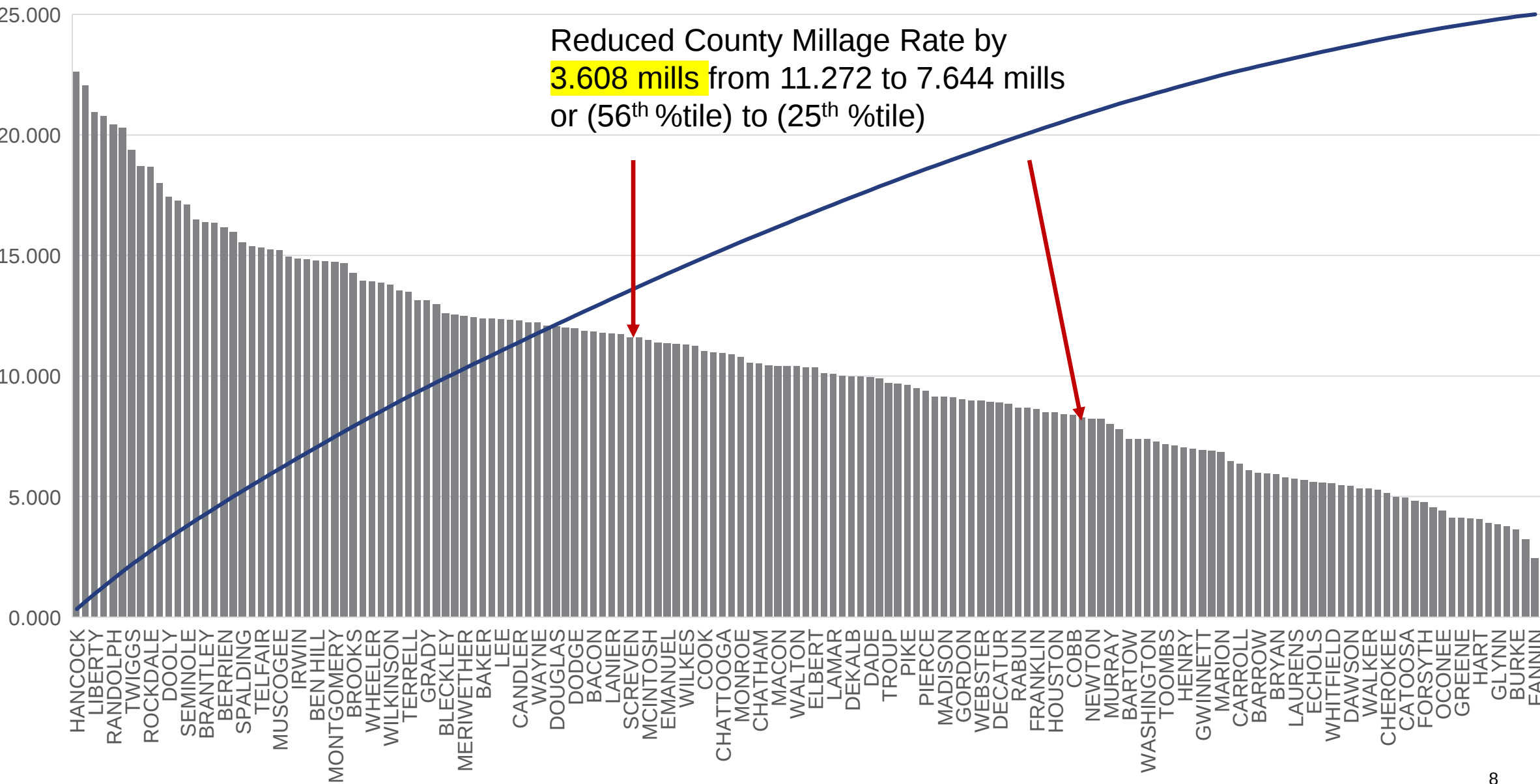
Habersham County GF & Fire Millage Rates vs. all Georgia Counties

Property Tax Comparison 2024 v. Proposed 8.936 millage rate

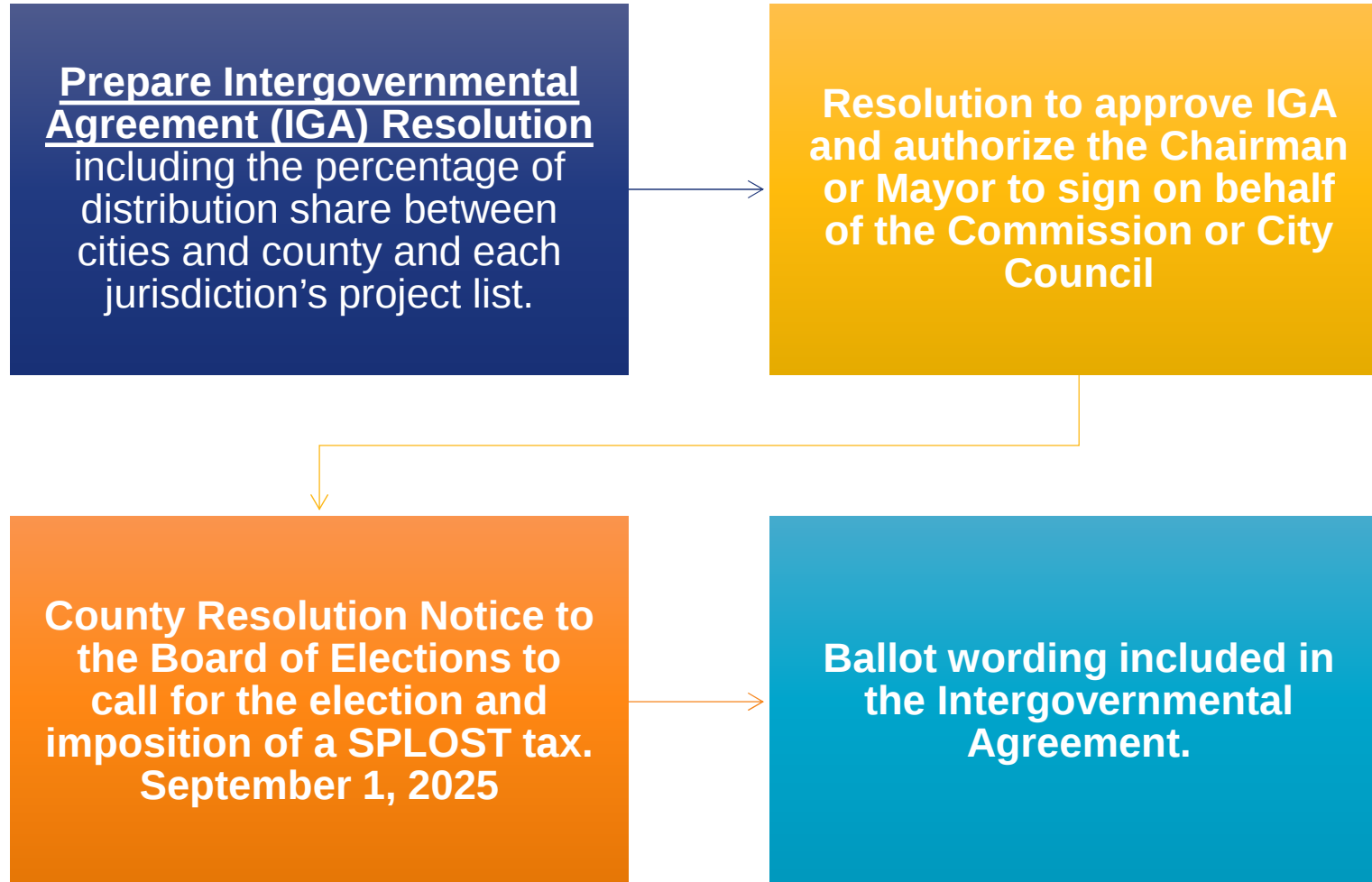


Habersham County General Fund Millage Rate vs. all Georgia Counties

General Fund Millage Rate Comprason



Legal documents approved by the Elected Officials



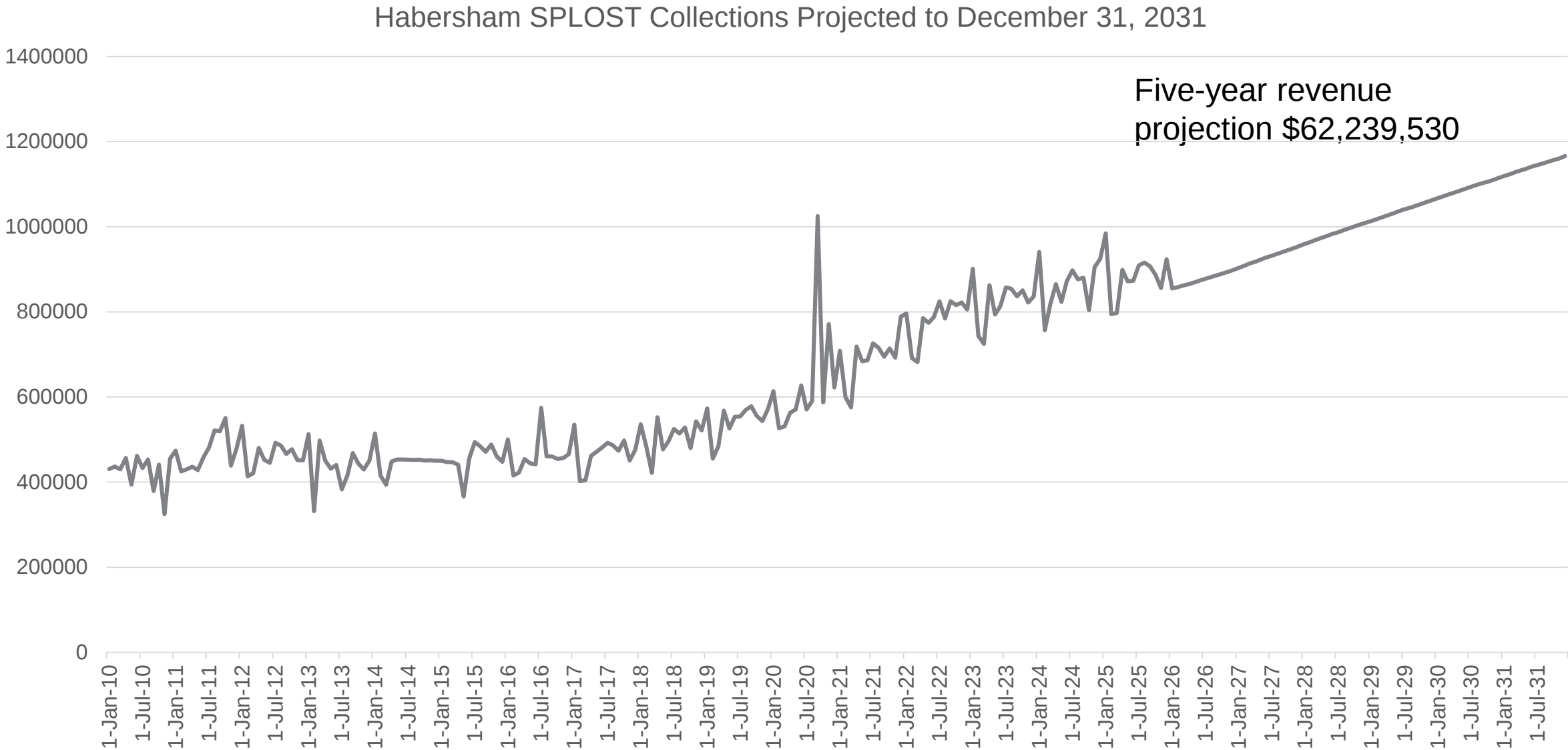
Date	Action	Responsible Party
May 2026	County to sent letter no less that 10 days before the meeting with Cities to revenue distribution. Meeting with Cities to be held at least 30 day before the election call date.	County Manager
NLT week of June 28, 2026	Prepare official documents (i.e. Resolution, IGA, and Call for Election & Voters' Advertisements)	Elected official and Cites and County Staff
Week of July 13, 2026	City Councils approval of IGA.	City Councils
Week of July 20, 2026	County Commissioner vote to approval of IGA, resolution and Call for Election	Commissioner County
NLT July 27, 2026	Call for Referendum forwarded to Election Superintendent.	Commission Clerk
NLT August 1, 2026	Newspaper publication of Call for Election ad not in legal section	County Election Staff & Newspaper
Weekly in October 2026	Provide note to the Newspaper of Date of election ads to be published four (4) times in newspaper. Each week starting 4 weeks before the election on 5/19/26	County Election Staff & Newspaper
October 13, 2026	Early voting begins	County Elections Board, Staff
November 3, 2026	FLOST Referendum Vote	Citizens of Dougherty County
January 1, 2027	Effective Date for FLOST	State Revenue Dept.
December 31, 2031	Expiration of FLOST after 5 years	Renewal by voters' referendum

Election Schedule

Other Key Information:

- Rollback is calculated on CY 2027 FLOST collections.
- Rollback begins in tax year 2028.
- Full Rollback begins 2028 tax year.
- Renewal Every 5 years and must be approved through a local act of the Georgia Legislature

Habersham County FLOST 5-year Revenue Projection



FLOST Millage Rate Reduction 3.608 Mills
based on Property Tax Digest for M/O

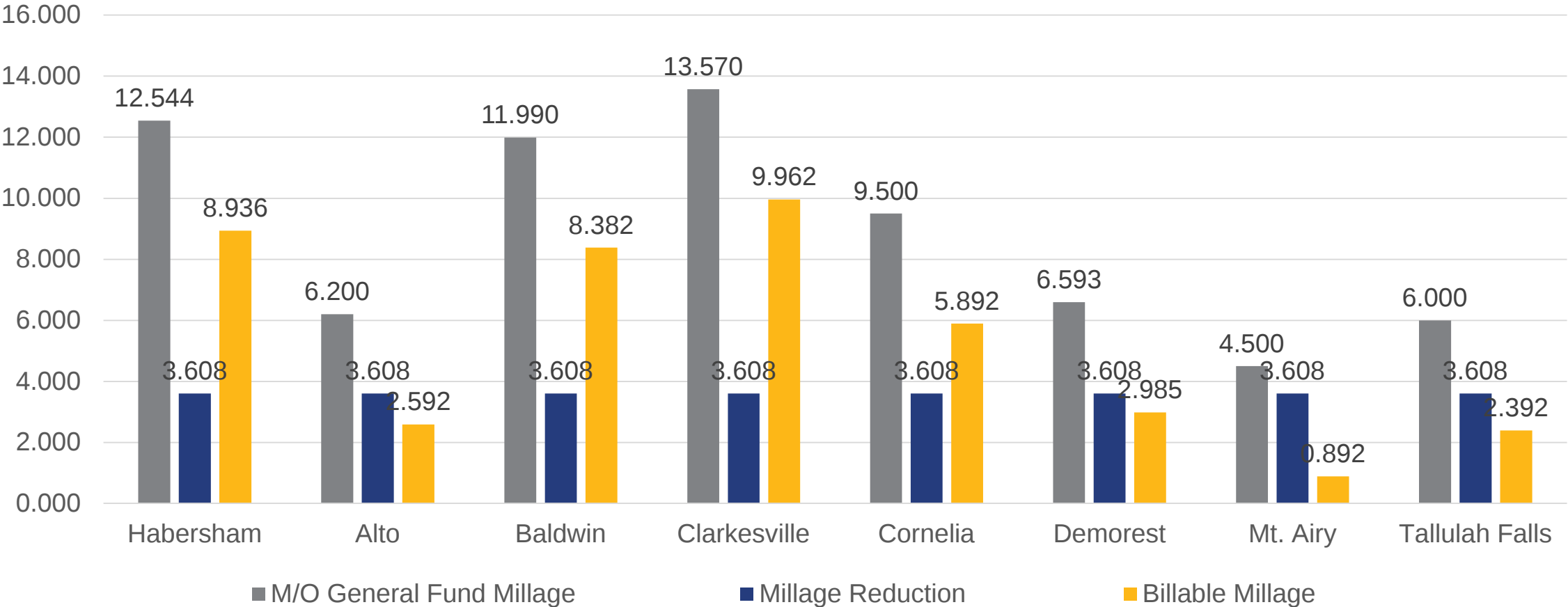
FLOST Millage Rate Reduction 3.608 Mills based on Property Tax Digest	Property Tax Digest M/O 2025	Millage Rate 2025	Property Tax Revenue	FLOST Revenue	Property Tax minus FLOST Revenue	Rollback Millage Rate	Millage Rate with FLOST	Combined % distribution calculation
Habersham County	2,165,215,733	12.544	27,160,466	\$7,811,194	\$19,349,272	3.608	8.936	73.56%
Alto	15,984,580	6.200	99,104	\$57,666	\$41,439	3.608	2.592	0.54%
Baldwin	128,329,807	11.990	1,538,674	\$462,960	\$1,075,714	3.608	8.382	4.36%
Clarkesville	140,596,937	13.570	1,907,900	\$507,215	\$1,400,685	3.608	9.962	4.78%
Cornelia	339,023,847	9.500	3,220,727	\$1,223,056	\$1,997,670	3.608	5.892	11.52%
Demorest	73,194,679	6.593	482,573	\$264,056	\$218,517	3.608	2.985	2.49%
Mt. Airy	56,373,209	4.500	253,679	\$203,371	\$50,308	3.608	0.892	1.92%
Tallulah Falls	24,818,154	6.000	148,909	\$89,534	\$59,375	3.608	2.392	0.84%
Habersham County + Cities	2,943,536,946		-	\$10,619,052	-\$10,619,052	3.608		100.00%

Property Tax Millage Rollback based on Tax Digest Value > 3.608 mill reduction

Property Tax Millage Rollback * Tax Digest value	M/O General Fund Millage	Millage Reduction	Billable Millage	% Savings from FLOST Rollback
Habersham	12.544	3.608	8.936	28.8%
Alto	6.200	3.608	2.592	58.2%
Baldwin	11.990	3.608	8.382	30.1%
Clarkesville	13.570	3.608	9.962	26.6%
Cornelia	9.500	3.608	5.892	38.0%
Demorest	6.593	3.608	2.985	54.7%
Mt. Airy	4.500	3.608	0.892	80.2%
Tallulah Falls	6.000	3.608	2.392	60.1%

FLOST Millage Rate Reduction of 3.608 mills based on Property Tax Digest

Millage Rate Comparison
Tax Digest Distribution 3.608 Mill Reduction



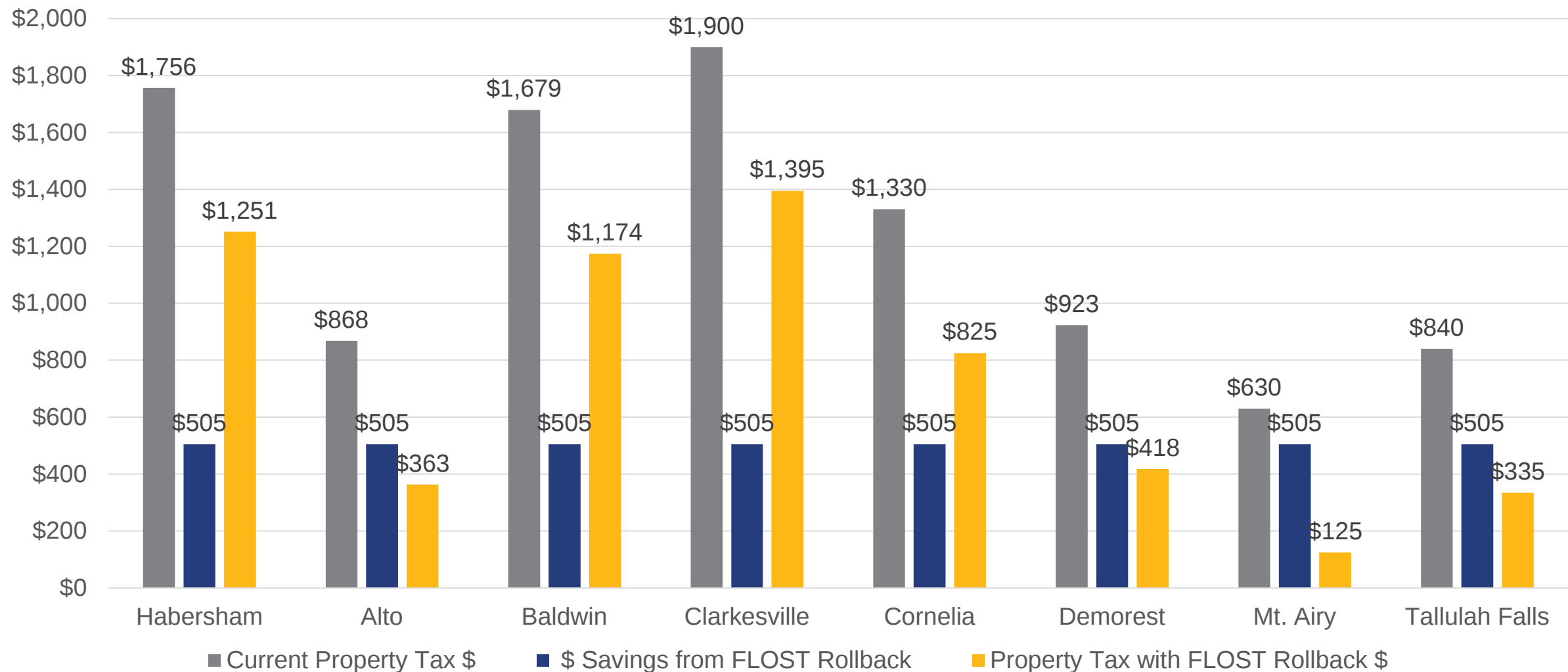
Jurisdiction Perspective

Property Tax Saving on property
with Fair Market value of \$350,000 w.
Tax Assessment of 40% or \$140,000

Taxpayers Perspective

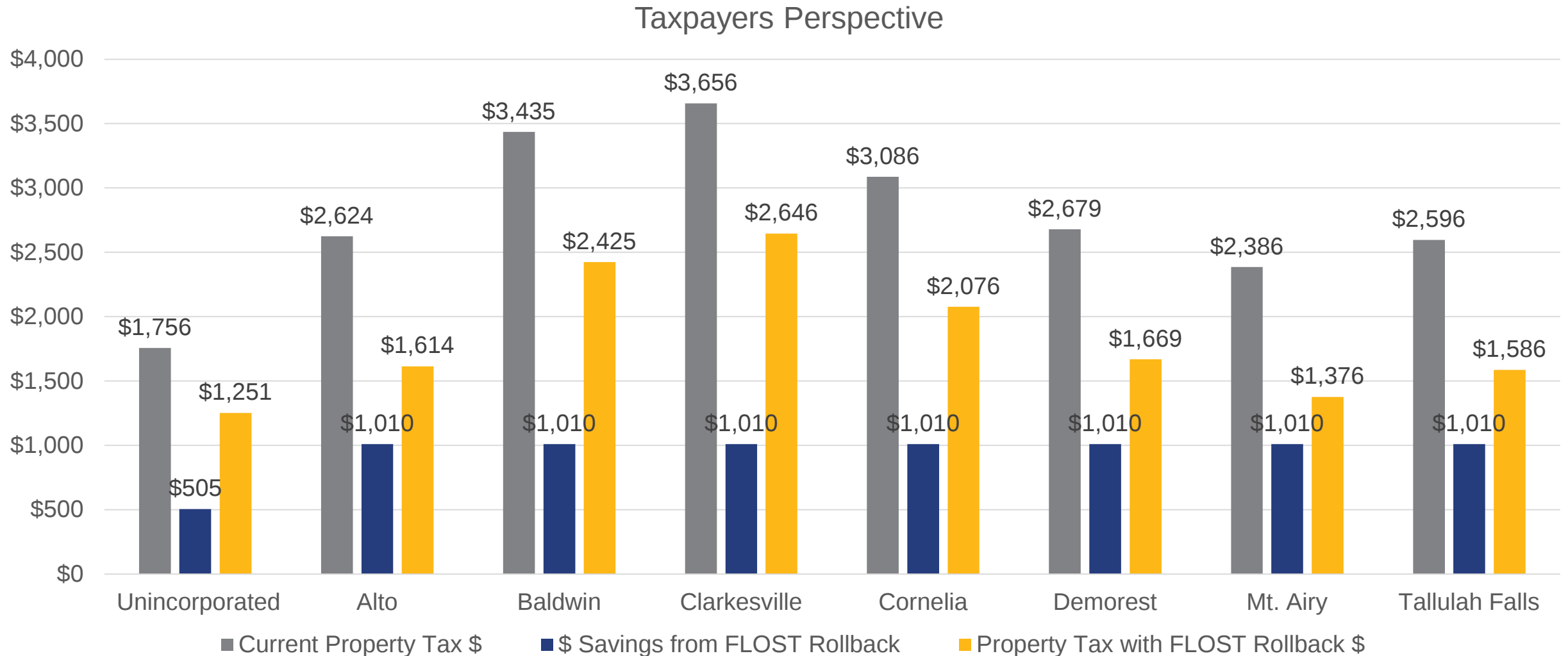
Property Tax Millage Rollback * Tax Digest value	Current Property Tax \$	\$ Savings from FLOST Rollback	Property Tax with FLOST Rollback \$	Property Tax Millage Rollback * Tax Digest value	Current Property Tax \$	\$ Savings from FLOST Rollback	Property Tax with FLOST Rollback \$
Habersham	\$1,756	\$505	\$1,251	Unincorporated	\$1,756	\$505	\$1,251
Alto	\$868	\$505	\$363	Alto	\$2,624	\$1,010	\$1,614
Baldwin	\$1,679	\$505	\$1,174	Baldwin	\$3,435	\$1,010	\$2,425
Clarkesville	\$1,900	\$505	\$1,395	Clarkesville	\$3,656	\$1,010	\$2,646
Cornelia	\$1,330	\$505	\$825	Cornelia	\$3,086	\$1,010	\$2,076
Demorest	\$923	\$505	\$418	Demorest	\$2,679	\$1,010	\$1,669
Mt. Airy	\$630	\$505	\$125	Mt. Airy	\$2,386	\$1,010	\$1,376
Tallulah Falls	\$840	\$505	\$335	Tallulah Falls	\$2,596	\$1,010	\$1,586

Property Tax Saving in \$ on property
w. Fair Market value of \$350,000 &
Tax Assessment of 40% or \$140,000



How does this reduction translate to property taxes for a \$350,000 FMV property?

The City properties benefit from combined savings from County and the City tax reduction



OPTION 2

Distribution based on Property tax revenue

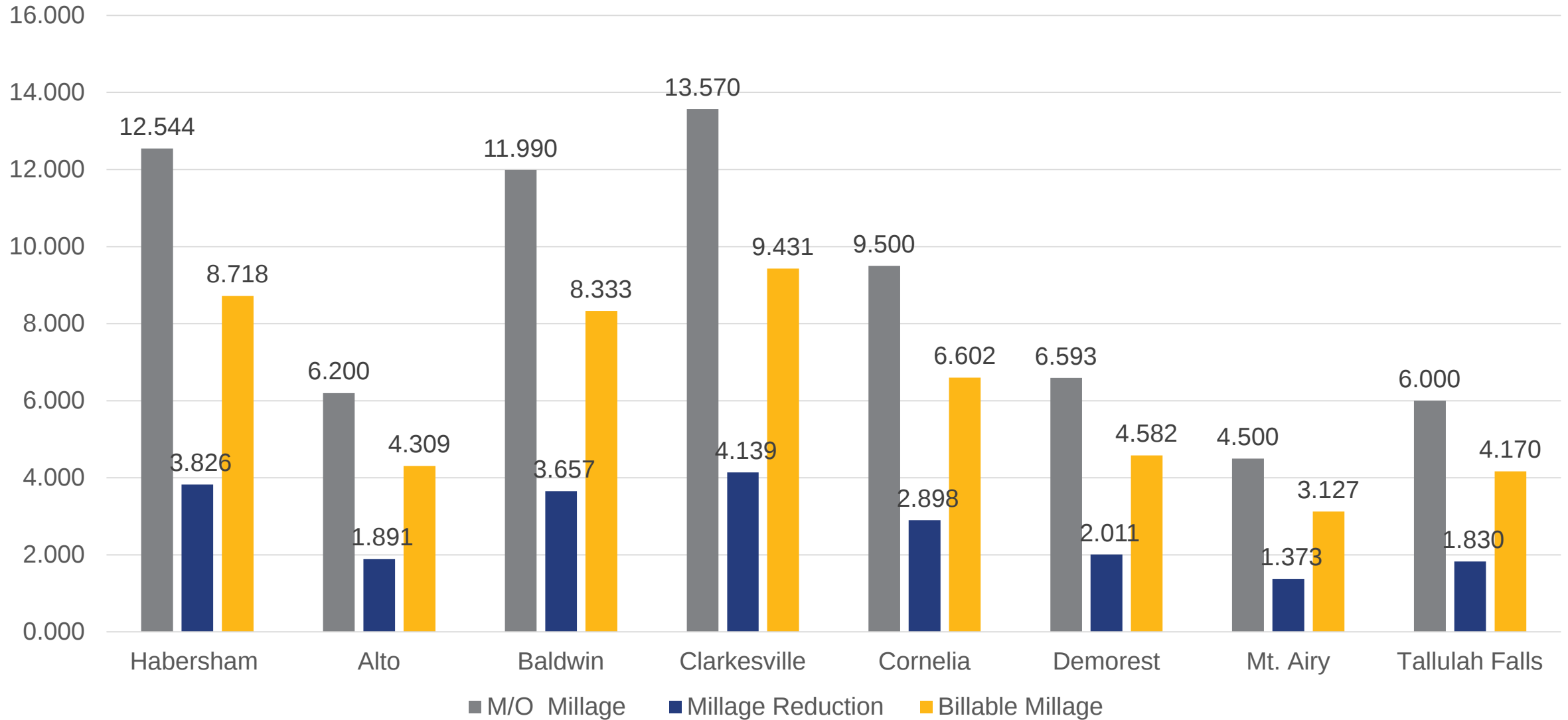
Distribution based on Property tax revenue	Property Tax Digest	Millage Rates 2025	Property Tax Revenue	FLOST Revenue	Property Tax minus FLOST Revenue	Millage Rate Rollback	% Share Property Tax Revenue
Habersham County + EMS	2,165,215,733	12.544	\$27,160,466	\$8,285,021	\$18,875,446	3.826	78.02%
Alto	15,984,580	6.200	\$99,104	\$30,231	\$68,874	1.891	0.28%
Baldwin	128,329,807	11.990	\$1,538,674	\$469,357	\$1,069,318	3.657	4.42%
Clarkesville	140,596,937	13.570	\$1,907,900	\$581,985	\$1,325,915	4.139	5.48%
Cornelia	339,023,847	9.500	\$3,220,727	\$982,449	\$2,238,277	2.898	9.25%
Demorest	73,194,679	6.593	\$482,573	\$147,204	\$335,369	2.011	1.39%
Mt. Airy	56,373,209	4.500	\$253,679	\$77,382	\$176,297	1.373	0.73%
Tallulah Falls	24,818,154	6.000	\$148,909	\$45,423	\$103,486	1.830	0.43%
Habersham County + Cities	2,943,536,946		\$34,812,033	\$10,619,052	\$24,192,981		100.00%

Property Tax Millage Rollback based on Tax Digest Value > 30.5% mill reduction

Millage Rollback * Property Tax Revenue	M/O Millage	Millage Reduction	Billable Millage	% Savings from FLOST Rollback
Habersham	12.544	3.826	8.718	30.5%
Alto	6.200	1.891	4.309	30.5%
Baldwin	11.990	3.657	8.333	30.5%
Clarkesville	13.570	4.139	9.431	30.5%
Cornelia	9.500	2.898	6.602	30.5%
Demorest	6.593	2.011	4.582	30.5%
Mt. Airy	4.500	1.373	3.127	30.5%
Tallulah Falls	6.000	1.830	4.170	30.5%

Millage Rate Comparison

Property tax revenue 30.5% reduction



**Jurisdiction
Perspective 30.5%
Reduction**

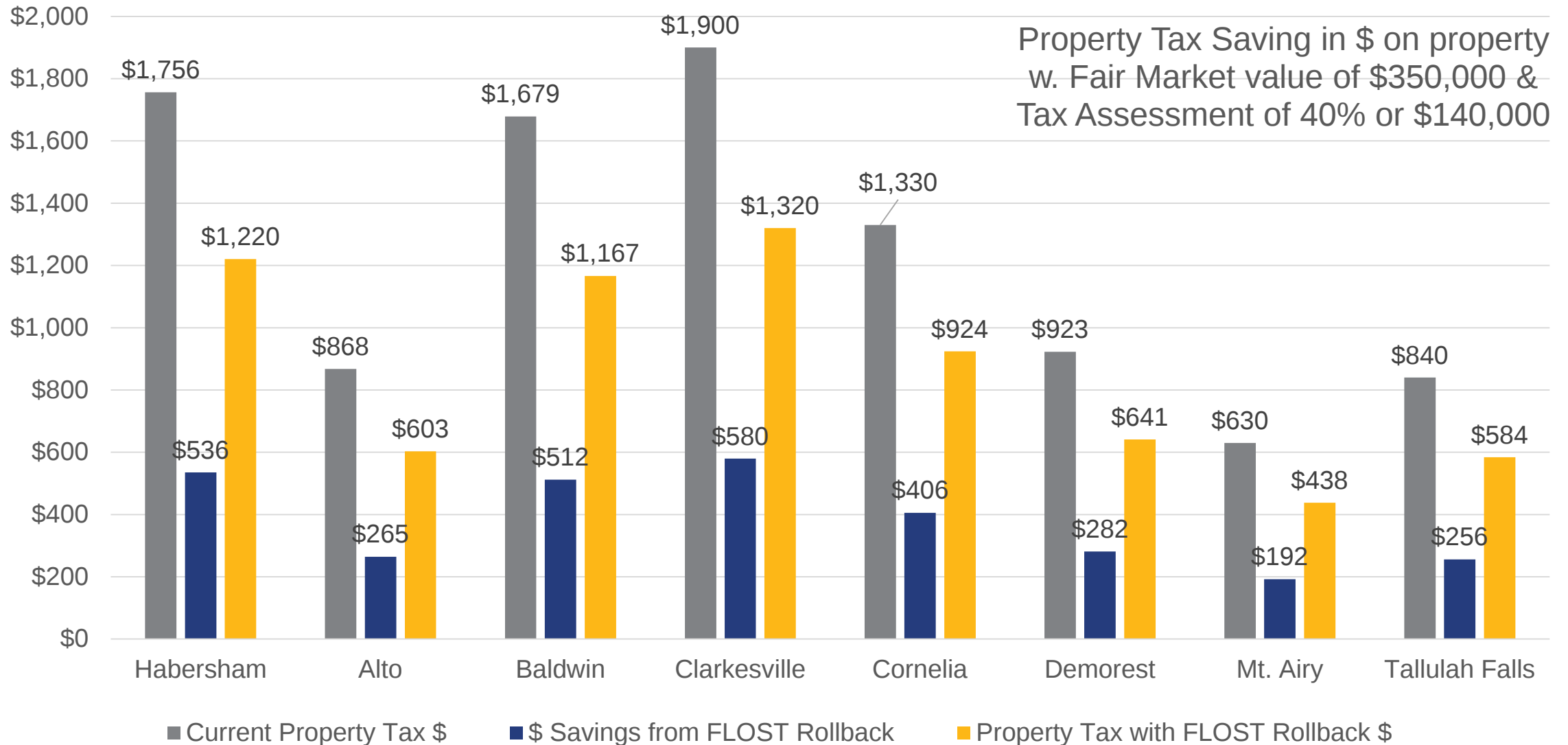
**Property Tax Saving on property
with Fair Market value of \$350,000 w.
Tax Assessment of 40% or \$140,000**

**Taxpayers
Perspective 30.5%
Reduction**

Property Tax Rollback * Property tax revenue	Current Property Tax \$	\$ Savings from FLOST Rollback	Property Tax with FLOST Rollback \$
Habersham	\$1,756	\$536	\$1,220
Alto	\$868	\$265	\$603
Baldwin	\$1,679	\$512	\$1,167
Clarkesville	\$1,900	\$580	\$1,320
Cornelia	\$1,330	\$406	\$924
Demorest	\$923	\$282	\$641
Mt. Airy	\$630	\$192	\$438
Tallulah Falls	\$840	\$256	\$584

Property Tax Rollback * Property tax revenue	Current Property Tax \$	\$ Savings from FLOST Rollback	Property Tax with FLOST Rollback \$
Unincorporated	\$1,756	\$536	\$1,220
Alto	\$2,624	\$800	\$1,824
Baldwin	\$3,435	\$1,048	\$2,387
Clarkesville	\$3,656	\$1,115	\$2,541
Cornelia	\$3,086	\$941	\$2,145
Demorest	\$2,679	\$817	\$1,862
Mt. Airy	\$2,386	\$728	\$1,658
Tallulah Falls	\$2,596	\$792	\$1,804

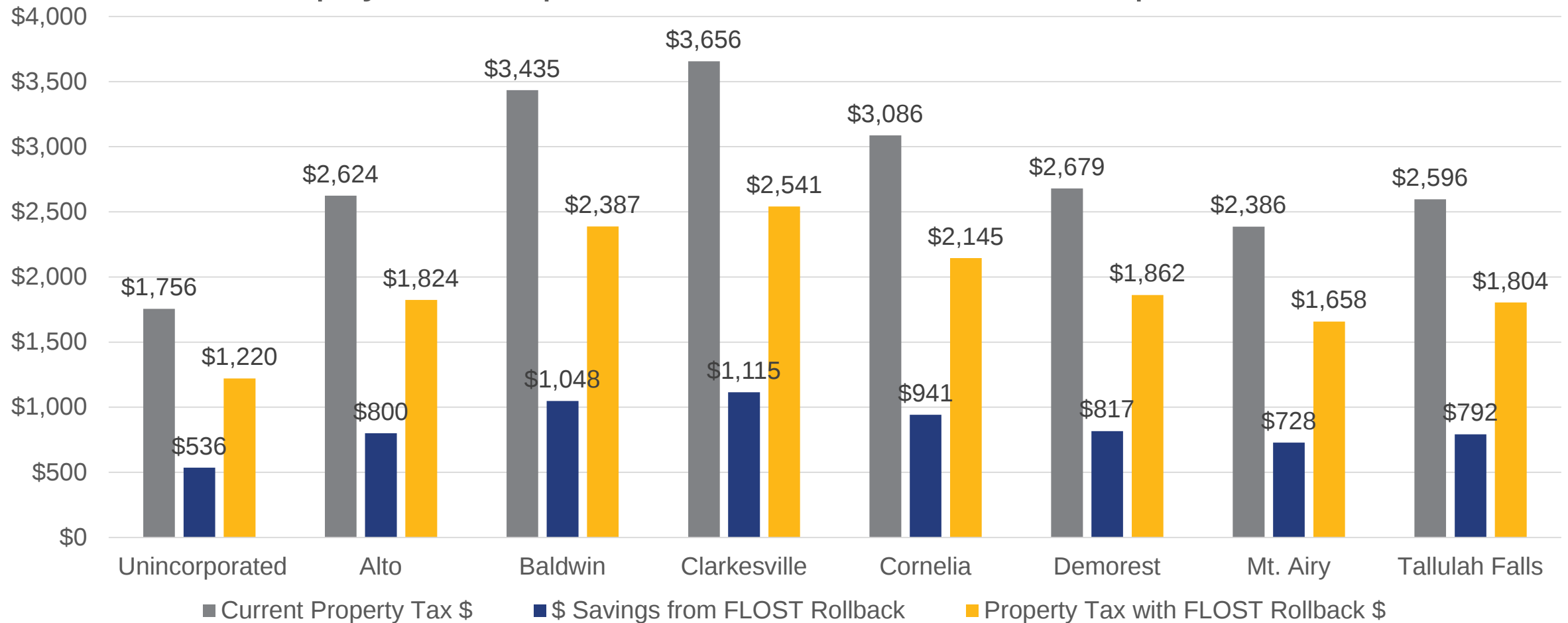
Jurisdiction's Perspective 30.5% reduction – Option 2



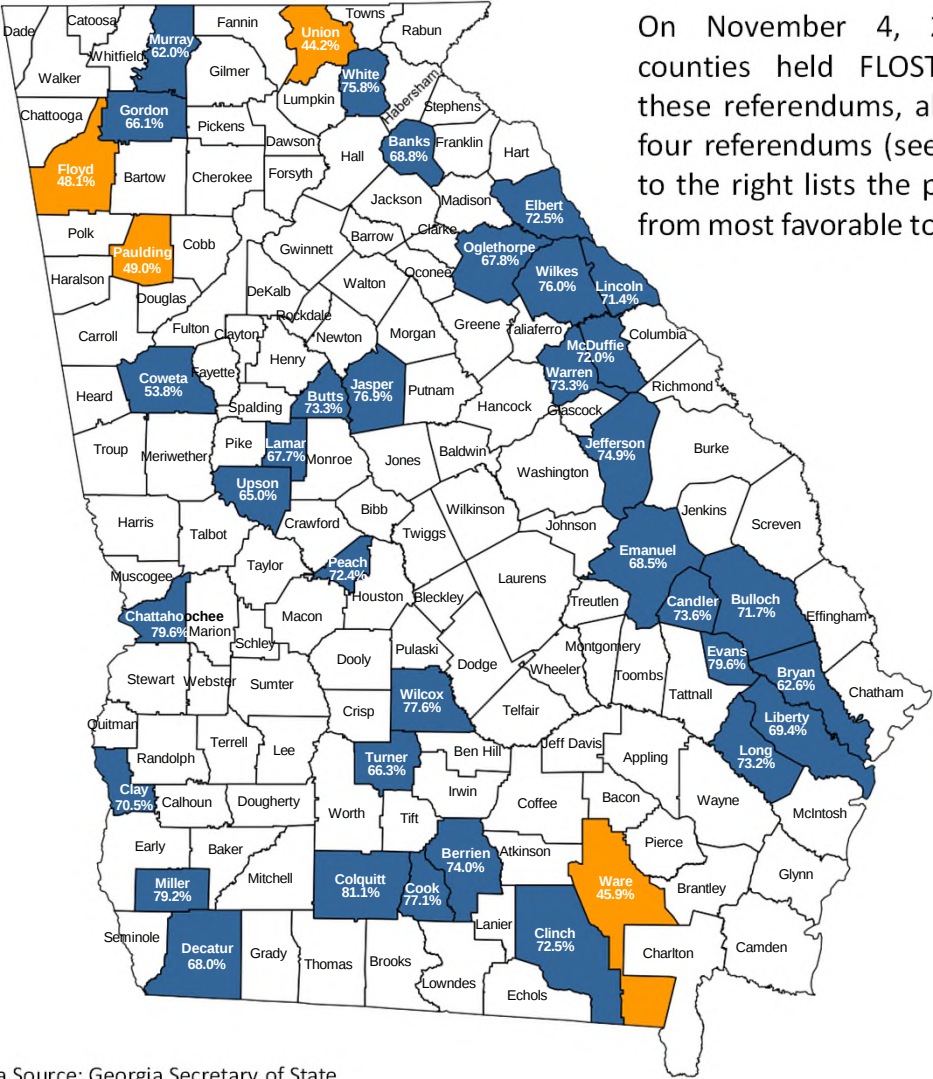
How does this reduction translate to property taxes for a \$350,000 FMV property?

The City properties benefit from combined savings from County and the City tax reduction

Taxpayers Perspective 30.5% tax reduction - Option 2



Nov. 4, 2025: Floating Local Option Sales Tax (FLOST)



On November 4, 2025, 39 Georgia counties held FLOST referendums. Of these referendums, all passed except for four referendums (see orange). The table to the right lists the passage rate, ranked from most favorable to least favorable.

County	% in Favor
Colquitt County	81.1%
Chattahoochee County	79.6%
Evans County	79.6%
Miller County	79.2%
Wilcox County	77.6%
Cook County	77.1%
Jasper County	76.9%
Wilkes County	76.0%
White County	75.8%
Jefferson County	74.9%
Berrien County	74.0%
Candler County	73.6%
Warren County	73.3%
Butts County	73.3%
Long County	73.2%
Clinch County	72.5%
Elbert County	72.5%
Peach County	72.4%
McDuffie County	72.0%
Bulloch County	71.7%
Lincoln County	71.4%
Clay County	70.5%
Liberty County	69.4%
Banks County	68.8%
Emanuel County	68.5%
Decatur County	68.0%
Oglethorpe County	67.8%
Lamar County	67.7%
Turner County	66.3%
Gordon County	66.1%
Upson County	65.0%
Bryan County	62.6%
Chattooga County	62.1%
Murray County	62.0%
Coweta County	53.8%
Paulding County	49.0%
Floyd County	48.1%
Ware County	45.9%
Union County	44.2%

Data Source: Georgia Secretary of State

FLOST Referenda Counties All 1%

Counties 11/25	Pass/Fail	Percentage Rate
Banks	Passed	Y: 69% N: 31%
Berrien	Passed	Y: 74% N: 26%
Bryan	Passed	Y: 63% N: 37%
Bulloch	Passed	Y: 72% N: 28%
Butts	Passed	Y: 73% N: 27%
Candler	Passed	Y: 74% N: 26%
Chattahoochee	Passed	Y: 80% N: 20%
Chattooga	Passed	Y: 62% N: 38%
Clay	Passed	Y: 70% N: 30%
Colquitt	Passed	Y: 81% N: 19%
Cook	Passed	Y: 77% N: 23%
Coweta	Passed	Y: 54% N: 46%
Decatur	Passed	Y: 68% N: 32%
Elbert	Passed	Y: 73% N: 27%
Emanuel	Passed	Y: 68% N: 32%
Evans	Passed	Y: 80% N: 20%
Floyd	Failed	Y: 48% N: 52%
Gordon	Passed	Y: 66% N: 34%
Jasper	Passed	Y: 77% N: 23%
Jefferson	Passed	Y: 74% N: 26%

Counties	Pass/Fail	Percentage Rate
Lamar	Passed	Y: 68% N: 32%
Liberty	Passed	Y: 69% N: 31%
Lincoln	Passed	Y: 71% N: 29%
Long	Passed	Y: 73% N: 27%
McDuffie	Passed	Y: 72% N: 28%
Miller	Passed	Y: 79% N: 21%
Murray	Passed	Y: 62% N: 38%
Oglethorpe	Passed	Y: 68% N: 32%
Paulding	Failed	Y: 49% N: 51%
Peach	Passed	Y: 72% N: 28%
Schley	Passed	Y: 83% N: 17%
Turner	Passed	Y: 66% N: 34%
Union	Failed	Y: 44% N: 56%
Upson	Passed	Y: 65% N: 35%
Ware	Failed	Y: 46% N: 54%
Warren	Passed	Y: 73% N: 27%
White	Passed	Y: 76% N: 24%
Wilcox	Passed	Y: 77% N: 23%
Wilkes	Passed	Y: 76% N: 24%
25-Mar		
Washington	Passed	Y: 54% N: 46%
Thomas	Passed	Y: 86% N: 14%

Thank You

How does this reduction translate to property taxes for a \$350,000 FMV property?

The City properties benefit from combined savings from County and the City tax reduction

Taxpayers Perspective > Tax Digest 3.608 millage rate reduction – Option 1

