



History of SPLOST in Georgia

Historically, the primary source of funding for school renovation and new construction was a local property tax, as it is in most states across the nation. The Georgia legislator gave counties the option to implement a SPLOST starting in 1985 – a 1% sales tax for the purpose of funding specified capital improvement projects including transportation, parks and recreation, public safety, library, and court facilities. In 1997, voters in Georgia approved an amendment that allowed local boards of education to use a similar 1% sales tax for school construction, called E-SPLOST.

Authorized Expenditures

The constitutional amendment that enables ESPLOST is intended for capital projects, but the definition of allowable expenditures has gradually expanded, particularly during the recession, to include technology and other related items.

E-SPLOST revenues may be used for the following:

- To fund specific capital improvement projects for educational purposes
- To retire general obligation bond debt previously incurred for education capital outlay projects
- To make payments on a new general obligation bond for specific education capital outlay projects

Education SPLOST can fund capital outlay projects for educational purposes. A “capital outlay project” is a major, permanent or long-lived improvement such as land, buildings and other structures and major items of equipment and vehicles, such as would be properly chargeable to a capital asset account as distinguished from current expenditures and ordinary maintenance, according to Official Opinion of the Attorney General of Georgia No. 97-7 (1997). As a result, Education SPLOST may be used for building projects for educational purposes (whether by acquisition, construction or renovation), and also for school buses and equipment with an extended useful life and serving educational purposes. No express definition of “educational purposes” is provided, but building projects would not appear to be limited to school buildings.

SPLOST Policy Details

The rate of the sales tax is one percent, and the tax is not subject to any sales tax exemption. SPLOST cannot typically be levied for more than five years per SPLOST; however, under certain conditions, it can be levied for six years. The board of education of a school district encompassing an entire county may impose the special 1% sales and use tax for up to five years, subject to renewal. No such sales tax can be implemented in any community without the specific consent of voters. Revenue from the tax must be spent on the stated ‘special purpose,’ which could include paying down debt financing for the project or directly funding the capital improvements.