

Coweta SPLOST FAQs

Q: What is the sales tax rate in Coweta County?

A: The sales tax rate is 7%. This consists of 4% Georgia sales tax, 1% Local Option Sales Tax (LOST), 1% Education SPLOST (ESPLOST), and 1% SPLOST.

Q: What is LOST?

A: Local Option Sales Tax (LOST) is a one percent sales and use tax enacted by a local referendum and imposed on the purchase, sale, rental, storage, use, or consumption of tangible personal property and related services. LOST is imposed on the sale of motor fuels, and in most counties, LOST also applies to the sale of food and alcoholic beverages. LOST revenues are shared by county governments and municipalities based on an agreed upon distribution. LOST revenues are used to reduce property taxes. This reduction is shown on property tax statements as a Sales Tax Credit.

Q: What is SPLOST?

A: Special Purpose Local Option Sales Tax (SPLOST) is a one percent sales tax enacted by a local referendum and used to fund capital outlay projects proposed by the county government and qualified municipalities.

Q: What is ESPLOST?

A: Education SPLOST (ESPLOST) is a one percent sales tax enacted by a local referendum and available to boards of education to fund capital projects.

Q: How long is SPLOST effective?

A: If an Intergovernmental Agreement (IGA) is reached between the county government and municipalities within the county having population representing 50% or more of the total population of such municipalities, the SPLOST can be collected for up to 6 years. When there is no IGA, SPLOST can only be collected for up to 5 years.

Q: What are capital outlay projects?

A: Capital outlay projects are defined in State law (O.C.G.A. 48-8-110) as major projects which are of a permanent, long-lived nature, such as land and structures. They are expenditures that would be chargeable to a capital asset account and not ordinary maintenance expenses. Capital outlay projects include, but are not limited to, roads, streets, bridges, police cars, fire trucks, ambulances, garbage trucks, and other major equipment.

Q: When did SPLOST become effective?

A: SPLOST was enacted by Georgia legislators in 1985. Since 1986, Coweta County voters have invested in SPLOST by approving each referendum.

Q: Why is SPLOST important?

A: SPLOST helps to reduce property taxes by providing a significant revenue source for capital projects generated by everyone making retail or online purchases in Coweta County. This

includes Coweta County residents, renters, as well as residents of other communities who shop here or are passing through the county. SPLOST also helps to minimize long-term debt and provides the resources for long-term and major investment in the quality of our community.

Q: Who contributes to SPLOST?

A: SPLOST applies to all transactions covered by state sales tax plus motor fuel, food and beverage, and online transactions. A considerable portion of retail transactions occur from individuals who do not reside in Coweta County.

Q: Is SPLOST a new tax?

A: If approved, the 2025 SPLOST will be a continuation of the current 7% sales tax, NOT a new or additional tax.

Q: Can SPLOST funds be used to construct projects for local charities or other nonprofit organizations?

A: No. The gratuities clause of the Georgia Constitution prohibits local governments from using SPLOST funds or any other public funds for non-public entities, including for-profit and non-profit organizations.

Q: What is an example of a SPLOST project?

A: There are hundreds of SPLOST projects throughout our community. A few examples include the Poplar Road Interchange, Central Community Center, Greison Trail Roundabout, the Linc, LeRoy Johnson Park, Madras Community Center & Park, Newnan Bypass, the Justice Center, and the Historic Courthouse. SPLOST also supports public safety capital initiatives including fire apparatus (engines and ladder trucks), ambulances and life-saving equipment, sheriff's patrol vehicles, and technology.

Q: What will happen if SPLOST does not get renewed?

A: If the SPLOST referendum is not approved by voters, the county government (Board of Commissioners) and the qualified municipalities will have to determine how to fund capital outlay projects from other revenue sources. Because SPLOST has been supported by voters since 1986 and remains a primary revenue source, SPLOST revenues are crucial for annual road maintenance, transportation improvements, public safety vehicles and equipment, and parks and recreation amenities. Aside from sales tax, the other primary source of revenue for local governments is property taxes. Therefore, without SPLOST, the county government and municipalities would have to consider significantly increasing applicable millage rates to generate revenue for the essential capital outlay projects. This decision would shift the burden of these capital projects from sales tax revenue (anyone who makes retail purchases in the county) to property owners.

Q: What is the potential impact on property taxes (millage rates) without SPLOST?

A: Because of the variation in property values which produce the tax digest and the estimated SPLOST collections, it's difficult to project the millage rate impact. However, a high-level estimate is shown below for illustrative purposes.

SPLOST Collections Estimate (6 years)	\$250,000,000
County SPLOST Allocation (66.65%)	\$166,625,000
Estimated Annual SPLOST collection	\$27,770,833
2022 County M&O millage rate	5.28 mills (0.00528)
2022 Total Property Tax Revenues	\$41,151,487
Weighted Value of 1 mill of tax	\$4,440,465

Based on the values shown above, it would be necessary to increase the millage rate by approximately 6.25 mills to generate \$27,770,833 per year to fund the SPLOST capital outlay projects. This estimate contains many assumptions.

