

House Bill 919

By: Representatives Hatchett of the 150th, Jasperse of the 11th, Burns of the 159th, England of the 116th, McCall of the 33rd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the imposition, rate, computation, and exemptions from state income tax, so as to
3 provide for a deduction from Georgia taxable income for casualty losses of timber in an
4 amount based on the diminution of value; to provide for conditions and limitations; to
5 provide for an aggregate cap; to provide for related matters; to provide for an effective date
6 and applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
10 imposition, rate, computation, and exemptions from state income tax, is amended in
11 subsection (b) of Code Section 48-7-27, relating to the computation of taxable net income,
12 by adding a new paragraph to read as follows:

13 "(16)(A) There shall be subtracted from Georgia taxable income the amount of any
14 casualty loss for timber claimed on the taxpayer's federal income tax return that is equal
15 to the fair market value of up to 2,000 acres of timberland after the casualty loss
16 subtracted from the fair market value of such acres before such loss to the extent such
17 amount was:

- 18 (i) In excess of the cost or other basis reported on such federal income tax return;
19 (ii) Attributable to property owned by the taxpayer in this state;
20 (iii) Not claimed as a deduction for any other person with respect to the same
21 timberland;
22 (iv) In excess of any value received directly or indirectly related to such loss,
23 including insurance payments, tax credits, tax deductions, disaster payments, grants,
24 or relief funding; and
25 (v) Not otherwise deducted in determining such taxpayer's taxable income as defined
26 under the Internal Revenue Code of 1986.

27 (B) An owner or a Georgia subchapter 'S' corporation, partnership, or limited liability
28 corporation shall be eligible for the deduction allowed by this paragraph, but only at the
29 entity level.

30 (C) The total amount deducted pursuant to this paragraph shall not exceed \$347 million
31 in aggregate for all returns filed in any calendar year. Amounts deducted by this
32 paragraph shall be tracked by the department as tax returns are accepted and processed.
33 The department shall publish on its website the current amount deducted pursuant to
34 this paragraph for the year to date and shall display the remaining balance of allowed
35 annual deduction. Any amount deducted that exceeds the annual limit shall be added
36 back to the Georgia taxable income of those taxpayers by the department."

37 **SECTION 2.**

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

40 **SECTION 3.**

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