

House Bill 446

By: Representatives Royal of the 171<sup>st</sup> and Floyd of the 147<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-8-45 of the Official Code of Georgia Annotated, relating to sales  
2 and use tax reporting of sales and deductibility of bad debts, so as to change provisions  
3 relating to deductions of bad debts by persons reporting on an accrual basis; to authorize  
4 refunds as well as deductions; to provide for claims to be filed by certain affiliated groups;  
5 to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-8-45 of the Official Code of Georgia Annotated, relating to sales and use  
9 tax reporting of sales and deductibility of bad debts, is amended by revising subsection (c)  
10 as follows:

11 "(c) Any person reporting on the accrual basis of accounting shall be allowed a deduction  
12 or refund for bad debts under rules and regulations of the commissioner on the same basis  
13 that bad debts are allowed as a deduction on state income tax returns. In the case of an  
14 assignee of credit card debt purchased directly from a dealer without recourse, the assignee  
15 reporting on the accrual basis of accounting or a credit card bank which extends such credit  
16 to customers under a private label credit card program shall be allowed a deduction or  
17 refund for bad credit card debts under rules and regulations of the commissioner on the  
18 same basis that bad credit card debts are allowed as a deduction on state income tax returns.  
19 An assignee of credit card debt or a credit card bank which extends credit may have its  
20 deduction or refund for bad debts claimed on a return filed by a member of an affiliated  
21 group as defined under 26 U.S.C. Section 1504."

22 **SECTION 2.**

23 All laws and parts of laws in conflict with this Act are repealed.