

**ADOPTED**

1 Senators Johnson of the 1st, Cagle of the 49th and Powell of the 23rd offered the following  
2 amendment:

3 Amend HB 538 by inserting between "nonapplicability" and "to" on line 5 of page 1 the  
4 following:

5 "to change certain provisions regarding the income tax exclusion applicable to military  
6 income;"

7 By striking "an effective date;" and inserting in its place "for effective dates;" on line 8 of  
8 page 1.

9 By adding immediately following line 33 of page 2 the following:

**"SECTION 2A.**

10 Said chapter is further amended in Code Section 48-7-27, relating to computation of Georgia  
11 taxable net income, by striking paragraph (12) of subsection (a) and inserting in its place a  
12 new paragraph (12) to read as follows:  
13

14 '(12) ~~Military~~ The first \$10,000.00 of earned military income and other earned income  
15 received by a member of the national guard ~~or any reserve component of the armed~~  
16 ~~services of the United States stationed in a combat zone pursuant to military orders who~~  
17 serves on active duty for at least 90 consecutive days. The exclusion provided under this  
18 paragraph:

19 (A) Shall be claimed and allowed in the year in which the ninetieth day occurs;

20 ~~(A)(B)~~ Shall apply with respect to each taxable year, or portion thereof, covered by  
21 such military orders in which such member serves for such qualifying period of time;  
22 and

23 ~~(B)(C)~~ Shall apply only with respect to such member of the national guard or any  
24 reserve component of the armed forces and only with respect to the first \$10,000.00 of  
25 earned military income and all other earned income received during the period covered  
26 by such military orders taxable year by such member; and

27 (D) Shall be applied following any other deductions claimed and allowed by such  
28 member of the national guard; and"

29 By striking lines 2 through 4 of page 3 and inserting in their place the following:

1 "(a) Except as otherwise provided in subsection (b) of this section, this Act shall become  
2 effective upon its approval by the Governor or upon its becoming law without such approval  
3 and shall be applicable to all taxable years beginning on or after January 1, 2005.

4 (b) Section 2A of this Act shall become effective upon its approval by the Governor or upon  
5 its becoming law without such approval and shall be applicable to all taxable years beginning  
6 on or after January 1, 2002."