

House Bill 647

By: Representatives Powell of the 29th, Rice of the 51st, and Geisinger of the 48th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
2 income taxes, so as to authorize the Commissioner of Revenue to disclose the fact of whether
3 a person filed an individual state income tax return; to provide a definition; to require that
4 withholding agents withhold state income tax at 6 percent for those persons who did not file
5 an individual state income tax return for the most recent taxable year; to provide for related
6 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 This Act shall be known and may be cited as the "Deadbeats and Tax Cheats Prevention
10 Act."

11 **SECTION 2.**

12 The General Assembly finds that:

- 13 (1) The people of the State of Georgia do not desire to increase the tax burden on citizens
14 by increasing taxes to pay for the necessary operating expenses of the state;
- 15 (2) If each individual pays the fair share of taxes owed by such individual in accordance
16 with law, tax revenues will be sufficient to meet the budgetary requirements of state
17 government and any tax increases may be deferred or averted;
- 18 (3) It is critical to tax collections that timely tax returns be filed; and
- 19 (4) There is a need to encourage all Georgia taxpayers to file their tax returns in a timely
20 fashion to prevent tax avoidance and to maintain sufficient revenues to meet state
21 budgetary needs.

22 **SECTION 3.**

23 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
24 is amended by revising Code Section 48-7-60, relating to confidentiality of tax information,

25 exceptions, authorized inspection by certain officials, conditions, furnishing information to
 26 local tax authorities, furnishing information to nonofficials, and effect of Code section, by
 27 adding a new subsection to read as follows:

28 "(f) The commissioner is authorized solely for the purposes of subsection (k) of Code
 29 Section 48-7-101 to disclose the fact of whether a taxpayer filed an individual income tax
 30 return for a particular tax year, but shall not disclose the contents of such return except as
 31 provided in this Code section."

32 SECTION 4.

33 Said chapter is further amended by revising Code Section 48-7-101, relating to collection of
 34 income tax at source and withholding, by adding a new subsection to read as follows:

35 "(k)(1) As used in this subsection, the term 'most recent taxable year' means the taxable
 36 year ending December 31 of the immediately preceding year.

37 (2) Notwithstanding any provision of law to the contrary, if an employee did not file an
 38 individual income tax return in this state for the most recent taxable year, the withholding
 39 agent shall withhold state income tax at the rate of 6 percent of the amount of
 40 compensation paid for labor services.

41 (3) Notwithstanding any provision of law to the contrary, if an individual, whose
 42 compensation is reported on Form 1099, did not file an individual income tax return in
 43 this state for the most recent taxable year, the withholding agent shall withhold state
 44 income tax at the rate of 6 percent of the amount of compensation paid for labor services.

45 (4) The commissioner shall develop and implement a program by which employers and
 46 withholding agents may verify whether an individual has filed an individual income tax
 47 return for the most recent taxable year, provided that the commissioner shall disclose only
 48 the fact of whether a return has been filed and not the contents of any return.

49 (5) In October of each year, each withholding agent shall determine from the
 50 commissioner whether an employee or an individual whose compensation is reported on
 51 Form 1099 filed an individual income tax return for the most recent taxable year for
 52 purposes of complying with this subsection. Based upon such determination, the
 53 withholding agent shall establish whether to withhold state income taxes for such
 54 employee or individual in accordance with this subsection beginning in November of
 55 such year. Such determination shall remain in place for the next 12 months until a new
 56 determination is made in accordance with this paragraph."

57 SECTION 5.

58 This Act shall become effective on July 1, 2012.

59

SECTION 6.

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