

The House Committee on Ways and Means offers the following substitute to HB 210:

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 resulting from certain transfers  
4 or involuntary conversions of real property with respect to condemnation or eminent domain;  
5 to provide an effective date; to provide for applicability; to repeal conflicting laws; and for  
6 other purposes.

7 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

8 **SECTION 1.**

9 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,  
10 is amended by adding a new subsection at the end of Code Section 48-7-27, relating to  
11 computation of taxable net income of individuals, to be designated subsection (f) to read as  
12 follows:

13 "(f) Georgia taxable net income shall not include any income of a taxpayer which is  
14 attributable directly to a capital gain resulting from a transfer of real property to a potential  
15 condemnor under threat of condemnation or an involuntary conversion of real property  
16 because of condemnation or eminent domain by the state, any political subdivision thereof,  
17 or any public utility to the extent that the proceeds of the condemnation award constitute  
18 taxable gain under Section 1033 of the Internal Revenue Code."

19 **SECTION 2.**

20 Said chapter is further amended by adding a new subsection at the end of Code Section  
21 48-7-31, relating to taxation of corporations, to be designated subsection (f), to read as  
22 follows:

23 "(f) Georgia taxable net income of a foreign or domestic corporation shall not include any  
24 income of such corporation which is attributable directly to a capital gain resulting from  
25 a transfer of real property to a potential condemnor under threat of condemnation or an

1 involuntary conversion of real property because of condemnation or eminent domain by  
2 the state, any political subdivision thereof, or any public utility to the extent that the  
3 proceeds of the condemnation award constitute taxable gain under Section 1033 of the  
4 Internal Revenue Code."

5 **SECTION 3.**

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

8 **SECTION 4.**

9 All laws and parts of laws in conflict with this Act are repealed.