

The House Committee on Appropriations offers the following substitute to SB 206:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia
2 Annotated, relating to management of budgetary and financial affairs by the Office of
3 Planning and Budget, so as to require tax expenditure reviews as a part of the budget report;
4 to provide powers, duties, and responsibilities of the Office of Planning and Budget, the
5 Department of Audits and Accounts, and the Department of Revenue; to provide for a
6 definition; to provide for contents and requirements of each report; to provide for related
7 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated,
11 relating to management of budgetary and financial affairs by the Office of Planning and
12 Budget, is amended in Code Section 45-12-71, relating to definitions regarding management
13 of such affairs by such office, by adding a new paragraph to read as follows:

14 "(15) 'Tax expenditure' means any statutory provision which exempts, in whole or in part,
15 any specific class or classes of persons, income, goods, services, or property from the
16 impact of established state taxes, including but not limited to tax deductions, tax
17 allowances, tax exclusions, tax credits, preferential tax rates, and tax exemptions. Such
18 term shall also include any expenditure of state tax proceeds to local governments for
19 homeowner tax relief grants or local government assistance grants authorized by or
20 required by any provision of Article VII of the Constitution."

21 **SECTION 2.**

22 Said part is further amended in Code Section 45-12-75, relating to the budget report, by
23 revising paragraphs (7) and (8) and adding a new paragraph to read as follows:

24 "(7) A draft of a proposed General Appropriations Act or Acts embodying the Governor's
25 budget report and recommendations for appropriations for the next fiscal year and drafts

26 of such revenue and other Acts as may be recommended for putting into effect the
 27 proposed financial plan. The recommended appropriation for each budget unit shall be
 28 specified in a separate section of the General Appropriations Act. The total amount of
 29 appropriations recommended shall not exceed the cash resources available to meet
 30 expenditures under such appropriations; and

31 (8) A tax expenditure review for the state. Such review shall be prepared by the
 32 Department of Audits and Accounts and provided to the Office of Planning and Budget
 33 in a timely manner for inclusion as part of the budget report. Such review shall detail for
 34 each tax expenditure item that amount of tax revenue foregone for at least a three-year
 35 period, including the period covered in the Governor's budget submitted the preceding
 36 January, the current budget, and an estimate of one future year; a citation of the statutory
 37 or other legal authority for the expenditure; the year in which it was enacted; and the tax
 38 year in which it became effective. The tax expenditure information required under this
 39 paragraph shall be tracked and compiled by the Department of Revenue and provided in
 40 a timely manner to the Department of Audits and Accounts. Taxes included in this report
 41 shall cover all state taxes collected by the Department of Revenue. The Department of
 42 Revenue shall be authorized to provide estimations in the event the required tax
 43 expenditure information cannot be actually determined from available information. The
 44 Department of Revenue shall not be authorized to impose additional reporting
 45 requirements on any person or entity in order to track and compile any tax expenditure
 46 information. Nothing in this paragraph shall preclude the Department of Audits and
 47 Accounts from contracting out the preparation and analysis associated with the
 48 development of such report to any member institution of The University System of
 49 Georgia; and

50 (9) Such other information as the Governor deems desirable or as is required by law."

51 **SECTION 3.**

52 This Act shall become effective upon its approval by the Governor or upon its becoming law
 53 without such approval.

54 **SECTION 4.**

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