Senate Bill 491

By: Senators Williams of the 19th, Collins of the 6th, Tate of the 38th, Levetan of the 40th and Johnson of the 1st

AS PASSED

A BILL TO BE ENTITLED

AN ACT

To amend Code Section 48-7-127 of the Official Code of Georgia Annotated, relating to tax penalties, so as to provide that it shall be illegal for any person knowingly to coerce, induce, or threaten an individual falsely to declare himself or herself to be an independent contractor or falsely to claim that an individual employed by such person is an independent contractor in order to avoid or evade the withholding and payment of taxes; to provide for penalties for certain violations; to provide for related matters; to provide an effective date; to provide for repeal; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 48-7-127 of the Official Code of Georgia Annotated, relating to tax penalties, is amended by adding a new subsection (j) to read as follows:

"(j) *False claims of independent contractor status.*

(1) It shall be unlawful for any person knowingly to coerce, induce, or threaten an individual falsely to declare himself or herself to be an independent contractor or falsely to claim that an individual employed by such person is an independent contractor in order to avoid or evade the withholding or payment of taxes required under this title.

(2) In addition to any other penalties provided by law, any person who violates paragraph (1) of this subsection in connection with contracts with the state or any political subdivision thereof or any authority of the state or a political subdivision thereof, upon conviction, shall be subject to a fine equal to the total amount of tax owed for the first offense. For the second offense, upon conviction, the person shall be subject to a fine equal to two times the total amount of tax owed. For third and subsequent offenses, upon conviction, the person shall be subject to a fine equal to four times the total amount of tax owed. A violation of paragraph (1) of this subsection with regard to a contract with the state or any political subdivision thereof or any authority of the state or any political subdivision thereof shall constitute only one offense, regardless of the number of

individuals improperly coerced, induced, or threatened to declare falsely to be independent contractors or falsely claimed to be independent contractors in connection with such contract.″

SECTION 2.

This Act shall become effective on July 1, 2004.

SECTION 3.

This Act shall stand repealed by operation of law on July 1, 2014.

SECTION 4.

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