

House Bill 1328

By: Representatives Buck of the 135th, Royal of the 164th, Smith of the 175th, McBee of the 88th, Skipper of the 137th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to state
2 income taxation, so as to provide for certain technical corrections and modifications; to
3 provide for proper administration of certain provisions regarding state income taxation; to
4 change certain provisions regarding definitions relating to income tax; to change certain
5 provisions regarding computation of taxable net income; to change certain provisions
6 regarding taxation of nonresidents' income; to change certain provisions regarding conditions
7 for allocating certain income; to change certain provisions regarding income tax credits to
8 business enterprises for certain leased motor vehicles; to change certain provisions regarding
9 confidentiality of tax information; to amend Title 20 of the Official Code of Georgia
10 Annotated, relating to education, so as to change certain provisions regarding the Georgia
11 Higher Education Savings Plan; to change certain provisions regarding definitions; to change
12 certain provisions regarding the board of directors of such plan; to change certain provisions
13 regarding savings trust accounts; to change certain provisions regarding fund administration;
14 to change certain provisions regarding investment of plan funds; to change certain provisions
15 regarding annual statement and report requirements; to change certain provisions regarding
16 confidentiality of records; to provide for related matters; to provide for an effective date and
17 for applicability; to repeal conflicting laws; and for other purposes.

18 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

19 **SECTION 1.**

20 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to state income
21 taxation, is amended by striking paragraph (11) of Code Section 48-7-1, relating to
22 definitions regarding income taxes, and inserting in its place a new paragraph (11) to read
23 as follows:

24 "(11) 'Taxable nonresident' means:

25 (A) Every individual who is not otherwise a resident of this state for income tax
26 purposes and who regularly and not casually or intermittently engages within this state,

1 by himself or herself or by means of employees, agents, or partners, in employment,
 2 trade, business, professional, or other activity for financial gain or profit including, but
 3 not limited to, the rental of real or personal property located within this state or for use
 4 within this state. 'Taxable nonresident' does not include a legal resident of another state
 5 whose only activity for financial gain or profit in this state consists of performing
 6 services in this state for an employer when the remuneration for the services does not
 7 exceed 5 percent of the income received by the person for performing services in all
 8 places during any taxable year;

9 (B) Every individual who is not otherwise a resident of this state for income tax
 10 purposes and who sells, exchanges, or otherwise disposes of tangible property which
 11 at the time of the sale, exchange, or other disposition has a taxable situs within this state
 12 or who sells, exchanges, or otherwise disposes of intangible personal property which
 13 has acquired at the time of the sale, exchange, or other disposition a business or
 14 commercial situs within this state;

15 (C) Every individual who is not otherwise a resident of this state for income tax
 16 purposes and who receives the proceeds of any lottery prize awarded by the Georgia
 17 Lottery Corporation; and

18 (D) Every individual who is not a resident of this state for income tax purposes and
 19 who makes an unqualified withdrawal as provided for in subparagraph (b)(10)(B) of
 20 Code Section 48-7-27."

21 SECTION 2.

22 Said chapter is further amended by striking paragraph (11) of subsection (a) of Code Section
 23 48-7-27, relating to computation of taxable net income, and inserting in its place a new
 24 paragraph (11) to read as follows:

25 "(11)(A) For taxable years beginning on or after January 1, 2002, an amount equal to
 26 the amount of contributions by parents or guardians of a designated beneficiary to a
 27 savings trust account established pursuant to Article 11 of Chapter 3 of Title 20 on
 28 behalf of a designated beneficiary who is claimed as a dependent on the Georgia
 29 income tax return of the beneficiary's parents or guardians, but not exceeding \$2,000.00
 30 per beneficiary.

31 (B) If the parents or guardians file joint returns, separate returns, or single returns, the
 32 sum of contributions constituting deductions on their returns under this paragraph shall
 33 not exceed \$2,000.00 per beneficiary.

34 (C) In order to ~~To~~ claim the deduction, ~~the taxpayer's federal return must show~~ for a
 35 taxable year:

1 (i) The parents or guardians must have claimed and been allowed itemized
 2 deductions from adjusted gross income, and the pursuant to Section 63(d) of the
 3 Internal Revenue Code of 1986 and paragraph (1) of this subsection;

4 (ii) The federal adjusted gross income for such taxable year cannot exceed
 5 \$100,000.00 for a joint return or \$50,000.00 for a separate or single return; ~~the~~ except
 6 as provided in subparagraph (D) of this paragraph; and

7 (iii) The parents or guardians must be the account owner of the designated
 8 beneficiary's account.

9 (D) The maximum deduction authorized by this paragraph for each beneficiary shall
 10 decrease by \$400.00 for each \$1,000.00 of federal adjusted gross income over the
 11 applicable limit \$100,000.00 for a joint return or \$50,000.00 for a separate or single
 12 return.

13 (E) For purposes of this paragraph, contributions or payments for any such taxable year
 14 may be made during or after such calendar taxable year but on or before the deadline
 15 for making contributions to an individual retirement account under federal law for such
 16 taxable year pursuant to Section 219(f)(3) of the Internal Revenue Code of 1986."

17 SECTION 3.

18 Said chapter is further amended by striking paragraph (10) of subsection (b) of Code Section
 19 48-7-27, relating to computation of taxable net income, and inserting in its place a new
 20 paragraph (10) to read as follows:

21 "(10)(A) For taxable years beginning on or after January 1, 2002, the amount of any
 22 qualified withdrawals from a savings trust account under Article 11 of Chapter 3 of
 23 Title 20 used solely for qualified higher education expenses shall not be subject to state
 24 income tax under this chapter.

25 (B) For ~~unqualified~~ withdrawals other than qualified withdrawals or distributions to
 26 another qualified state tuition plan from such a savings trust account, the proportion of
 27 earnings in the account balance at the time of the withdrawal shall be applied to the
 28 total funds withdrawn to determine the earnings portion to be included in the account
 29 ~~contributor's~~ owner's taxable net income in the year of withdrawal. The proportion of
 30 the contributions in an account balance at the time of an unqualified withdrawal which
 31 previously have been used to reduce taxable net income pursuant to paragraph (11) of
 32 subsection (a) of this Code section shall be applied to the nonearnings portion of the
 33 total funds withdrawn to determine an amount to be included in the account
 34 ~~contributor's~~ owner's taxable net income in the same taxable year."

1 (b) The following records shall constitute public records that are open for inspection under
 2 the provisions of Article 4 of Chapter 18 of Title 50:

3 (1) Proposals submitted by taxpayers under this Code section or under any prior Code
 4 section that allowed taxpayers to enter into a contract or agreement with the
 5 commissioner to use a different allocation method, a different apportionment method, or
 6 both; and

7 (2) Any agreement or contract entered into as a result of such proposal.

8 (c) Taxpayers' tax information from any state or federal income tax return contained in
 9 records subject to disclosure pursuant to subsection (b) of this Code section which would
 10 otherwise be privileged or protected from disclosure by law shall be deleted or redacted
 11 from records made available for public inspection.

12 (d) In evaluating proposals pursuant to subsection (a) of this Code section, the panel shall
 13 not determine that a proposal has significant beneficial economic effect on the region for
 14 which it is planned unless two or more of the following criteria are met:

15 (1) The proposal creates new full-time jobs that meet the requirements contained in
 16 Regulations 110-9-1-.01, 110-9-1-.02, and 110-9-1-.03 of the Department of Community
 17 Affairs, relating to job tax credits, with average wages which are, as determined by the
 18 Georgia Department of Labor for all jobs for the county in question:

19 (A) Twenty percent above such average wage for projects located in tier 1 counties;

20 (B) Ten percent above such average wage for projects located in tier 2 counties; or

21 (C) Five percent above such average wage for projects located in tier 3 or tier 4
 22 counties;

23 (2) The project invests in qualified investment property, as defined in Regulation
 24 560-7-8-.37 of the department, which is valued at over \$10 million in tier 1 counties, over
 25 \$35 million in tier 2 counties, and over \$75 million in tier 3 or tier 4 counties. Past
 26 investment will not be considered;

27 (3) The proposal creates a minimum of 50 new full-time jobs that meet the requirements
 28 contained in Regulations 110-9-1-.01, 110-9-1-.02, and 110-9-1-.03 of the Department
 29 of Community Affairs, relating to job tax credits, in a tier 1 county, 150 such jobs in a tier
 30 2 county, or 300 such jobs in a tier 3 or tier 4 county; or

31 (4) The proposal demonstrates high growth potential based upon the prior year's Georgia
 32 net taxable income growth of over 20 percent from the previous year, if the company's
 33 Georgia net taxable income in each of the two preceding years also grew by 20 percent
 34 or more."

SECTION 6.

Said chapter is further amended by striking Code Section 48-7-40.22, relating to income tax credits to business enterprises for certain leased vehicles, and inserting in its place a new Code Section 48-7-40.22 to read as follows:

"48-7-40.22.

(a) As used in this Code section, the term:

(1) 'Business enterprise' means any business or the headquarters of any such business which is engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, research and development industries, child care businesses, or retail businesses.

(2) 'Headquarters' means the principal central ~~administration~~ administrative office of a taxpayer.

(3) 'Tier' means a tier as designated pursuant to Code Section 48-7-40, as amended.

(b) A business enterprise which is located in a tier 1 or tier 2 county which purchases or leases a new motor vehicle as defined in paragraph (34) of Code Section 40-1-1 in this state which is used for the exclusive purpose of providing transportation for its employees shall be allowed a credit for taxes imposed under this article as follows:

<u>Tier</u>	<u>Credit amount per vehicle</u>
1	\$ 3,000.00
2	2,000.00

(c) In order to qualify for the tax credit under this Code section, a business enterprise must certify that each vehicle for which a credit is claimed carries an average daily ridership of not less than four employees for an entire taxable year.

(d) In no event shall the aggregate amount of the tax credit provided by this Code section exceed the income tax liability of the business enterprise. Any unused tax credit shall be allowed to be carried forward to apply to the succeeding years' tax liability of such business enterprise. No such credit shall be allowed the business enterprise against prior years' tax liability.

(e) No business enterprise shall be authorized to claim on a tax return the credit provided for in this Code section with respect to a vehicle if such business enterprise claims any of the credits authorized under subsection (b) of Code Section 48-7-40.16 with respect to such vehicle.

(f)(1) If a business enterprise sells a new motor vehicle within three years of receiving the credit, the business enterprise shall recapture the credit as follows:

(A) If the motor vehicle is sold within one year of receiving the credit, the recapture amount will equal the lesser of the credit or the net profit from the sale;

1 (B) If the motor vehicle is sold within two years of receiving the credit, the recapture
 2 amount will equal the lesser of two-thirds of the credit or the net profit from the sale;
 3 and

4 (C) If the motor vehicle is sold within three years of receiving the credit, the recapture
 5 amount will equal the lesser of one-third of the credit or the net profit from the sale.

6 (2) The recapture provisions of this subsection shall not apply to:

7 (A) Any sale by reason of death;

8 (B) Any sale between spouses or incident to divorce;

9 (C) Any transaction to which Section 381(a) of the Internal Revenue Code of 1986
 10 applies;

11 (D) Any change in the form of conducting the taxpayer's trade or business so long as
 12 the property is retained in such trade or business and the taxpayer retains a substantial
 13 interest in such trade or business; or

14 (E) Any accident or casualty.

15 ~~(e)~~(g) The commissioner shall promulgate any rules and regulations necessary to
 16 implement and administer the Code section."

17 **SECTION 7.**

18 Said chapter is further amended by striking subsection (d) of Code Section 48-7-60, relating
 19 to confidentiality of tax information, and inserting in its place a new subsection (d) to read
 20 as follows:

21 "(d) This Code section shall not be construed to prohibit persons or groups of persons other
 22 than employees of the department from having access to tax information where necessary
 23 to conduct research commissioned by the department and where necessary for data
 24 processing operations and maintenance of data processing equipment, provided the persons
 25 or groups of persons have obtained prior written approval from the commissioner and are
 26 subject to the direct security control of department personnel during all periods of access.
 27 Any person who divulges or makes known any tax information obtained under this
 28 subsection shall be subject to the same civil and criminal penalties as those provided for
 29 divulgence of information by employees of the department."

30 **SECTION 8.**

31 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by
 32 striking Code Section 20-3-632, relating to definitions, and inserting in its place a new Code
 33 Section 20-3-632 to read as follows:

34 "20-3-632.

35 As used in this article, the term:

1 (1) 'Account contributor' means a resident or nonresident person, corporation, trust,
 2 charitable organization, or other entity which contributes to or invests money in a savings
 3 trust account under the program on behalf of a beneficiary. For resident or nonresident
 4 persons, the account contributor may also be the designated beneficiary of the account.

5 (2) 'Account owner' means a resident or nonresident person, corporation, trust, charitable
 6 organization, or other entity that establishes a savings trust account under the program on
 7 behalf of a beneficiary. For resident or nonresident persons, the account owner may also
 8 be the designated beneficiary of the account.

9 ~~(2)~~(3) 'Beneficiary' means a resident or nonresident beneficiary of a savings trust
 10 agreement who meets the requirements of Section 529 of the Internal Revenue Code of
 11 1986 or other applicable federal law and any regulations established by the board.

12 ~~(3)~~(4) 'Board' means the Board of Directors of the Georgia Higher Education Savings
 13 Plan.

14 ~~(4)~~(5) 'Director' means the director of the Office of Treasury and Fiscal Services.

15 ~~(5)~~(6) 'Financial organization' means an organization which is:

16 (A) A fiduciary authorized to act as a trustee pursuant to the provisions of the federal
 17 Employee Retirement Income Security Act of 1974, as amended, or an insurance
 18 company or affiliate; and

19 (B)(i) Licensed or chartered by the Insurance Department;

20 (ii) Licensed or chartered by the Department of Banking and Finance;

21 (iii) Chartered by an agency of the federal government;

22 (iv) Subject to the jurisdiction and regulation of the federal Securities and Exchange
 23 Commission;

24 (v) ~~Is any~~ Any other entity otherwise authorized to act in this state as a trustee
 25 pursuant to the provisions of the federal Employee Retirement Income Security Act
 26 of 1974, as amended; or

27 (vi) Any investment adviser registered with the United States Securities and
 28 Exchange Commission pursuant to the Investment Advisers Act of 1940.

29 ~~(6)~~(7) 'Institution of higher education' means an eligible educational institution as
 30 defined in Section 529 of the Internal Revenue Code of 1986 or other applicable federal
 31 law.

32 ~~(7)~~(8) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' has the meaning
 33 provided by Code Section 48-1-2.

34 ~~(8)~~(9) 'Plan' means the Georgia Higher Education Savings Plan established under this
 35 article.

36 ~~(9)~~(10) 'Program' means the program of savings trust agreements and savings trust
 37 accounts provided by the plan.

1 ~~(10)~~(11) 'Qualified higher education expense' means any higher education expense as
 2 defined in Section 529 of the Internal Revenue Code of 1986 or other applicable federal
 3 law.

4 ~~(11)~~(12) 'Qualified withdrawal' means a withdrawal by an account ~~contributor or~~
 5 ~~beneficiary~~ owner for qualified higher education expenses or as otherwise permitted
 6 under Section 529 of the Internal Revenue Code of 1986 without a penalty ~~required under~~
 7 ~~the Internal Revenue Code~~ or the imposition of taxes on the withdrawal.

8 ~~(12)~~(13) 'Savings trust account' means an account established by an account ~~contributor~~
 9 owner pursuant to this article on behalf of a beneficiary in order to apply distributions
 10 from the account toward qualified higher education expenses at eligible educational
 11 institutions as defined in Section 529 of the Internal Revenue Code of 1986 or other
 12 applicable federal law.

13 ~~(13)~~(14) 'Savings trust agreement' means the agreement entered into between the board
 14 and the account ~~contributor~~ owner establishing a savings trust account.

15 ~~(14)~~(15) 'Trust fund' means the Georgia Higher Education Savings Plan Trust Fund.

16 (16) 'Unqualified withdrawal' means a withdrawal by an account owner that is not:

17 (A) A qualified withdrawal;

18 (B) A withdrawal by reason of the death or disability of the beneficiary;

19 (C) A withdrawal made in connection with the receipt by the beneficiary of a
 20 scholarship; or

21 (D) A distribution to another qualified state tuition plan."

22 SECTION 9.

23 Said title is further amended by striking paragraphs (8) and (10) of subsection (b) of Code
 24 Section 20-3-633, relating to the board of directors of the Georgia Higher Education Savings
 25 Plan, and inserting in their place new paragraphs (8) and (10) to read as follows:

26 "(8) Require and collect fees and charges to cover the reasonable costs of administering
 27 savings trust accounts and impose a ~~10 percent penalty on the earnings portion included~~
 28 ~~within a~~ penalties on an unqualified withdrawal of funds ~~for nonqualified higher~~
 29 ~~educational expenses~~ or for entering into a savings trust agreement on a fraudulent
 30 basis;".

31 "(10) Require that account ~~contributors~~ owners of savings trust agreements verify in
 32 writing, before a person authorized to administer oaths, any requests for contract
 33 conversions, substitutions, transfers, cancellations, refund requests, or contract changes
 34 of any nature;".

1 penalty or tax surcharge under the Internal Revenue Code of 1986. Contributions and
 2 earnings shall not be eligible for ~~qualified~~ any withdrawal until ~~three years~~ one year from
 3 the date of establishment of the account;

4 (4) The name, address, and date of birth of the beneficiary on whose behalf the savings
 5 trust account is opened;

6 (5) Terms and conditions for a substitution of the beneficiary originally named;

7 (6) Terms and conditions for termination of the account, including any refunds,
 8 withdrawals, or transfers, applicable penalties, and the name of the person or persons
 9 entitled to terminate the account;

10 (7) All other rights and obligations of the account owner or account contributor and the
 11 trust fund; and

12 (8) Any other terms and conditions that the board deems necessary or appropriate,
 13 including without limitation those necessary to conform the savings trust account with
 14 the requirements of Section 529 of the Internal Revenue Code of 1986 or other applicable
 15 federal law."

16 **SECTION 11.**

17 Said title is further amended by striking Code Section 20-3-635, relating to fund
 18 administration, and inserting in its place a new Code Section 20-3-635 to read as follows:

19 "20-3-635.

20 (a)(1) There is created the Georgia Higher Education Savings Plan Trust Fund as a
 21 separate fund in the state treasury. The trust fund shall be administered by the director.
 22 The director shall credit to the trust fund all amounts transferred to such fund. The trust
 23 fund shall consist of money remitted in accordance with savings trust agreements and any
 24 moneys acquired from other governmental or private sources and shall receive and hold
 25 all payments, contributions, and deposits intended for it as well as gifts, bequests, or
 26 endowments; grants; any other public or private source of funds; and all earnings on the
 27 fund until disbursed as provided under this Code section. The amounts on deposit in the
 28 trust fund shall not constitute property of the state. Amounts on deposit in the trust fund
 29 shall not be commingled with state funds, and the state shall have no claim to or interest
 30 in such funds other than the amount of reasonable fees and charges assessed to cover
 31 administration costs. Savings trust agreements or any other contract entered into by or
 32 on behalf of the trust fund shall not constitute a debt or obligation of the state, and no
 33 account owner or account contributor shall be entitled to any amounts except for those
 34 amounts on deposit in or accrued to the account of such contributor.

35 (2) The trust fund shall continue in existence so long as it holds any funds belonging to
 36 an account ~~contributor~~ owner or otherwise has any obligations to any person or entity and

1 until its existence is terminated by law and remaining assets on deposit in the trust fund
2 are returned to account ~~contributors~~ owners or transferred to the state in accordance with
3 unclaimed property laws.

4 (b)(1) The following three separate accounts are created within the trust fund:

- 5 (A) The administrative account;
- 6 (B) The endowment account; and
- 7 (C) The program account.

8 (2) The administrative account shall accept, deposit, and disburse funds for the purpose
9 of administering and marketing the program. The endowment account shall ~~receive and~~
10 ~~deposit accounts~~ accept, deposit, and disburse amounts received in connection with the
11 sales of interests in the trust fund or other contributions, other than amounts for the
12 administrative account and other than amounts received pursuant to a savings trust
13 agreement. Amounts on deposit in the endowment account may be applied as specified
14 by the board for any purpose related to the program. The program account shall receive,
15 invest, and disburse amounts pursuant to savings trust agreements.

16 (c) The official location of the trust fund shall be the Office of Treasury and Fiscal
17 Services, and the facilities of the Office of Treasury and Fiscal Services shall be used and
18 employed in the administration of the fund, including without limitation the keeping of
19 records, the management of bank accounts and other investments, the transfer of funds, and
20 the safekeeping of securities evidencing investments. These functions may be administered
21 pursuant to a management agreement with a qualified entity or entities.

22 (d) Payments received by the board on behalf of beneficiaries from account contributors,
23 other payors, or from any other source, public or private, shall be placed in the trust fund,
24 and the board shall cause there to be maintained separate records and accounts for
25 individual beneficiaries as may be required under Section 529 of the Internal Revenue
26 Code of 1986 or other applicable federal law.

27 (e) Account contributors shall be permitted only to contribute cash or any other form of
28 payment or contribution as is permitted under Section 529 of the Internal Revenue Code
29 of 1986 and approved by the board. The board shall cause the program to maintain
30 adequate safeguards against contributions in excess of what may be required for qualified
31 higher education expenses. The trust fund, through the director, may receive and deposit
32 into the trust fund any gift of any nature, real or personal property, made by an individual
33 by testamentary disposition, including without limitation any specific gift or bequest made
34 by will, trust, or other disposition to the extent permitted under Section 529 of the Internal
35 Revenue Code of 1986. The trust fund may receive amounts transferred under Article 5
36 of Chapter 5 of Title 44, 'The Georgia Transfers to Minors Act'; under the Uniform
37 Transfers to Minors Act, Uniform Gift to Minors Act, or other substantially similar act of

1 another state, subject to the provisions of subsection (c) of Code Section 44-5-112; or from
 2 some other account established for the benefit of a minor if the trust beneficiary of such an
 3 account is identified as the legal owner of the trust fund account upon attaining majority
 4 age.

5 (f) Earnings derived from investment of the contributions shall be considered to be held
 6 in trust in the same manner as contributions, except as applied for purposes of the
 7 designated beneficiary and for purposes of maintaining and administering the program as
 8 provided in this article. Amounts on deposit in an account ~~contributor's~~ owner's account
 9 shall be available for administrative fees and expenses and penalties imposed by the board
 10 for the plan as disclosed in the savings trust agreement.

11 (g) The assets of the trust fund shall be preserved, invested, and expended solely pursuant
 12 to and for the purposes of this article and shall not be loaned or otherwise transferred or
 13 used by the state for any other purpose."

14 **SECTION 12.**

15 Said title is further amended in Code Section 20-3-637, relating to investment of plan funds,
 16 by striking subsection (g) and inserting in its place a new subsection (g) and by adding a new
 17 subsection at the end thereof, to be designated subsection (i), to read as follows:

18 "(g) No account owner, account contributor, or beneficiary shall directly or indirectly
 19 direct the investment of any account except as may be permitted under Section 529 of the
 20 Internal Revenue Code of 1986 or other applicable federal law."

21 "(i) No account owner shall pledge any interest in the program or any portion thereof as
 22 security for a loan."

23 **SECTION 13.**

24 Said title is further amended by striking Code Section 20-3-638, relating to annual statements
 25 and report requirements, and inserting in its place a new Code Section 20-3-638 to read as
 26 follows:

27 "20-3-638.

28 (a) The board shall furnish, subject to reasonable administrative fees and charges, to each
 29 account ~~contributor~~ owner an annual statement of the following:

- 30 (1) The amount contributed ~~by the account contributor~~ under the savings trust agreement;
- 31 (2) The annual earnings and accumulated earnings on the savings trust account; and
- 32 (3) Any other terms and conditions that the board deems by rule are necessary or
 33 appropriate, including without limitation those necessary to conform the savings trust
 34 account with the requirements of Section 529 of the Internal Revenue Code of 1986 or
 35 other applicable federal law.

1 (b) The board shall furnish an additional statement complying with subsection (a) of this
 2 Code section to an account ~~contributor~~ owner or beneficiary on written request. The board
 3 may charge a reasonable fee for each statement furnished under this subsection.

4 (c) The board shall prepare or cause to be prepared an annual report setting forth in
 5 appropriate detail an accounting of the funds and a description of the financial condition
 6 of the plan at the close of each fiscal year. Such report shall be submitted to the Governor,
 7 the President of the Senate, and the Speaker of the House of Representatives. In addition,
 8 the board shall make the report available to account owners or account contributors of
 9 savings trust agreements. The accounts of the trust fund shall be subject to annual audits
 10 by the state auditor or his or her designee."

11 **SECTION 14.**

12 Said title is further amended by striking paragraph (4) of subsection (c) of Code Section
 13 20-3-642, relating to confidentiality of records, and inserting in its place a new paragraph (4)
 14 to read as follows:

15 "(4) Given to any person or entity in connection with a savings trust account to which
 16 such person or entity is ~~an~~ the account ~~contributor~~ owner or given to any person in
 17 connection with a savings trust account of which such person is a the beneficiary; or".

18 **SECTION 15.**

19 (a) Except as otherwise provided in subsection (b) of this section, this Act shall become
 20 effective upon its approval by the Governor or upon its becoming law without such approval.

21 (b) Sections 1, 2, 3, 4, 6, 8, 9, 10, 11, 12, 13, and 14 of this Act shall become effective upon
 22 its approval by the Governor or upon its becoming law without such approval and shall be
 23 applicable to all taxable years beginning on or after January 1, 2002.

24 **SECTION 16.**

25 All laws and parts of laws in conflict with this Act are repealed.