

House Bill 208

By: Representatives Graves of the 137th, Freeman of the 140th, Ray of the 136th, Randall of the 138th, and Lucas of the 139th

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 for an exclusion from state income taxation with respect to
3 certain severance pay; to provide for conditions and limitations; 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 in subsection (a) of Code Section 48-7-27, relating to computation of taxable net
9 income of individuals, by striking "and" at the end of paragraph (12), by striking the period
10 at the end of paragraph (13) and inserting in its place "; and", and by adding a new paragraph
11 immediately following paragraph (13) to be designated paragraph (14) to read as follows:

12 "(14)(A) An amount equal to the actual amount received as severance pay not to
13 exceed the amount of \$120,000.00.

14 (B) In order to qualify for the exclusion under subparagraph (A) of this paragraph, such
15 taxpayer's employment must have ceased due to such taxpayer having been employed
16 at a manufacturing plant located in this state which has closed and ceased all operation."

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

18 This Act shall become effective on January 1, 2006, and shall be applicable to all taxable
19 years beginning on or after January 1, 2006.

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

21 All laws and parts of laws in conflict with this Act are repealed.