

House Bill 589

By: Representatives Rice of the 79th, Day of the 153rd, Westmoreland of the 104th, Forster of the 3rd, Irvin of the 45th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the imposition, rate, and computation of income tax, so as to provide for an
3 income tax credit for donations to certain charitable organizations; to provide for conditions
4 and limitations; to provide for a definition; to provide for authority of the state revenue
5 commissioner; to provide an effective date; to provide for applicability; to repeal conflicting
6 laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
10 imposition, rate, and computation of income tax, is amended by inserting a new Code Section
11 48-7-29.8 to read as follows:

12 "48-7-29.8.

13 (a) As used in this Code section, the term 'charitable organization' means a qualified tax
14 exempt organization under Section 501(c)(3) of the Internal Revenue Code which
15 organization expends not less than 70 percent of the contributions and donations which it
16 receives on the direct provision of services or goods, or both, to indigent persons.

17 (b)(1)(A) A taxpayer whose filing status is single or married filing separately shall be
18 allowed a credit against the tax imposed by Code Section 48-7-20 in an amount equal
19 to 50 percent of the first \$500.00 of verified donations to a qualified charitable
20 organization.

21 (B) A taxpayer whose filing status is married filing jointly or head of household shall
22 be allowed a per return credit against the tax imposed by Code Section 48-7-20 in an
23 amount equal to 50 percent of the first \$1,000.00 of verified donations to a qualified
24 charitable organization.

1 (2) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-21
2 in an amount equal to 50 percent of the first \$1,000.00 of verified donations to a qualified
3 charitable organization.

4 (3) In no event shall the amount of the tax credit exceed the taxpayer's income tax
5 liability for a taxable year, and any unused tax credit shall not be allowed to be carried
6 forward to apply to the taxpayer's succeeding years' tax liability. No such tax credit shall
7 be allowed the taxpayer against prior years' tax liability.

8 (c) The commissioner shall promulgate any rules and regulations necessary to implement
9 and administer this Code section."

10 **SECTION 2.**

11 This Act shall become effective on January 1, 2002, and shall be applicable to all taxable
12 years beginning on or after such date.

13 **SECTION 3.**

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