

CAPITOL UPDATE

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A New Beginning

As we close out 2010, we look to 2011, with great anticipation, to take on legislative issue that will strengthen Georgia's position in respect to building our tech-based economy. TAG and its partners help drive change to bolster our industry including: the adoption of an Angel Investor Tax Credit and eTextbook legislation that will be sure to bring more computers and software into Georgia's classrooms.

November election results will bring monumental change to Georgia's General Assembly as we will see 35 new House members and 14 new Senate members when session convenes on January 10. Additionally, Georgia will welcome our 82nd Governor, Nathan Deal.

Georgia's General Assembly will be faced with a number of challenges in 2011. Most notable will be: growing Georgia's economy; creating jobs; and balancing the budget. Currently, Georgia has an estimated \$2 billion budget deficit, which is required by the Georgia Constitution to be balanced each year. Governor Deal will be faced with making many difficult decisions in order to see that the budget is balanced, while simultaneously working with stakeholders to grow our economy.

TAG's Government Relations Task Force

TAG is pleased to announce that in 2010, it added 4 new members to its Government Relations Task Force. The GRTF is an advisory committee designed to help to TAG navigate through the legislative process and advance the goals of the association and technology industry. The newest members include:

- **Jim Flowers**, *Director of Government and Community Affairs, Georgia State University*
- **Marlit Hayslett**, *Director of Research and Policy Analysis, Georgia Tech Research Institute*
- **Zach Johnson**, *Team 180, Government Relations*
- **Pat Williams**, *President, McKenzie Daniels & Associates*

A Strategic Plan for Science & Technology

TAG, through its partners on the Government Relations Task Force, and with the support of the TAG Board of Directors, is currently working on developing a strategic plan that will ultimately build Georgia's technology industry. A strategic plan will help the state develop a roadmap of where we want to go, and how the technology industry can help. As we know, technology jobs pay \$30,000 more annually than the average Georgia salary. These high-quality, high-paying jobs are critical to the success of our economy. Through the creation of a study committee that would be tasked with developing a strategic plan, we can leverage the assets in the state, recruit new companies to Georgia and allow innovation and entrepreneurship to drive economic development.

One key component is that the plan must have private sector input and be developed with the insight and leadership of Georgia's business community. Another key focus area the plan must focus on is education, particularly Science, Technology, Engineering and Math (STEM) Education. Georgia has some of the top universities in the world, and if we can keep our graduates here, we can keep our companies here.

The creation of a study committee to review Georgia's Technology plan will be very beneficial to helping create a sound workforce, a vibrant economy and an even higher quality of life.

Special Council on Tax Reform

A Special Council on Tax Reform and Fairness for Georgians was formed in 2010. This council, charged with reviewing all of Georgia's state tax code, recently reported some of their findings.

The goal is to expand the sales tax base on items such as haircuts, and possibly groceries, while reducing the personal and corporate income tax levels. While the council has not given to many specifics, we expect these to be part of their suggestion. TAG will continue to monitor the findings of the council and will update you on any changes that may impact our industry.