

FLOST vs LHOST

Category	FLOST — Floating Local Option Sales Tax	LHOST — Local Homestead Option Sales Tax
What is it?	A sales tax of up to 1% collected county-wide and split between counties and cities.	A sales tax of 1% collected county-wide and split between counties and cities. Used for property tax relief on homestead properties first, and only for non-homestead properties if there is excess.
Eligibility under SB 33	✓ AUTOMATIC — SB 33 makes the floating homestead exemption mandatory for almost all local governments. The prior barrier (HB 581 opt out) no longer exists. All jurisdictions qualify by default.	✗ REQUIRES LOCAL ACT — Must first be authorized by a Local Act from the Georgia General Assembly. Eligibility depends on state legislative action before any local steps can be taken.
Path to adoption	Entirely local process: 1. Negotiate an IGA 2. Call a county-wide referendum 3. Levy the tax and rollback millage rate accordingly No state legislative action required.	Requires state action first: 1. Obtain a Local Act from the General Assembly 2. Hold a local voter referendum 3. Tax is levied and Homestead exemption refunded annually
IGA Required?	YES — County must reach an IGA with municipalities representing at least 50% of total municipal population. Sets the rate, duration, distribution of proceeds, and ballot question.	NO — Local delegation of the General Assembly passes a local act. Referendum is then required to institute the homestead exemptions and the tax.
Referendum Required?	YES — A local voter referendum is required county-wide before the FLOST can be levied.	YES — A local voter referendum is required following passage of the Local Act for the exemption and tax.
Rate	Up to 1%, set in increments of 0.05%.	1% flat.
Use of Funds	Property tax relief for all properties. Reduction must appear on each taxpayer's bill. The rollback millage rate is reduced by the millage equivalent of FLOST proceeds received the prior year. Distribution of funds is determined by the IGA.	Property tax relief for homesteaded properties first, followed by general rollback if funds sufficient. Homestead exemption and additional rollback determined by formula based on revenue derived.
Relationship to Other Sales Taxes	ALTERNATIVE to LHOST — cannot be levied alongside a LHOST, OLOST and MOST. Subject to 9% sales tax cap.	ALTERNATIVE to FLOST — cannot be used alongside a FLOST, OLOST and MOST. Subject to 9% sales tax cap.
Renewal	Maximum 5-year term. Renewal requires: a new Local Act from the General Assembly + a new IGA + a new voter referendum. No automatic renewal.	Maximum 10-year term. Renewal requires: a new local Act and referendum.