

House Bill 432

By: Representatives Carson of the 46th, Blackmon of the 146th, Knight of the 130th, Harrell of the 106th, and Williamson of the 115th

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 modify the rate of tax imposed on the Georgia taxable net income of
3 individuals; to add Georgia income tax paid by an individual to Georgia taxable net income
4 to the extent such tax was deducted in determining federal taxable income; to provide for an
5 earned income tax credit; to provide for rules and regulations; to repeal an existing income
6 tax credit for certain taxpayers; to amend an Act approved March 2, 2018 (Ga. L. 2018, p. 8),
7 which lowered the personal and corporate income tax rates, so as to repeal certain conflicting
8 provisions related to personal income tax rates; to repeal certain provisions providing for an
9 automatic reversion to prior language regarding personal income tax rates; to provide for
10 related matters; to provide for an effective date and applicability; to repeal conflicting laws;
11 and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 PART I
14 SECTION 1-1.

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

18 "48-7-20.

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

26 (b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be 5.3 percent.
27 ~~computed in accordance with the following tables:~~

28 **SINGLE PERSON**

29 If Georgia Taxable	The Tax Is:
30 Net Income Is:	
31 Not over \$750.00	1%
32 Over \$750.00 but not over \$2,250.00	\$7.50 plus 2% of amount over \$750.00
33 Over \$2,250.00 but not over \$3,750.00	\$37.50 plus 3% of amount over \$2,250.00
34 Over \$3,750.00 but not over \$5,250.00	\$82.50 plus 4% of amount over \$3,750.00
35 Over \$5,250.00 but not over \$7,000.00	\$142.50 plus 5% of amount over \$5,250.00
36 Over \$7,000.00	\$230.00 plus 5.75% of amount over \$7,000.00

37 **MARRIED PERSON FILING A SEPARATE RETURN**

38 If Georgia Taxable	The Tax Is:
39 Net Income Is:	
40 Not over \$500.00	1%
41 Over \$500.00 but not over \$1,500.00	\$5.00 plus 2% of amount over \$500.00
42 Over \$1,500.00 but not over \$2,500.00	\$25.00 plus 3% of amount over \$1,500.00
43 Over \$2,500.00 but not over \$3,500.00	\$55.00 plus 4% of amount over \$2,500.00
44 Over \$3,500.00 but not over \$5,000.00	\$95.00 plus 5% of amount over \$3,500.00
45 Over \$5,000.00	\$170.00 plus 5.75% of amount over \$5,000.00

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

48 If Georgia Taxable	The Tax Is:
49 Net Income Is:	
50 Not over \$1,000.00	1%
51 Over \$1,000.00 but not over \$3,000.00	\$10.00 plus 2% of amount over \$1,000.00
52 Over \$3,000.00 but not over \$5,000.00	\$50.00 plus 3% of amount over \$3,000.00
53 Over \$5,000.00 but not over \$7,000.00	\$110.00 plus 4% of amount over \$5,000.00
54 Over \$7,000.00 but not over \$10,000.00	\$190.00 plus 5% of amount over \$7,000.00
55 Over \$10,000.00	\$340.00 plus 5.75% of amount over \$10,000.00

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

64 (c) The amount deducted and withheld by an employer from the wages of an employee
 65 pursuant to Article 5 of this chapter, relating to current income tax payments, shall be
 66 allowed the employee as a credit against the tax imposed by this Code section. Amounts
 67 paid by an individual as estimated tax under Article 5 of this chapter shall constitute
 68 payments on account of the tax imposed by this Code section. The amount withheld or
 69 paid during any calendar year shall be allowed as a credit or payment for the taxable year
 70 beginning in the calendar year in which the amount is withheld or paid.

71 (d) The tax imposed by this Code section applies to the Georgia taxable net income of
 72 estates and trusts, which shall be computed in the same manner as in the case of a single
 73 individual. The tax shall be computed on the Georgia taxable net income and shall be paid
 74 by the fiduciary."

75 **SECTION 1-2.**

76 Said title is further amended by revising paragraph (3) of subsection (b) of Code Section
77 48-7-27, relating to computation of taxable net income, as follows:

78 "(3) There shall be added to taxable income any income taxes imposed by any tax
79 jurisdiction ~~except the State of Georgia~~ to the extent deducted in determining federal
80 taxable income."

81 **SECTION 1-3.**

82 Said title is further amended by adding a new Code section to read as follows:

83 "48-7-29.22.

84 (a) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
85 in an amount equal to 3 percent of up to \$3,000.00 of earned income included in such
86 taxpayer's Georgia taxable net income.

87 (b) If the total amount of the tax credit provided for in this Code section exceeds the
88 taxpayer's income tax liability for a taxable year, such excess amount shall not be refunded
89 to the taxpayer or applied to any preceding or succeeding years' tax liability.

90 (c) The commissioner shall be authorized to promulgate rules and regulations necessary
91 to implement this Code section."

92 **SECTION 1-4.**

93 Said title is further amended by repealing Chapter 7A, relating to tax credits, in its entirety.

94 **PART II**95 **SECTION 2-1.**

96 An Act approved March 2, 2018 (Ga. L. 2018, p. 8), which lowered the personal and
97 corporate income tax rates, is amended by repealing and reserving Sections 1-3 and 1-5 of
98 said Act and by revising Section 3-1 of said Act as follows:

99 **"SECTION 3-1.**

100 (a) Sections 1-1, 1-6, and 1-8 of this Act shall become effective upon the approval of this
101 Act by the Governor or upon this Act becoming law without such approval and such sections
102 shall be applicable to all taxable years beginning on or after January 1, 2017.

103 (b) Sections 1-2 and 1-4 of this Act shall become effective upon the approval of this Act by
104 the Governor or upon this Act becoming law without such approval and shall be applicable
105 to all taxable years beginning on or after January 1, 2019. Section 1-4 of this Act shall expire

106 by operation of law on the last moment of December 31, 2025, and revert to the language of
107 subsection (a) of Code Section 48-7-21 as it existed on March 1, 2018.

108 (c) Reserved.

109 (d) Section 1-7 of this Act shall become effective upon the approval of this Act by the
110 Governor or upon this Act becoming law without such approval and shall be applicable to
111 all taxable years beginning on or after January 1, 2018. Section 1-7 of this Act shall expire
112 by operation of law on the last moment of December 31, 2025, and revert to the language of
113 paragraph (1) of subsection (a) of Code Section 48-7-27 as it existed on March 1, 2018.

114 (e) Section 1-9 of this Act shall become effective upon the approval of this Act by the
115 Governor or upon this Act becoming law without such approval. The revisions to
116 subsection (c) of Code Section 48-7-42 contained in Section 1-9 of this Act shall be
117 applicable to tax credits that are assigned in taxable years beginning on or after January 1,
118 2018. New subsection (g) of Code Section 48-7-42 contained in Section 1-9 of this Act shall
119 be applicable to sales, mergers, acquisitions, or bankruptcies occurring in taxable years
120 beginning on or after January 1, 2018.

121 (f) Part II of this Act shall become effective July 1, 2018.

122 (g) Part III of this Act shall become effective upon its approval by the Governor or upon
123 becoming law without such approval."

124

PART III

125

SECTION 3-1.

126 This Act shall become effective on January 1, 2020, and shall be applicable to all taxable
127 years beginning on or after January 1, 2020.

128

SECTION 3-2.

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