

The House Committee on Ways and Means offers the following substitute to HB 86:

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, so as to provide that certain retirement or compensation
3 received as retirement benefits from military service and certain survivor benefits derived
4 therefrom shall not be subject to state income tax; to provide for conditions and limitations;
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 Code Section 48-7-27 of the Official Code of Georgia Annotated, relating to computation of
10 taxable net income, is amended by adding a new paragraph to subsection (a) to read as
11 follows:

12 "(12.1) Retirement or compensation received as retirement benefits from the military
13 services of the United States of America and survivor benefits derived therefrom in an
14 amount not to exceed \$35,000.00. No compensation or benefits subject to the exclusion
15 under this paragraph shall qualify simultaneously for the exclusion under paragraph (5)
16 of this subsection;"

17 **SECTION 2.**

18 This Act shall become effective upon its approval by the Governor or upon its becoming law
19 without such approval and shall be applicable to all taxable years beginning on or after
20 January 1, 2008.

21 **SECTION 3.**

22 All laws and parts of laws in conflict with this Act are repealed.