

House Bill 965

By: Representatives Knight of the 126th, Peake of the 137th, and Carson of the 43rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 5 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to current income tax payment, so as to allow certain fiduciaries an exception to the
3 requirement of paying estimated taxes; to provide for related matters; to provide for an
4 effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 5 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
8 current income tax payment, is amended by revising Code Section 48-7-114, relating to
9 payment of estimated income tax, as follows:

10 "48-7-114.

11 (a) **'Estimated tax' defined.** For purposes of this Code section, the term 'estimated tax'
12 means the amount which the individual estimates as the amount of income tax imposed by
13 Code Section 48-7-20 less the amount which the individual estimates as the sum of credits
14 allowable by law against the tax.

15 (b) **Requirement of estimated tax.** Except as otherwise provided in subsection (d) of this
16 Code section, every resident individual and every taxable nonresident individual shall file
17 his or her estimated tax for the current taxable year if he or she can be reasonably expected
18 to be required to file a Georgia income tax return for the current taxable year and his or her
19 gross income can reasonably be expected to:

20 (1) Include more than \$1,000.00 from sources other than wages as defined in paragraph
21 (10) of Code Section 48-7-100; and

22 (2) Exceed:

23 (A) One thousand five hundred dollars if the individual is single or the individual is
24 married and not living with his or her spouse or the individual is married and expects
25 to claim only \$1,500.00 of the marital exemption; or

(B) Three thousand dollars if the individual is married and living with his or her spouse and expects to claim the full marital exemption.

(c) **Return as estimated tax.** If on or before January 31 of the succeeding taxable year or, in the case of an individual referred to in subsection (b) of Code Section 48-7-115, relating to income from farming and fishing, on or before March 1 of the succeeding taxable year, the taxpayer files a return for the taxable year for which the estimated tax is required and pays in full the amount computed on the return as payable and the estimate is not required to be filed during the taxable year but is required to be filed on or before January 15, then the return shall be considered as the estimate.

(d) **Exemptions.** This Code section shall not apply to an individual in a given tax year if:

(1) The sum of the allowable credits shown on the individual's income tax return for the tax year exceeds the individual's tax liability shown on the return before the tax liability is reduced by the amount of the allowable credits; and

(2) The individual reasonably expected at the time estimated tax was otherwise required to be filed with respect to the tax year that the conditions of paragraph (1) of this subsection would be met for the tax year.

(e)(1) Applicability to fiduciaries. With respect to taxable years beginning on or after January 1, 1988, fiduciaries shall be subject to all requirements of this article in the same manner as individuals, except as provided in paragraph (2) of this subsection.

(2) This Code section shall not apply with respect to any taxable year ending before the date two years after the date of the decedent's death in the case of:

(A) The estate of such decedent; or

(B) A testamentary trust as defined in IRC Section 6654(l)(2)(B)."

SECTION 2.

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

SECTION 3.

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