

House Bill 562

By: Representatives Thompson of the 69th, Post 1, Wilkinson of the 41st, Mitchell of the 61st,
Post 3, Dix of the 70th, Post 2, Snow of the 1st, 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
2 income taxes, so as to provide that Georgia taxable net income of any taxpayer shall not
3 include income which is attributable directly to a capital gain; to provide an effective date;
4 to provide for applicability; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**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:

11 ~~"(e) Notwithstanding any other provision of this chapter to the contrary, Georgia taxable~~
12 ~~net income shall, if the taxpayer so elects, be adjusted in an amount equal to the amount~~
13 ~~of any full or partial deduction or exclusion from federal adjusted gross income for federal~~
14 ~~income tax purposes with respect to capital gains~~ not include any income of such taxpayer
15 which is attributable directly to a capital gain."

16 style="text-align:center">**SECTION 2.**

17 Said chapter is further amended by adding a new subsection at the end of Code Section
18 48-7-31, relating to taxation of corporations, to be designated subsection (f), to read as
19 follows:

20 "(f) Georgia taxable net income of a foreign or domestic corporation shall not include any
21 income of such corporation which is attributable directly to a capital gain."

22 style="text-align:center">**SECTION 3.**

23 This Act shall become effective January 1, 2004, and shall be applicable to all taxable years
24 beginning on or after January 1, 2004.

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SECTION 4.

2 All laws and parts of laws in conflict with this Act are repealed.