

House Bill 435

By: Representatives Pak of the 108th and Harrell of the 106th

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 provide for the revision of personal income tax rates; to eliminate itemized
3 adjustments to Georgia taxable net income except for limited mortgage deductions and
4 charitable contributions; to provide for related matters; to provide for an effective date and
5 applicability; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
9 amended by revising Code Section 48-7-20, relating to individual tax rates and tables, as
10 follows:

11 "48-7-20.

12 (a) A tax is imposed upon every resident of this state with respect to the Georgia taxable
13 net income of the taxpayer as defined in Code Section 48-7-27. A tax is imposed upon
14 every nonresident with respect to such nonresident's Georgia taxable net income not
15 otherwise exempted which is received by the taxpayer from services performed, property
16 owned, proceeds of any lottery prize awarded by the Georgia Lottery Corporation, or from
17 business carried on in this state. Except as otherwise provided in this chapter, the tax
18 imposed by this subsection shall be levied, collected, and paid annually.

19 (b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be computed
20 in accordance with the following tables:

21 **SINGLE PERSON**

	If Georgia Taxable	The Tax Is:
	Net Income Is:	
24	Not over \$750.00	1%

25	Over \$750.00 but not over \$2,250.00	\$7.50 plus 2% of amount over \$750.00
26	Over \$2,250.00 but not over \$3,750.00	\$37.50 plus 3% of amount over
27		\$2,250.00
28	Over \$3,750.00 but not over \$5,250.00	\$82.50 plus 4% of amount over
29		\$3,750.00
30	Over \$5,250.00 but not over \$7,000.00	\$142.50 plus 5% of amount over
31		\$5,250.00
32	Over \$7,000.00	\$230.00 plus 6% of amount over
33		\$7,000.00

34 MARRIED PERSON FILING A SEPARATE RETURN

35	If Georgia Taxable	The Tax Is:
36	Net Income Is:	
37	Not over \$500.00	1%
38	Over \$500.00 but not over \$1,500.00	\$5.00 plus 2% of amount over \$500.00
39	Over \$1,500.00 but not over \$2,500.00	\$25.00 plus 3% of amount over
40		\$1,500.00
41	Over \$2,500.00 but not over \$3,500.00	\$55.00 plus 4% of amount over
42		\$2,500.00
43	Over \$3,500.00 but not over \$5,000.00	\$95.00 plus 5% of amount over
44		\$3,500.00
45	Over \$5,000.00	\$170.00 plus 6% of amount over
46		\$5,000.00

47 HEAD OF HOUSEHOLD AND MARRIED PERSONS
 48 FILING A JOINT RETURN

49	If Georgia Taxable	The Tax Is:
50	Net Income Is:	
51	Not over \$1,000.00	1%
52	Over \$1,000.00 but not over \$3,000.00	\$10.00 plus 2% of amount over
53		\$1,000.00
54	Over \$3,000.00 but not over \$5,000.00	\$50.00 plus 3% of amount over
55		\$3,000.00

56	Over \$5,000.00 but not over \$7,000.00	\$110.00 plus 4% of amount over
57		\$5,000.00
58	Over \$7,000.00 but not over \$10,000.00	\$190.00 plus 5% of amount over
59		\$7,000.00
60	Over \$10,000.00	\$340.00 plus 6% of amount over
61		\$10,000.00

62 (2) To facilitate the computation of the tax by those taxpayers whose federal adjusted
 63 gross income together with the adjustments set out in Code Section 48-7-27 for use in
 64 arriving at Georgia taxable net income is less than \$10,000.00, the commissioner may
 65 construct tax tables which may be used by the taxpayers at their option. The tax shown
 66 to be due by the tables shall be computed on the bases of the standard deduction and the
 67 tax rates specified in paragraph (1) of this subsection. Insofar as practicable, the tables
 68 shall produce a tax approximately equivalent to the tax imposed by paragraph (1) of this
 69 subsection.

70 (c) For all taxable years beginning on or after January 1, 2015, the tax imposed pursuant
 71 to subsection (a) of this Code section shall be reduced by lowering the highest marginal
 72 rate of 6 percent to 5.25 percent of Georgia taxable net income for the applicable taxable
 73 year, reduced by any exclusion, adjustment, or credit allowed pursuant to this chapter for
 74 that same taxable year.

75 ~~(c)~~(d) The amount deducted and withheld by an employer from the wages of an employee
 76 pursuant to Article 5 of this chapter, relating to current income tax payments, shall be
 77 allowed the employee as a credit against the tax imposed by this Code section. Amounts
 78 paid by an individual as estimated tax under Article 5 of this chapter shall constitute
 79 payments on account of the tax imposed by this Code section. The amount withheld or
 80 paid during any calendar year shall be allowed as a credit or payment for the taxable year
 81 beginning in the calendar year in which the amount is withheld or paid.

82 ~~(d)~~(e) The tax imposed by this Code section applies to the Georgia taxable net income of
 83 estates and trusts, which shall be computed in the same manner as in the case of a single
 84 individual. The tax shall be computed on the Georgia taxable net income and shall be paid
 85 by the fiduciary."

86 **SECTION 2.**

87 Said title is further amended by revising paragraphs (1) and (3) of subsection (a) of Code
 88 Section 48-7-27, relating to computation of Georgia taxable net income, as follows:

89 "(1) Either the sum of all itemized nonbusiness mortgage interest up to a maximum of
 90 \$20,000.00 and all cash and noncash charitable deductions used in computing federal

91 taxable income if the taxpayer used itemized nonbusiness deductions in computing
 92 federal taxable income or, if the taxpayer could not or did not itemize nonbusiness
 93 deductions, then a standard deduction as provided for in the following subparagraphs:

- 94 (A) In the case of a single taxpayer or a head of household, \$2,300.00;
 95 (B) In the case of a married taxpayer filing a separate return, \$1,500.00;
 96 (C) In the case of a married couple filing a joint return, \$3,000.00;
 97 (D) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer has attained
 98 the age of 65 before the close of the taxpayer's taxable year. An additional deduction
 99 of \$1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by
 100 the taxpayer and the taxpayer's spouse and the spouse has attained the age of 65 before
 101 the close of the taxable year; and
 102 (E) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer is blind at the
 103 close of the taxable year. An additional deduction of \$1,300.00 for the spouse of the
 104 taxpayer shall be allowed if a joint return is made by the taxpayer and the taxpayer's
 105 spouse and the spouse is blind at the close of the taxable year. For the purposes of this
 106 subparagraph, the determination of whether the taxpayer or the spouse is blind shall be
 107 made at the close of the taxable year except that, if either the taxpayer or the spouse
 108 dies during the taxable year, the determination shall be made as of the time of the
 109 death;"
- 110 "(3)(A) The amount of salary and wage expenses eliminated in computing the
 111 individual's federal adjusted gross income because the individual has taken a federal
 112 jobs tax credit which requires, as a condition to using the federal jobs tax credit, the
 113 elimination of related salary and wage expenses.
- 114 (B) The amount of mortgage interest, subject to the requirements of paragraph (1) of
 115 this subsection, eliminated from federal itemized deductions for the purpose of
 116 computing mortgage interest credit on the federal return;"

117 **SECTION 3.**

118 This Act shall become effective upon its approval by the Governor or upon its becoming law
 119 without such approval and shall be applicable to all taxable years beginning on or after
 120 January 1, 2015.

121 **SECTION 4.**

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