

Senate Bill 206

By: Senators Goggans of the 7th, Hill of the 4th, Williams of the 19th, Rogers of the 21st,
Cowsert of the 46th and others

AS PASSED SENATE

**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 for a definition; to provide for contents and requirements of each report; to
5 provide for related matters; to provide an effective date; to repeal conflicting laws; and for
6 other purposes.

7 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

8 **SECTION 1.**

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

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

20 **SECTION 2.**

21 Said part is further amended in Code Section 45-12-75, relating to the budget report, by
22 revising paragraphs (7) and (8) and adding paragraph (9) to read as follows:

23 "(7) A draft of a proposed General Appropriations Act or Acts embodying the Governor's
24 budget report and recommendations for appropriations for the next fiscal year and drafts
25 of such revenue and other Acts as may be recommended for putting into effect the

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

30 (8) A tax expenditure review for the state. Such report shall detail for each tax
31 expenditure item that amount of tax revenue foregone for at least a three-year period,
32 including the period covered in the Governor's budget submitted the preceding January,
33 the current budget, and an estimate of at least one future year, a citation of the statutory
34 or other legal authority for the expenditure, and the year in which it was enacted or the
35 tax year in which it became effective. The report shall also contain a statement of the
36 intended objective of the tax expenditure, an analysis of whether the tax expenditure is
37 achieving that objective, and the effect of the expenditure device on the distribution of
38 the tax burden and administration of the tax system. Taxes included in this report shall
39 cover all state taxes collected by the Department of Revenue. Nothing in this paragraph
40 shall preclude the Office of Planning and Budget from contracting out the preparation and
41 analysis associated with the development of such report; and

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

43 **SECTION 3.**

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

46 **SECTION 4.**

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