

## COMMITTEE OF CONFERENCE SUBSTITUTE TO HB 1198

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to change the definition of taxable nonresident for income tax purposes; to  
3 provide for an effective date; to provide for applicability; to repeal conflicting laws; and for  
4 other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
8 amended in Code Section 48-7-1, relating to definitions regarding income taxes, by revising  
9 paragraph (11) as follows:

10 "(11) 'Taxable nonresident' means:

11 (A) Every individual who is not otherwise a resident of this state for income tax  
12 purposes and who regularly and not casually or intermittently engages within this state,  
13 by himself or herself or by means of employees, agents, or partners, in employment,  
14 trade, business, professional, or other activity for financial gain or profit including, but  
15 not limited to, the rental of real or personal property located within this state or for use  
16 within this state. 'Taxable nonresident' does not include a legal resident of another state  
17 whose only activity for financial gain or profit in this state consists of performing  
18 services in this state for an employer as an employee when the remuneration for the  
19 services does not exceed the lesser of 5 percent of the income received by the person  
20 for performing services in all places during any taxable year or \$5,000.00;

21 (B) Every individual who is not otherwise a resident of this state for income tax  
22 purposes and who sells, exchanges, or otherwise disposes of tangible property which  
23 at the time of the sale, exchange, or other disposition has a taxable situs within this state  
24 or who sells, exchanges, or otherwise disposes of intangible personal property which  
25 has acquired at the time of the sale, exchange, or other disposition a business or  
26 commercial situs within this state;

27 (C) Every individual who is not otherwise a resident of this state for income tax  
28 purposes and who receives the proceeds of any lottery prize awarded by the Georgia  
29 Lottery Corporation; and

30 (D) Every individual who is not a resident of this state for income tax purposes and  
31 who makes a withdrawal as provided for in paragraph (10) of subsection (b) of Code  
32 Section 48-7-27; and

33 (E) Every individual who is not otherwise a resident of this state for income tax  
34 purposes and who regularly and not casually or intermittently engaged in a prior year  
35 within this state, by himself or herself, in activity for financial gain or profit and who  
36 receives income from such activity in the form of deferred compensation or income  
37 from the exercise of stock options and such income exceeds the lesser of 5 percent of  
38 the income received by the person in all places during the taxable year or \$5,000.00;  
39 provided, however, that this subparagraph shall not apply in the case of an individual  
40 who receives such income when the state is prohibited from taxing such income  
41 pursuant to federal law."

42 **SECTION 2.**

43 This Act shall become effective on January 1, 2011, and shall be applicable to all taxable  
44 years beginning on or after January 1, 2011.

45 **SECTION 3.**

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