

The House Committee on Ways and Means offers the following substitute to HB 949:

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 define the terms "Internal Revenue Code" and "Internal Revenue Code of
3 1986" and thereby incorporate certain provisions of the federal law into Georgia law; to
4 modify the rate of tax imposed on the Georgia taxable net income of individuals; to add
5 Georgia income tax paid by an individual to Georgia taxable net income to the extent such
6 tax was deducted in determining federal taxable income; to revise the tax credit for adoption
7 of foster children; to provide for an income tax credit for certain taxpayers; to define a term;
8 to provide for rules and regulations; to repeal an existing income tax credit for certain
9 taxpayers; to amend an Act approved March 2, 2018 (Ga. L. 2018, p. 8), which lowered the
10 personal and corporate income tax rates, so as to repeal certain conflicting provisions related
11 to personal income tax rates; to revise certain provisions providing for an automatic reversion
12 to prior language; to provide for related matters; to provide for an effective date and
13 applicability; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 style="text-align:center">**PART I**
16 style="text-align:center">**SECTION 1-1.**

17 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
18 amended by revising paragraph (14) of Code Section 48-1-2, relating to definitions regarding
19 revenue and taxation, as follows:

20 "(14) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' means for taxable years
21 beginning on or after January 1, 2018, the provisions of the United States Internal
22 Revenue Code of 1986, as amended, provided for in federal law enacted on or before
23 January 1, ~~2019~~ 2020, except that Section 108(i), Section 163(e)(5)(F), Section
24 168(b)(3)(I), Section 168(e)(3)(B)(vii), Section 168(e)(3)(E)(ix), Section 168(e)(8),
25 Section 168(k), Section 168(m), Section 168(n), Section 179(d)(1)(B)(ii), Section 179(f),

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26 Section 199, Section 381(c)(20), Section 382(d)(3), Section 810(b)(4), Section 1400L,
27 Section 1400N(d)(1), Section 1400N(f), Section 1400N(j), Section 1400N(k), and Section
28 1400N(o) of the Internal Revenue Code of 1986, as amended, shall be treated as if they
29 were not in effect, and except that Section 168(e)(7), Section 172(b)(1)(F), and Section
30 172(i)(1) of the Internal Revenue Code of 1986, as amended, shall be treated as they were
31 in effect before the 2008 enactment of federal Public Law 110-343, and except that
32 Section 163(i)(1) of the Internal Revenue Code of 1986, as amended, shall be treated as
33 it was in effect before the 2009 enactment of federal Public Law 111-5, and except that
34 Section 13(e)(4) of 2009 federal Public Law 111-92 shall be treated as if it was not in
35 effect, and except that Section 118, Section 163(j), and Section 382(k)(1) of the Internal
36 Revenue Code of 1986, as amended, shall be treated as they were in effect before the
37 2017 enactment of federal Public Law 115-97, and except that the limitations provided
38 in Section 179(b)(1) shall be \$250,000.00 for tax years beginning in 2010, shall be
39 \$250,000.00 for tax years beginning in 2011, shall be \$250,000.00 for tax years
40 beginning in 2012, shall be \$250,000.00 for tax years beginning in 2013, and shall be
41 \$500,000.00 for tax years beginning in 2014, and except that the limitations provided in
42 Section 179(b)(2) shall be \$800,000.00 for tax years beginning in 2010, shall be
43 \$800,000.00 for tax years beginning in 2011, shall be \$800,000.00 for tax years
44 beginning in 2012, shall be \$800,000.00 for tax years beginning in 2013, and shall be \$2
45 million for tax years beginning in 2014, and provided that Section 1106 of federal Public
46 Law 112-95 as amended by federal Public Law 113-243 shall be treated as if it is in
47 effect, except the phrase 'Code Section 48-2-35 (or, if later, November 15, 2015)' shall
48 be substituted for the phrase 'section 6511(a) of such Code (or, if later, April 15, 2015),'
49 and notwithstanding any other provision in this title, no interest shall be refunded with
50 respect to any claim for refund filed pursuant to Section 1106 of federal Public Law
51 112-95, and provided that subsection (b) of Section 3 of federal Public Law 114-292 shall
52 be treated as if it is in effect, except the phrase 'Code Section 48-2-35' shall be substituted
53 for the phrase 'section 6511(a) of the Internal Revenue Code of 1986' and the phrase 'such
54 section' shall be substituted for the phrase 'such subsection.' In the event a reference is
55 made in this title to the Internal Revenue Code or the Internal Revenue Code of 1954 as
56 it existed on a specific date prior to January 1, ~~2019~~ 2020, the term means the provisions
57 of the Internal Revenue Code or the Internal Revenue Code of 1954 as it existed on the
58 prior date. Unless otherwise provided in this title, any term used in this title shall have
59 the same meaning as when used in a comparable provision or context in the Internal
60 Revenue Code of 1986, as amended. For taxable years beginning on or after January 1,
61 2018, provisions of the Internal Revenue Code of 1986, as amended, which were as of
62 January 1, ~~2019~~ 2020, enacted into law but not yet effective shall become effective for

63 purposes of Georgia taxation on the same dates upon which they become effective for
64 federal tax purposes."

65 **PART II**
66 **SECTION 2-1.**

67 Said title is further amended by revising Code Section 48-7-20, relating to individual tax
68 rates and tables, as follows:

69 "48-7-20.

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

77 (b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be 5.375
78 percent. ~~computed in accordance with the following tables:~~

79 **SINGLE PERSON**

80 If Georgia Taxable	81 The Tax Is:
82 Net Income Is:	
83 Not over \$750.00	1%
84 Over \$750.00 but not over \$2,250.00	\$7.50 plus 2% of amount over \$750.00
85 Over \$2,250.00 but not over \$3,750.00	\$37.50 plus 3% of amount over \$2,250.00
86 Over \$3,750.00 but not over \$5,250.00	\$82.50 plus 4% of amount over \$3,750.00
87 Over \$5,250.00 but not over \$7,000.00	\$142.50 plus 5% of amount over \$5,250.00
88 Over \$7,000.00	\$230.00 plus 5.75% of amount over \$7,000.00

92 ~~MARRIED PERSON FILING A SEPARATE RETURN~~

93	If Georgia Taxable	The Tax Is:
94	Net Income Is:	
95	Not over \$500.00	1%
96	Over \$500.00 but not over \$1,500.00	\$5.00 plus 2% of amount over \$500.00
97	Over \$1,500.00 but not over \$2,500.00	\$25.00 plus 3% of amount over
98		\$1,500.00
99	Over \$2,500.00 but not over \$3,500.00	\$55.00 plus 4% of amount over
100		\$2,500.00
101	Over \$3,500.00 but not over \$5,000.00	\$95.00 plus 5% of amount over
102		\$3,500.00
103	Over \$5,000.00	\$170.00 plus 5.75% of amount over
104		\$5,000.00

105 ~~HEAD OF HOUSEHOLD AND MARRIED PERSONS~~
106 ~~FILING A JOINT RETURN~~

107	If Georgia Taxable	The Tax Is:
108	Net Income Is:	
109	Not over \$1,000.00	1%
110	Over \$1,000.00 but not over \$3,000.00	\$10.00 plus 2% of amount over
111		\$1,000.00
112	Over \$3,000.00 but not over \$5,000.00	\$50.00 plus 3% of amount over
113		\$3,000.00
114	Over \$5,000.00 but not over \$7,000.00	\$110.00 plus 4% of amount over
115		\$5,000.00
116	Over \$7,000.00 but not over \$10,000.00	\$190.00 plus 5% of amount over
117		\$7,000.00
118	Over \$10,000.00	\$340.00 plus 5.75% of amount over
119		\$10,000.00

120 ~~(2) To facilitate the computation of the tax by those taxpayers whose federal adjusted~~
121 ~~gross income together with the adjustments set out in Code Section 48-7-27 for use in~~
122 ~~arriving at Georgia taxable net income is less than \$10,000.00, the commissioner may~~
123 ~~construct tax tables which may be used by the taxpayers at their option. The tax shown~~
124 ~~to be due by the tables shall be computed on the bases of the standard deduction and the~~

125 ~~tax rates specified in paragraph (1) of this subsection. Insofar as practicable, the tables~~
 126 ~~shall produce a tax approximately equivalent to the tax imposed by paragraph (1) of this~~
 127 ~~subsection.~~

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

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

139 **SECTION 2-2.**

140 Said title is further amended by revising paragraph (3) of subsection (b) of Code Section
 141 48-7-27, relating to computation of taxable net income, as follows:

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

145 **SECTION 2-3.**

146 Said title is further amended by revising Code Section 48-7-29.15, relating to tax credit for
 147 adoption of a foster child, as follows:

148 "48-7-29.15.

149 (a) As used in this Code section, the term 'qualified foster child' means a foster child who
 150 is less than 18 years of age and who is in a foster home or otherwise in the foster care
 151 system under the Division of Family and Children Services of the Department of Human
 152 Services.

153 (b) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
 154 for the adoption of a qualified foster child. The amount of such credit shall be ~~\$2,000.00~~
 155 \$6,000.00 per qualified foster child per taxable year commencing with the year in which
 156 the adoption becomes final for five taxable years and \$2,000.00 per taxable year thereafter;
 157 provided, however, that such credit shall end and ending in the year in which the adopted
 158 child attains the age of 18.

159 (c) In no event shall the total amount of the tax credit under this Code section for a taxable
 160 year exceed the taxpayer's income tax liability. Any unused tax credit shall not be allowed
 161 to be carried forward to apply to the taxpayer's succeeding years' tax liability. No such tax
 162 credit shall be allowed the taxpayer against prior years' tax liability.

163 (d) The commissioner shall be authorized to promulgate any rules and regulations
 164 necessary to implement and administer this Code section."

165 **SECTION 2-4.**

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

167 "48-7-29.23.

168 (a) For the purposes of this Code section, the term 'AGI' means the taxpayer's federal
 169 adjusted gross income, as defined in the United States Internal Revenue Code of 1986, that
 170 was used to compute Georgia taxable net income pursuant to Code Section 48-7-27.

171 (b) Each taxpayer filing as a single person with an AGI that does not exceed \$58,750.00
 172 shall be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount
 173 equal to such AGI subtracted from \$58,750.00 and multiplied by 0.00375 with an
 174 additional amount to be added which is equal to such taxpayer's number of claimed
 175 dependents multiplied by \$7.50.

176 (c) Married taxpayers filing separately with an AGI that does not exceed \$40,750.00 shall
 177 be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount equal
 178 to such AGI subtracted from \$40,750.00 and multiplied by 0.00375 with an additional
 179 amount to be added which is equal to such taxpayer's number of claimed dependents
 180 multiplied by \$7.50.

181 (d) Married persons filing a joint return with an AGI that does not exceed \$81,500.00 shall
 182 be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount equal
 183 to such AGI subtracted from \$81,500.00 and multiplied by 0.00375 with an additional
 184 amount to be added which is equal to such taxpayer's number of claimed dependents
 185 multiplied by \$7.50.

186 (e) Each taxpayer filing as a head of household with an AGI that does not exceed
 187 \$75,250.00 shall be allowed a credit against the tax imposed by Code Section 48-7-20 in
 188 an amount equal to such AGI subtracted from \$75,250.00 and multiplied by 0.00375 with
 189 an additional amount to be added which is equal to such taxpayer's number of claimed
 190 dependents multiplied by \$7.50.

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

194 (g) The commissioner shall be authorized to promulgate rules and regulations necessary
 195 to implement this Code section."

196 **SECTION 2-5.**

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

198 **PART III**

199 **SECTION 3-1.**

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

203 "SECTION 3-1.

204 (a)(1) Section 1-1 of this Act shall become effective upon the approval of this Act by the
 205 Governor or upon this Act becoming law without such approval and such section shall
 206 be applicable to all taxable years beginning on or after January 1, 2017; provided,
 207 however, that Code Section 48-1-2 as amended by Section 1-1 of this Act shall be
 208 amended by revisions contained in Acts approved by the Governor or that became or
 209 become law without such approval after March 2, 2018, and became or become
 210 applicable to tax years beginning on or after January 1, 2017.

211 (2) Section 1-6 of this Act shall become effective upon the approval of this Act by the
 212 Governor or upon this Act becoming law without such approval and such section shall
 213 be applicable to all taxable years beginning on or after January 1, 2017; provided,
 214 however, that the revisions to Code Section 48-7-21 made by Section 1-6 of this Act shall
 215 be subject to the revisions made by Acts approved by the Governor or that became or
 216 become law without such approval after March 2, 2018, and became or become
 217 applicable to tax years beginning on or after January 1, 2017.

218 (3) Section 1-8 of this Act shall become effective upon the approval of this Act by the
 219 Governor or upon this Act becoming law without such approval and such section shall
 220 be applicable to all taxable years beginning on or after January 1, 2017; provided,
 221 however, that the revisions to Code Section 48-7-27 made by Section 1-8 of this Act shall
 222 be subject to the revisions made by Acts approved by the Governor or that became or
 223 become law without such approval after March 2, 2018, and became or become
 224 applicable to tax years beginning on or after January 1, 2017.

225 (b)(1) Section 1-2 shall become effective upon the approval of this Act by the Governor
226 or upon this Act becoming law without such approval and shall be applicable to all
227 taxable years beginning on or after January 1, 2019, and on or before December 31, 2020;
228 provided, however, that the revisions to Code Section 48-7-20 made by Section 1-2 of
229 this Act shall be subject to the revisions made by Acts approved by the Governor or that
230 became or become law without such approval after March 2, 2018, and became or
231 become applicable to tax years beginning on or after January 1, 2021.

232 (2) Section 1-4 of this Act shall become effective upon the approval of this Act by the
233 Governor or upon this Act becoming law without such approval and shall be applicable
234 to all taxable years beginning on or after January 1, 2019; provided, however, that the
235 revisions to Code Section 48-7-21 made by Section 1-4 of this Act shall be subject to the
236 revisions made by Acts approved by the Governor or that became or become law without
237 such approval after March 2, 2018, and became or become applicable to tax years
238 beginning on or after January 1, 2021.

239 (c) Reserved.

240 (d) Section 1-7 of this Act shall become effective upon the approval of this Act by the
241 Governor or upon this Act becoming law without such approval and shall be applicable to
242 all taxable years beginning on or after January 1, 2018; provided, however, that the revisions
243 to Code Section 48-7-27 made by Section 1-7 of this Act shall be subject to the revisions
244 made by Acts approved by the Governor or that became or become law without such
245 approval after March 2, 2018, and became or become applicable to tax years beginning on
246 or after January 1, 2021.

247 (e) Section 1-9 of this Act shall become effective upon the approval of this Act by the
248 Governor or upon this Act becoming law without such approval; provided, however, that:

249 (1) The revisions to subsection (c) of Code Section 48-7-42 contained in Section 1-9 of
250 this Act shall be applicable to tax credits that are assigned in taxable years beginning on
251 or after January 1, 2018; provided, however, that such revisions shall be subject to the
252 revisions made by Acts approved by the Governor or that became or become law without
253 such approval after March 2, 2018, and became or become applicable to tax years
254 beginning on or after January 1, 2018; and

255 (2) The revisions to subsection (g) of Code Section 48-7-42 contained in Section 1-9 of
256 this Act shall be applicable to sales, mergers, acquisitions, or bankruptcies occurring in
257 taxable years beginning on or after January 1, 2018; provided, however, that such
258 revisions shall be subject to the revisions made by Acts approved by the Governor or that
259 became or become law without such approval after March 2, 2018, and became or
260 become applicable to tax years beginning on or after January 1, 2018.

261 (f) Part II of this Act shall become effective July 1, 2018; provided, however, that the
262 revisions to Code Section 48-5C-1 made by Part II of this Act shall be subject to the
263 revisions made by Acts approved by the Governor or that became or become law without
264 such approval after March 2, 2018."

265 **PART IV**

266 **SECTION 4-1.**

267 (a) This Act shall become effective upon its approval by the Governor or upon its becoming
268 law without such approval.

269 (b) Part I of this Act shall be applicable to all taxable years beginning on or after January 1,
270 2018.

271 (c) Except as provided in subsection (d) of this section, Parts II and III of this Act shall be
272 applicable to all taxable years beginning on or after January 1, 2021.

273 (d) Section 2-3 of this Act shall be applicable to adoptions occurring in all taxable years
274 beginning on or after January 1, 2020.

275 **SECTION 4-2.**

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