

House Bill 878

By: Representatives Crawford of the 16<sup>th</sup>, Jamieson of the 28<sup>th</sup>, Buckner of the 130<sup>th</sup>, Reece of the 11<sup>th</sup>, Porter of the 143<sup>rd</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to  
2 computation of taxable net income for state income tax purposes, so as to eliminate the  
3 limitation on the amount of the earned income allowance with respect to retirement income;  
4 to provide an effective date; to provide for applicability; to repeal conflicting laws; and for  
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to computation of  
9 taxable net income for state income tax purposes, is amended by revising subparagraph  
10 (a)(5)(E) as follows:

11 "(E) For the purposes of this paragraph, retirement income shall include but not be  
12 limited to interest income, dividend income, net income from rental property, capital  
13 gains income, income from royalties, income from pensions and annuities, and ~~no more~~  
14 ~~than \$4,000.00~~ of an individual's earned income. Earned income ~~in excess of \$4,000.00~~  
15 from any source, including but not limited to net business income earned by an  
16 individual from any trade or business carried on by such individual, wages, salaries,  
17 tips, and other employer compensation, shall ~~not~~ be regarded as retirement income. The  
18 receipt of earned income shall not diminish any taxpayer's eligibility for the retirement  
19 income exclusion allowed by this paragraph ~~except to the extent of the express~~  
20 ~~limitation provided in this subparagraph."~~

21 **SECTION 2.**

22 This Act shall become effective on January 1, 2008, and shall be applicable to all taxable  
23 years beginning on or after that date.

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**SECTION 3.**

2 All laws and parts of laws in conflict with this Act are repealed.