

House Bill 1425

By: Representative Chambers of the 53<sup>rd</sup>

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 enact the "Georgia Income Tax Lottery Act"; to provide legislative  
3 findings; to establish a lottery based upon voluntary payments through individual income tax  
4 filings; to provide that the winner of the lottery shall have a lifetime exemption from Georgia  
5 individual income taxes; to provide for the disposition of the proceeds; to provide for  
6 procedures, conditions, and limitations; to provide for powers, duties, and authority of the  
7 commissioner and department; to provide for criminal penalties; to provide for related  
8 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,  
12 is amended by adding a new Article 8 to read as follows:

13 style="text-align:center">"ARTICLE 8

14 48-7-190.

15 This article shall be known and may be cited as the 'Georgia Income Tax Lottery Act.'

16 48-7-191.

17 It is found and declared by the General Assembly that the proceeds of the income tax  
18 lottery conducted pursuant to this article shall be used to support improvements and  
19 enhancements for educational purposes and programs and that such proceeds shall be used  
20 to supplement, not supplant, existing resources for educational purposes and programs.

1 48-7-192.

2 Unless an earlier date is deemed feasible and is established by the Governor, each Georgia  
3 individual income tax return form for taxable years beginning on or after January 1, 2004,  
4 shall contain appropriate language, to be determined by the commissioner, offering each  
5 individual taxpayer the opportunity to participate in the Georgia Income Tax Lottery by  
6 making a voluntary contribution or payment of \$10.00 by either donating all or part of any  
7 tax refund due, by authorizing a reduction in the refund check otherwise payable, or by  
8 contributing any amount over and above any amount of tax owed by adding that amount  
9 to the taxpayer's payment. The instructions accompanying the individual income tax return  
10 form shall contain a description of the program and purposes for which the Georgia Income  
11 Tax Lottery was established and the intended use of moneys received from the  
12 contributions. Each taxpayer required to file a state individual income tax return who  
13 desires to participate in the Georgia Income Tax Lottery shall designate such contribution  
14 as provided in this Code section on the appropriate individual income tax return form. In  
15 the case of married individuals filing a joint return, each individual shall have the  
16 opportunity to participate by designating separate contributions or payments of \$10.00 on  
17 the appropriate individual income tax return form.

18 48-7-193.

19 The department shall determine annually the total amount so contributed, shall withhold  
20 therefrom a reasonable amount for administering the Georgia Income Tax Lottery program,  
21 and shall transmit the balance to the general fund of the state treasury for credit in the  
22 Lottery for Education Account; provided, however, the amount retained for administrative  
23 costs, including implementation costs, shall not exceed \$50,000.00 per year. If, in any tax  
24 year, the administrative costs of the department for collecting contributions pursuant to this  
25 Code section exceed the sum of such contributions, the administrative costs which the  
26 department is authorized to withhold from such contributions shall not exceed the sum of  
27 such contributions.

28 48-7-194.

29 (a) Only those taxpayers who file individual income tax returns by April 15 of each year  
30 and who pay the full amount of Georgia income taxes owed or are eligible for a refund of  
31 Georgia income taxes paid shall be eligible to participate in the Georgia Income Tax  
32 Lottery. Taxpayers who owe Georgia income taxes from previous tax years shall not be  
33 eligible to participate unless all delinquent taxes are brought current at the time of the filing  
34 of the individual income tax return for the current tax year.

1 (b) The commissioner and employees of the department and members of such persons'  
2 households shall not be eligible to participate in the Georgia Income Tax Lottery.

3 48-7-195.

4 At 12:00 Noon on the first Monday in August of each year, the department shall randomly  
5 select one individual taxpayer from among the individual taxpayers who are eligible to  
6 participate in the Georgia Income Tax Lottery and who have contributed the \$10.00  
7 payment required by this article. The individual taxpayer so selected shall receive a tax  
8 exemption equal to the full amount of such individual's Georgia net taxable income each  
9 year beginning with the next taxable year and continuing for the life of the taxpayer,  
10 provided that the taxpayer remains a resident of this state. Such exemption shall be  
11 nontransferable and shall apply only to income that is earned by or is attributable to the  
12 taxpayer. If the taxpayer ceases to be a resident of this state, the exemption shall be  
13 forfeited and shall terminate and shall not be subject to reinstatement.

14 48-7-196.

15 The commissioner is authorized to promulgate such rules and regulations as may be  
16 necessary to implement and administer the provisions of this article.

17 48-7-197.

18 Any person who influences or attempts to influence the selection of the winning taxpayer  
19 through the use of coercion, fraud, deception, or tampering with lottery equipment or  
20 materials shall be punished by a fine not to exceed \$50,000.00 or by imprisonment for not  
21 longer than five years, or both."

22 **SECTION 2.**

23 This Act shall become effective upon its approval by the Governor or upon its becoming law  
24 without such approval.

25 **SECTION 3.**

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