

House Bill 351

By: Representatives Harbin of the 80th, Fleming of the 79th and Morris of the 120th

A BILL TO BE ENTITLED
AN ACT

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to provide for a tax deduction equal to the amount of subscriptions paid to a fire department, other than a fire department funded and operated by a political subdivision, for fire protection services; to provide for related matters; to provide for applicability; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is amended by striking paragraph (10) of subsection (b) of Code Section 48-7-21, relating to taxation of corporations, and inserting in lieu thereof a new paragraph (10) to read as follows:

"(10) ~~Reserved~~ There shall be subtracted from taxable income an amount equal to the amount of subscriptions paid to a fire department, other than a fire department funded and operated by a political subdivision, for fire protection services."

SECTION 2.

Said chapter is further amended by striking paragraphs (10) and (11) of subsection (a) of Code Section 48-7-27, relating to computation of taxable net income, and inserting in lieu thereof new paragraphs (10), (11), and (12) to read as follows:

"(10) With respect to a taxpayer who is a self-employed individual treated as an employee pursuant to Section 401(c)(1) of the Internal Revenue Code, an amount equal to the amount paid by the taxpayer during the taxable year for insurance which constitutes medical care for the taxpayer and the spouse and dependents of the taxpayer which is not otherwise deductible by the taxpayer for federal income tax purposes because the applicable percentage for that taxable year as specified pursuant to Section 162(l) of the Internal Revenue Code is less than 100 percent; and

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

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

(C) In order to claim the deduction for a taxable year:

(i) Such parent or guardian must have claimed and been allowed itemized deductions pursuant to Section 63(d) of the Internal Revenue Code of 1986 and paragraph (1) of this subsection;

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

(iii) Such parent or guardian must be the account owner of the designated beneficiary's account.

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

(E) For purposes of this paragraph, contributions or payments for any such taxable year may be made during or after such taxable year but on or before the deadline for making contributions to an individual retirement account pursuant to Section 219(f)(3) of the Internal Revenue Code of 1986; and

(12) The amount of subscriptions paid to a fire department, other than a fire department funded and operated by a political subdivision, for fire protection services."

SECTION 3.

This Act shall become effective on January 1, 2004, and shall apply to all tax years beginning on and after that date.

SECTION 4.

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