



Floating Local Option Sales Tax (FLOST) Floyd County

October 2025

Sales Tax Revisions and FLOST

HB 581 made two major changes to local sales tax:

- FLOST:
 - Created new local option sales tax contingent upon jurisdictions having a base year value homestead exemption.
- Local Sales Tax Cap:
 - Revised the provisions of O.C.G.A. 48-8-6 which limits maximum amount.



Local Sales Tax for Floyd County



1. 4 Pennies go to the State of GA
2. 1 penny goes to LOST Floyd County, City of Rome & City of Cave Spring as follows:
 1. Floyd County – 53.0%
 2. City of Rome – 45.2%
 3. Cave Spring – 1.8%
3. 1 Penny to ESPLOST Floyd County & City of Rome School Systems
4. 1 Penny SPLOST Floyd County, City of Rome, & City of Cave Spring from 2023 referendum as follows:
 1. Floyd County – 52.8%
 2. City of Rome – 44.3%
 3. Cave Spring – 2.9%
5. Specialty Penny - Up to 1 penny in aggregate from among one or more specialty taxes, including:
 - **FLOST - The new proposed sales tax for property tax relief created by HB 581**
 - Floyd County is currently at 7%. If passed by referendum on November 4th, would increase to 8% starting January 1, 2026. The property tax rollback would then be applied to the **2027** tax bill.

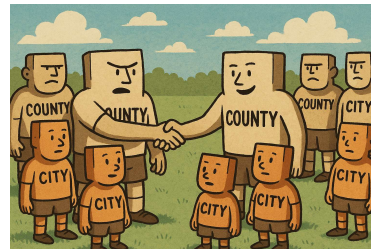
What is the New Sales Tax?

- A new countywide sales tax to be used exclusively to provide property tax relief
- May be levied up to 5 years at up to 1.0% (in 0.05% increments)



Eligibility

- For a county special district to be eligible to levy the tax, **the county and all cities within the county that levy a property tax** must have in effect a base-year or floating homestead exemption. Floyd County and City of Rome passed a homestead freeze in 2001 and exceeds the state mandated floating homestead exemption.
- Floyd County & the City of Rome are eligible to implement the FLOST.
- Cave Spring is **ineligible because they** do not levy an ad valorem property tax.
- Floyd County and the City of Rome approved an Intergovernmental Agreement (IGA) in August 2025 agreeing to split the revenue as follows for 5 years if the referendum passes on the November 4, 2025 election:
 - Floyd County 68%
 - City of Rome 32%



How is the New Tax Collected and Distributed?

- Collection of the tax will begin at the start of the next calendar quarter beginning more than 50 days after that date (as opposed to eighty days for other local sales taxes).
- DOR sends the money to the county and the county will be responsible for distributing the money to the cities in accordance with the IGA.
- Once received, how long should the county hold the funds before redistributing them? This is addressed in the IGA.

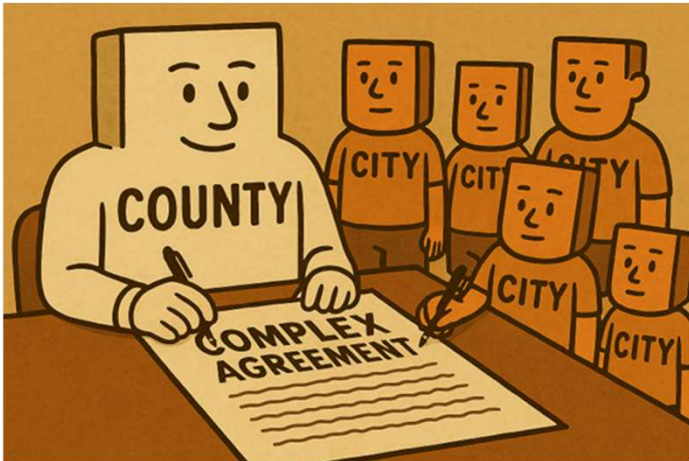


Want to Spend FLOST Money?

(Not So Fast...)

- Funds must be used exclusively for property tax relief.
- Each taxpayer's property tax bill shall state the amount by which property tax has been reduced because of the imposition of this tax.
- The roll-back rate shall be reduced annually by the millage equivalent of the net proceeds of this new tax received by the political subdivision during the **prior** taxable year.
- If any political subdivision is not in compliance with the use of the proceeds from this tax, then the State Revenue Commissioner cannot certify the tax digest of that political subdivision until it comes into compliance.
- May be prudent to hold the funds until the subsequent fiscal year.

Renewing the FLOST?



- The tax can run up to 5 years
- Prior to the expiration, if the local governments want to renew, it requires:
 - Passage of a local Act calling for the reimposition of the tax
 - A new IGA between the county and eligible number of cities
 - A new referendum to approve the tax by the voters