



**Carl Vinson
Institute of Government
UNIVERSITY OF GEORGIA**

April 25, 2022

Ralph Staffins, III
President and CEO
Brunswick-Golden Isles Chamber of Commerce
1505 Richmond Street
Second Floor
Brunswick, GA 31520

RE: Sales tax pull factor analysis for Glynn County

Dear Mr. Staffins,

In response to your request for an analysis of Glynn County's sales tax revenue and the pull factor published by the Georgia Department of Revenue (DOR), we have used DOR's Sales Tax Commodity Report for calendar years 2014 through 2021. This report provides the total sales tax distribution by county to all local governments receiving those distributions. The report also breaks down the total distribution across industry sectors including accommodations, auto, construction, food and bars, general merchandise, home furnishings, manufacturing, miscellaneous services, other retail, other services, utilities, and wholesale. Our analysis also used data from the U.S. Census Bureau and the U.S. Bureau of Economic Analysis (BEA).

Based on our analysis, we estimate that 37 to 43 percent of the sales tax revenue received by Glynn County local governments in 2021 was derived from non-county residents who make taxable purchases from firms in the county. The actual amount contributed to Glynn County's sales tax revenue by non-residents is likely higher since this estimate does not include an adjustment for purchases that Glynn county residents make outside the county.

Two pull factors are typically used to assess a county's sales tax collections. The first is based on the county's proportion of the state's population. It compares actual sales tax collections in a county to the amount we would expect if all sales tax revenue were distributed based on population. The DOR pull factors are this type. The second pull factor controls for per capita personal income by comparing a county's revenue per \$100,000 of personal income to statewide collections per \$100,000 of personal income. This control is important because income varies across counties producing different levels and

patterns of personal consumption. The income-adjusted pull factor produces a statistic that better estimates the proportion of sales tax revenue derived from non-resident spending.

Other factors affect sales tax collections across counties. Some, like Glynn County, have higher levels of tourism and its associated business sectors, and other counties are located on major travel corridors or have larger retail sectors relative to their neighbors that draw non-residents. These and other factors mean that some counties will receive greater amounts paid by non-residents. Without detailed retail surveys, it is difficult to measure amounts paid by non-residents, but these pull factors can provide indications of non-resident spending.

The DOR pull factor expects total state sales tax to be produced proportionally in each county based on each county's share of state population. The pull factor is produced by dividing the county's per capita sales tax collection by statewide per capita collection. A pull factor greater than one (1.0) indicates higher than expected sales tax collections. A pull factor less than one (1.0) means that collections were lower than expected based on population. Typically, about 30 to 32 Georgia counties have pull factors higher than one (1.0). The remaining counties are "donor" counties, meaning they have a net loss of retail activity from non-resident spending. In other words, the amount non-residents spend in those counties does not offset the spending their own residents make in other counties.

The DOR data indicate that local governments in Glynn County received \$29,424,353 in local option sales tax (LOST) in calendar year 2021 (see Table 1). Note that the figures in Table 1 are amounts DOR distributed from just the basic 1% LOST. It does not include amounts collected from other taxes such as the special purpose local option sales tax or the education local option sales tax that benefits the school district.

Glynn County collected \$347.24 per capita from the 1% LOST compared to \$214.66 statewide. This results in a pull factor of 1.58 indicating that Glynn County local governments received 58% more sales tax revenue in 2021 than the county's proportion of the state population would suggest. This higher than expected amount has grown from 46% in 2014. This pull factor would suggest that about 36.7% of Glynn County's revenue is derived from non-resident spending. Please note that the estimated population loss in 2021 contributes to a growth in revenue per capita and thus the increase in the pull factor. This population loss may be reversed as the economy continues to recover.

The pull factor based on personal income is presented in Table 2. Glynn County produced \$687.87 in sales tax revenue per \$100,000 of personal income in 2021, compared to statewide collections of just \$388.25 per \$100,000 of personal income (see Table 2). This ratio (pull factor) is 1.77, a good bit higher than the estimate based on population and indicates that Glynn County local governments collect 77% more sales tax revenue than the personal income of county residents would predict. From this statistic, we estimate that 43.6% of revenue is derived from non-resident spending. As noted above, this estimate controls for per capita personal income and is a better estimate of non-resident spending in Glynn County than the pull factor calculated using population. Note that this statistic has increased from about 31% in 2014. The 2021 BEA per capita income estimate for Glynn County is not yet published. We used

the 2020 figure in this calculation. This pull factor is higher than the 2020 statistic of 1.55 due in large part to the strong growth in sales tax revenue. Based on the growth in sales tax revenue seen in 2021, we expect the Glynn County pull factor to continue its strong performance.

Tables 3 and 4 present data on the twenty counties with the highest overall pull factors and the highest revenue from the accommodations and food service sectors as a percent of total revenue. Glynn County is fourth in overall pull factor. Just as Glynn County benefits from its tourism spending, each of the top three counties benefits from a specific retail sector or attribute that draws non-residents. Dawson County has a population of about 26,000 but has a large outlet mall on US Highway 19, the main route from Atlanta to Dahlonega. Much of Heard County's sales tax revenue is produced from the utility sector from Georgia Power's Plant Wansley electric power station. Greene County benefits from the development resorts and vacation home construction at Lake Oconee.

Glynn County receives more than 30 percent of its sales tax revenue from the accommodations and food service industry sectors (see Table 4). The county is consistently at the top of Georgia's counties in producing revenue from these sectors that are associated with the travel and tourism industries.

The complete DOR Sales Tax Commodity Report for 2021 is available from DOR. This report shows clearly how Glynn County benefits from the accommodations and other hospitality industry businesses in the county. The pull factors for these sectors in Glynn County are consistently among the highest in the state. Glynn County's overall pull factor is consistently in the three or four highest among Georgia's 159 counties.

If you have any questions regarding this analysis, please contact me using my email address below.

Sincerely,

A handwritten signature in black ink that reads "Wes Clarke". The signature is fluid and cursive, with the first name "Wes" and last name "Clarke" clearly legible.

Wes Clarke, Ph.D
gwclarke@uga.edu

Table 1. Glynn County LOST Revenue and Pull Factor Based on Population						
	Glynn County 1% Sales Tax Collections*	Population	Glynn County Collections Per Capita	Statewide Collections Per Capita	Pull Factor*	% Higher Than Expected
2014	\$19,239,206	82,212	\$234.02	\$160.76	1.46	31.5%
2015	\$19,969,673	83,368	\$239.54	\$162.58	1.47	32.0%
2016	\$19,739,651	84,211	\$234.41	\$160.41	1.46	31.5%
2017	\$20,735,824	84,836	\$244.42	\$164.47	1.48	32.4%
2018	\$22,686,476	85,099	\$266.59	\$172.52	1.54	35.1%
2019	\$24,098,056	85,326	\$282.42	\$182.09	1.51	33.8%
2020	\$25,163,460	85,568	\$294.08	\$189.36	1.54	35.1%
2021	\$29,424,353	84,739	\$347.24	\$214.66	1.58	36.7%

*Pull factors reported in this table are those published by DOR. Using U.S. Census population estimates obtained from the U.S. Bureau of Economic Analysis for Georgia and Glynn County produce figures that vary by a few hundredths of a point.

Data Sources:

Georgia Department of Revenue

U.S. Bureau of Economic Analysis

Table 2. Glynn County LOST Revenue and Pull Factor Based on Personal Income

	Glynn County 1% Sales Tax Collections	Glynn County Per Capita Income*	Population	Glynn County Total Personal Income	Glynn County Sales Tax Collections per \$100K of Personal Income	Statewide Sales Tax Per \$100K income	Pull Factor	% Higher Than Expected
2014	\$19,239,206	\$39,905	82,212	\$3,280,669,860	\$586.44	\$402.22	1.46	31.4%
2015	\$19,969,673	\$42,108	83,368	\$3,510,459,744	\$568.86	\$387.65	1.47	31.9%
2016	\$19,739,651	\$42,163	84,211	\$3,550,588,393	\$555.95	\$372.76	1.49	33.0%
2017	\$20,735,824	\$44,266	84,836	\$3,755,350,376	\$552.17	\$365.53	1.51	33.8%
2018	\$22,686,476	\$46,614	85,099	\$3,966,804,786	\$571.91	\$368.45	1.55	35.6%
2019	\$24,098,056	\$47,795	85,326	\$4,078,156,170	\$617.03	\$373.93	1.58	36.7%
2020	\$25,163,460	\$50,480	85,568	\$4,319,472,640	\$681.20	\$366.23	1.59	37.1%
2021	\$29,424,353	\$50,480	84,739	\$4,277,624,720	\$687.87	\$388.25	1.77	43.6%

*BEA estimate for 2021 not yet published. Year 2020 figure used for 2021.

Data Sources:

Georgia Department of Revenue

U.S. Bureau of Economic Analysis

Table 3. 20 Counties - Highest Overall Pull Factor, 2021

County	2021 1% Local Option Sales and Use Tax Paid to Counties, Total Distributions, Dollars	2021 Total Distributions, Pull Factor
DAWSON	\$11,702,332	2.05
HEARD	\$4,745,511	1.82
GREENE	\$6,669,081	1.67
GLYNN	\$29,424,353	1.58
FANNIN	\$8,934,920	1.56
CHATHAM	\$95,618,332	1.51
BURKE	\$6,883,077	1.41
RABUN	\$5,148,717	1.38
MORGAN	\$5,775,896	1.37
FULTON	\$316,467,053	1.36
FAYETTE	\$32,002,938	1.28
TIFT	\$10,946,749	1.23
UNION	\$6,532,862	1.22
JACKSON	\$18,288,285	1.15
COBB	\$187,693,877	1.13
BARTOW	\$26,405,719	1.12
BIBB	\$37,327,801	1.12
ROCKDALE	\$21,606,528	1.09
TOWNS	\$2,846,201	1.08
LOWNDES	\$27,319,004	1.07

Table 4. 20 Counties - Highest Revenue from Accommodations and Eating Places as a Percent of Total, 2021

County	2021 1% Local Option Sales and Use Tax Paid to Counties, Total Distributions, Dollars	2021 Total Distributions, Pull Factor	2021 1% Local Option Sales and Use Tax Paid to Counties, Accommodations, Dollars	2021 Accommodations, Pull Factor	2021 1% Local Option Sales and Use Tax Paid to Counties, Food/Bars, Dollars	2021 Food/Bars, Pull Factor	Total Revenue from Accommodations and Eating Places	Percent of Total
GLYNN	\$29,424,353	1.58	\$3,639,487	11.38	\$5,390,892	1.57	\$9,030,379	30.69%
TOWNS	\$2,846,201	1.08	\$241,573	5.35	\$563,355	1.16	\$804,928	28.28%
PULASKI	\$1,199,421	0.49	\$5,418	0.13	\$324,652	0.72	\$330,070	27.52%
WHITE	\$6,744,460	1.00	\$472,087	4.09	\$1,360,743	1.09	\$1,832,830	27.18%
MCINTOSH	\$1,608,504	0.51	\$34,089	0.63	\$378,061	0.65	\$412,150	25.62%
EVANS	\$1,645,852	0.71	\$6,317	0.16	\$408,101	0.95	\$414,418	25.18%
CHATHAM	\$95,618,332	1.51	\$4,923,391	4.53	\$19,134,732	1.64	\$24,058,123	25.16%
CLARKE	\$29,757,932	1.06	\$442,907	0.92	\$6,700,086	1.29	\$7,142,993	24.00%
FANNIN	\$8,934,920	1.56	\$647,020	6.59	\$1,466,989	1.39	\$2,114,009	23.66%
GREENE	\$6,669,081	1.67	\$54,113	0.79	\$1,521,298	2.06	\$1,575,411	23.62%
BRYAN	\$9,157,713	1.06	\$135,283	0.91	\$2,021,699	1.26	\$2,156,982	23.55%
DEKALB	\$150,277,373	0.91	\$2,102,758	0.74	\$32,926,676	1.07	\$35,029,435	23.31%
FULTON	\$316,467,053	1.36	\$9,368,599	2.35	\$64,088,078	1.49	\$73,456,677	23.21%
FAYETTE	\$32,002,938	1.28	\$254,509	0.59	\$6,928,596	1.50	\$7,183,105	22.45%
CANDLER	\$1,687,070	0.72	\$8,491	0.21	\$364,689	0.84	\$373,179	22.12%
LAMAR	\$2,530,774	0.61	\$4,758	0.07	\$552,764	0.72	\$557,522	22.03%
OCONEE	\$9,244,389	1.05	\$29,211	0.19	\$2,001,112	1.23	\$2,030,323	21.96%
DADE	\$2,935,050	0.83	\$46,505	0.77	\$594,955	0.91	\$641,460	21.86%
PICKENS	\$7,139,699	1.00	\$54,373	0.44	\$1,477,270	1.12	\$1,531,642	21.45%
TELFAIR	\$1,293,495	0.37	\$4,321	0.07	\$272,982	0.43	\$277,303	21.44%