
Peachtree Government Relations
Weekly Report (January 16th, 2026)



[**History Chart**](#)

Happy first week of the 2026 Georgia Legislative Session!

Session started strong as this week completed Legislative Days 1-5. As it is the second year of the biennium, all House and Senate bills from 2025 that were tabled are still alive and can be brought up for consideration. Next week will be budget week; there will be joint appropriations meetings in the House and Senate from Tuesday to Thursday.

Property Tax

This session, we expect there to be a lot of discourse regarding reducing and/or

eliminating property taxes. We are anticipating multiple bills on property tax reform, but so far, only [SB382](#) has been introduced. This bill was introduced by Senator Hufsteler, Chairman of Finance, and referred to his committee. SB 382 would require all local governments to adopt a floating homestead exemption, essentially mandating HB 581, which was passed two years ago. This would relate to tax years beginning on or after January 1, 2026.

Income Tax

This Session, income tax reform and cuts were also prioritized by legislative leaders. So far, HB 1000 was introduced by Governor Kemp's Floor Leader, Rep. Matthew Gambill, providing a one-time tax credit for income taxes for the 2024 and 2025 taxable years. The bill follows Governor Kemp's State of the State address, where he outlined his desire to provide a tax rebate of up to \$250 for single filers and \$500 for married couples filing jointly. HB 1001 was also introduced by Governor Kemp's Floor Leader, Representative Will Wade, reducing the State's income tax from 5.19% to 4.99% for 2026.

Governor's Budget

Amended 2026 Fiscal Year

For the amended 2026 Fiscal Year, the Governor recommends increasing the spending \$4.5 billion from \$37.8 billion to \$42.3 billion.

In the amended budget, there is a one-time \$2,000 pay supplement for state employees, Regents employees, and certified Pre-K-12 educators and administrative staff. The amended budget also added \$325 million to fund Georgia's DREAMS Scholarship Program. \$41.2 million was added for foster care and child welfare. There was also a \$43 million increase in the Quality Basic Education Program as part of the midterm adjustment.

Fiscal Year 2027

The Fiscal Year 2027 budget total is \$38.5 billion. The budget report also revealed new estimates for the state's balance of both cash on hand and projected revenues. The new revenue estimate took into account the anticipated reduction in personal and corporate tax income rates, as there is pending legislation to reduce the flat rate from 5.19% to 4.99%.

For Fiscal Year 2027, there was 11% increase, \$38.5 million, in transportation funding for public schools. There will also be \$9.2 million allocated for enrollment growth and training to account for the 1.95% decrease in enrollment.

\$320.9 million will be dedicated for Medicaid and PeachCare, including \$29.8 million for Medicare Part B premiums, \$10.9 million for the Medicare Part D Clawback, and \$5.1 million for skilled nursing centers to reflect 2024 cost reports. The Governor recommended \$2,000,000 to expand the maternal home visiting program to an additional 21 counties to increase access to maternal fetal medicine in rural

There is a \$1.4 million increase in funds to provide matching funds for Emergency management Performance Grants.

Eggs and Issues (Wednesday, January 14th)

Governor Brian Kemp delivered his closing address at the annual Eggs and Issues event on Wednesday, the 14th. He revealed some of his budgetary and legislative priorities prior to the State of the State address. The Governor highlighted how Georgia has always prioritized affordability and cited the homestead tax exemption, multiple tax rebates, and the promise for auto insurers to lower their rates in 2026.

The Governor also unveiled a massive infrastructure proposal valued at \$1.8 billion to build express lanes on I-75 South in Henry County. Currently, the area is constantly backed up by its single 12-mile reversible express lane, and this proposal is aiming to ease this congestion. The proposal also includes \$200 million for upgrades to GA 316, helping to build more overpasses and convert intersections into interchanges. In addition to major highway improvements, Governor Kemp aims to keep \$250 million for local road projects and another \$100 million to repair rural bridges.

In regard to energy, the Governor praised the new Public Service Commissioner and amended his budget proposal to include a one-time increase of \$35 million to create natural gas infrastructure within the Georgia Environmental Finance Authority. Kemp aims to increase economic development in Georgia's rural communities with this new line item.

When discussing education, Governor Kemp divulged that his administration was going to propose the Education and Workforce Strategy Act. This act is meant to ensure collaboration between the University and Technical College Systems and the Department of Education.

Additionally, Governor Kemp announced the creation of a new homelessness response program with an upcoming \$50M in grants to be awarded to local governments and nonprofit organizations.

Governor Brian Kemp's 2026 State of the State Address (Thursday, January 15th)

[Link to address](#)

During the State of the State, Governor Kemp addressed the high cost of living. To help out eligible state employees, the Governor touted a one-time, \$2,000 supplement. He ~~proposed~~ a \$250 and \$500 taxpayer rebate for single and joint filers, respectively, as well as a 20 bps reduction in the state income tax rate to 4.99%. However, Georgia will still maintain the rainy day fund of \$10 billion.

Education is another top priority for the Governor, mentioning a \$325 million infusion into Georgia's needs-based scholarship program. Although Governor Kemp is

into Georgia's needs-based scholarship program. Although Governor Kemp is prepared to partially dip into the state's budget surplus, there isn't a sweeping legislative initiative on the scale of 2025's tort reform.

Much of the address was spent reflecting on his legacy and thanking the people of Georgia.

House Ways and Means ([Thursday, January 15th](#))

- Overview ([link to presentation](#))
 - Several Georgia universities (and their corresponding fiscal institutes) presented findings from long-term studies on various tax credits and exemptions
 - Unless noted otherwise, all credits/exemptions have similar structures in contiguous states
 - Employer Sponsored Childcare Tax Credit
 - Employers participate to offer more childcare options to employees, but many workers opt for a flexible spending account
 - Impact: has not meaningfully provided more childcare options, net forgone state revenue of \$18.2 million
 - Qualified Education Expense Tax Credit
 - Provides increased access to Georgia's private schools
 - Impact: Net forgone revenue of \$88.8 million
 - Rural Hospital Tax Credit
 - Helps financially stabilize these hospitals
 - Impact: Only 28% of the \$75 million cap is considered new giving (rather than a substitution), net forgone revenue of \$78.1 million
 - Around 45% of donations come from Metro Atlanta
 - Qualified Law Enforcement Donation Credit
 - Primarily driven by donations to Metro Atlanta law enforcement foundations (although there are donation caps on these

foundations)

- Impact: net forgone revenue of \$11.7 million
- Qualified Foster Child Donation Credit
 - Credit largely brought no new additional giving, mostly a substitution effect from prior unqualified foster orgs to new qualified orgs
 - Impact: net forgone revenue of \$11.1 million
- PEACH Education Tax Credit
 - Helps fund Georgia's public schools
 - Resulted in a small increase in giving; however, most of the giving was from taxpayers to the same district their kids attend school (rather than distributed across the state)
 - PEACH is a unique credit to Georgia; other states do not have a similar tax credit
 - Impact: Net forgone revenue of \$4.9 million
- Personal and Laundry Services Tax Exemption
 - Personal care industry (beauty salons, barbershops, etc.), death care services, pet services, and laundry services are exempt from sales tax
 - FL, NC, SC, and TN have the exemptions, but they still tax at least a portion of these industries
 - Impact: promoted economic activity rather than economic development within these mostly inelastic industries
- Vehicle Trade-In Exemption
 - Prevents consumers from paying the tax on their trade-in vehicle, as they are already getting taxed on the purchase of their new vehicle

- Administrative and Support Services Exemption
 - Makes these services exempt from sales tax and marginally stimulates economic activity
 - Impact: \$1.64 billion value added, net forgone revenue of \$1.14 billion
- Waste Management and Remediation Services Exemption
 - Makes these services exempt from sales tax and marginally stimulates economic activity
 - Impact: \$48.1 million value added, net forgone revenue of \$78.2 million
- Manufacturer’s Investment Tax Credit
 - Credit for investments in the manufacturing and telecommunications sectors, ranging from 1% to 8%
 - Resulted in increased spending on equipment and construction by 1.34%
 - Impact: 13.5 million value added, net forgone revenue of \$143.7 million
- High-Tech Data Center Equipment Exemption
 - Makes the equipment (computers, wiring, etc.) in data centers exempt from taxation
 - Only 30% of data center expansion can be attributed to the exemption
 - Impact: \$1.25 billion value added, net forgone revenue of \$432.6 million, supported 10,146 jobs

Healthcare

House Health Committee ([Monday, January 12th](#))

[Presentations from](#)

Dr. John Marshall, MD, MSCAI, FACC – Northside Hospital Cardiovascular Institute

- [Link to the presentation](#)
- Overview
 - Cardiac disease is the #1 cause of death in the US and GA (nearly 1 in 4 Georgians die from cardiac disease)
 - Processes of care protocols reduce death from time-sensitive emergencies like heart attacks—the Office of Cardiac Care (OCC) has shown this trend in GA
 - The OCC is understaffed/underfunded compared to other specialty care center offices in GA
 - The presenter recommends that GA appropriate \$3.8 million/yr to fund a best-in-class OCC and reduce cardiac deaths

Kevin Woody, RPh, & Dr. Jonathan Marquess, PharmD, CDCES, FAPhA – Local Independent Pharmacies

- Overview
 - There are pharmacies in 153 Georgia counties
 - There are 159 total counties, meaning that six rural counties have no pharmacy at all
 - 42 counties only have an independent pharmacy (roughly 25% of the state)
 - Many pharmacies are not fully reimbursed for medications, causing those counties with independent pharmacies to shut down due to unsustainable costs
 - Thereby causing Georgians to drive further to pick up their medications
 - Requesting the legislature approve funding to fully reimburse independent pharmacies for their medications

Penny Bonds, Director Head Start / EHS Pre-K – Ninth District Opportunity, Inc.

- [Link to the presentation](#)
- Overview
 - Head Start is a federally funded program that provides comprehensive services to low-income families
 - There are shortages of providers accepting Medicaid, specifically in rural Georgia
 - Some of the solutions presented revolved around increasing Medicaid reimbursement rates and advocating for access gaps in rural areas

Dr. Brad Weselman, MD, FAAP, Executive Director – The Children's Care Network

- [Link to the presentation](#)
- Overview
 - The Children's Care Network is Georgia's only pediatric clinically integrated network
 - Legislative actions requested (listed below) revolve around CMOs
 - Encourage CMOs to utilize performance metrics that are measurable, actionable, and can be supported by timely, reliable data
 - Create a mechanism for oversight of the process and require the resolution of issues dealing with payment
 - Align on a common rollout framework and uniform standards for new CMO implementation

Lynn Durham, EdD, President & CEO – Georgia Center for Oncology Research and Education

- [Link to the presentation](#)
- Overview
 - Cancer is the second leading cause of death for all Georgians
 - Legislative action (examples below) is requested to help close some of

the gaps that the cancer community can't fix

- Simplified Medicaid access, enrollment, and renewal for pediatric patients
- Incentives for hospitals to report cancer screening numbers/rates
- Increased usage of mobile cancer screening units (primarily for rural and underserved communities)
- Support for Georgia CORE's Cancer Trial Finders program to increase access to clinical trials

HB 1002 - Rep. Beth Camp: This bill transfers Medicaid coverage for foster children from managed care to fee-for-service.

HB 1006 - Rep. Carolyn Hugley: This bill requires the Department of Public Health for first aid kids maintained at certain establishments to include opioids antagonists. Additionally, the bill authorized training for personnel to administer the opioid antagonists.

SB 379 - Senator Josh McLaurin: This bill requires the Department of Insurance to establish a temporary insurance affordability program to offset rising health insurance costs, resulting from the expiration of certain Affordable Care Act premium tax credits.

SB 380 - Senator David Lucas: This bill authorizes state appropriations to draw down