



SPLOST

SPLOST is the Special Purpose Local Option Sales Tax.

Selected Excerpts & Citations from the Laws Governing SPLOST

Refer to specific laws and legal authorizations for complete information.

Laws and/or Legal Authorizations

- Georgia Constitution Article VIII, Section VI, Paragraph IV
- O.C.G.A. § 48-8-110 through § 48-8-121
- O.C.G.A. § 48-8-140 through § 48-8-142 (Articles 3 and 4 of Chapter 8 of Title 48 of Official Code of Georgia annotated, as amended in 1997)

Background

In the past, the primary source of local revenue available to most school systems, for renovating and modifying existing educational facilities and the construction of new schools, was property tax. Two options were available.

- The local board of education (LBOE) could ask the voters to approve issuance of General Obligation Bonds to be repaid from property tax revenues.
- The LBOE had the option of using ad valorem tax revenues levied for the Maintenance and Operation (M & O) of schools to fund capital improvement projects.
- Either of these options placed the burden for providing adequate local funding for capital improvements directly on property owners.

The constitutional amendment approved by the voters of Georgia in November 1996, allows LBOE's the option of calling for a referendum to ask their voters to approve a SPLOST.

Authorized Expenditures

If the voters approve the referendum, the SPLOST revenues may be used for the following:

Specific capital improvement projects for educational purposes, and/or

Retire General Obligation Bond debt previously incurred with respect only to capital outlay projects and/or

Issue new General Obligation Bond for specific capital outlay projects to be paid with SPLOST.

Rate and Length

The rate shall be 1 (one) percent. The tax shall not be subject to any sales tax exemption such as food and beverage exemptions.

The length shall be imposed for a period of time not to exceed five years.

Independent City School Systems located within a County School System District

In addition to Georgia's 159 counties with school systems, there are 21 city school systems.

The net proceeds of the sales tax revenues shall be distributed between the county school district and any independent city school districts if the county contains a city school system

- According to the ratio of the student enrollment in each school district... bears to the total student enrollment of all school districts in the county, or
- Upon such other formula for distribution as may be authorized by local law.

Student enrollment shall be based on the latest FTE (full-time equivalent) count prior to the referendum on imposing the tax.

If Tax Revenues Exceed the Amount Stated in the Local Resolution or the Actual Cost of the Project(s)

The excess proceeds... shall be used solely for the purpose of reducing any indebtedness of the county....

If there is no such other indebtedness... then the excess proceeds shall next be paid into the general fund of the county, it being the intent that any funds so paid into the general fund of the county be used for the purpose of reducing ad valorem taxes.

Elections are county wide. Therefore, a majority of all voters must approve the referendum to receive any sales tax revenue. If the county contains an independent city school system, the city system would receive sales tax revenue based on the local resolution that was included in the referendum.

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