

House Bill 4

By: Representatives Franklin of the 39th, Coan of the 82nd and Joyce of the 1st

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
2 income taxes, so as to provide that Georgia taxable net income of an individual taxpayer or
3 a foreign corporation or domestic corporation shall not include income which is attributable
4 directly to a capital gain; to provide an effective date; to provide for applicability; to repeal
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

7 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
8 is amended by striking subsection (e) of Code Section 48-7-27, relating to computation of
9 taxable net income of individuals, and inserting in its place a new subsection (e) to read as
10 follows:
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12 ~~"(e) Notwithstanding any other provision of this chapter to the contrary, Georgia taxable~~
13 ~~net income shall, if the taxpayer so elects, be adjusted in an amount equal to the amount~~
14 ~~of any full or partial deduction or exclusion from federal adjusted gross income for federal~~
15 ~~income tax purposes with respect to capital gains. Georgia taxable net income of a~~
16 ~~taxpayer shall not include any income of such taxpayer which is attributable directly to a~~
17 ~~capital gain."~~

SECTION 2.

18 Said chapter is further amended by adding a new subsection at the end of Code Section
19 48-7-31, relating to taxation of corporations, to be designated subsection (f), to read as
20 follows:
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22 "(f) Georgia taxable net income of a foreign or domestic corporation shall not include any
23 income of such corporation which is attributable directly to a capital gain."

SECTION 3.

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This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval and shall be applicable to all taxable years beginning on or after January 1, 2001.

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SECTION 4.

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All laws and parts of laws in conflict with this Act are repealed.