Senate Bill 206

By: Senators Goggans of the 7th, Hill of the 4th, Williams of the 19th, Rogers of the 21st, Cowsert of the 46th and others

AS PASSED

A BILL TO BE ENTITLED

AN ACT

To amend Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to management of budgetary and financial affairs by the Office of Planning and Budget, so as to require tax expenditure reviews as a part of the budget report; to provide powers, duties, and responsibilities of the Office of Planning and Budget, the Department of Audits and Accounts, and the Department of Revenue; to provide for a definition; to provide for contents and requirements of each report; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to management of budgetary and financial affairs by the Office of Planning and Budget, is amended in Code Section 45-12-71, relating to definitions regarding management of such affairs by such office, by adding a new paragraph to read as follows:

"(15) 'Tax expenditure' means any statutory provision which exempts, in whole or in part, any specific class or classes of persons, income, goods, services, or property from the impact of established state taxes, including but not limited to tax deductions, tax allowances, tax exclusions, tax credits, preferential tax rates, and tax exemptions. Such term shall also include any expenditure of state tax proceeds to local governments for homeowner tax relief grants or local government assistance grants authorized by or required by any provision of Article VII of the Constitution."

SECTION 2.

Said part is further amended in Code Section 45-12-75, relating to the budget report, by revising paragraphs (7) and (8) and adding a new paragraph to read as follows:

"(7) A draft of a proposed General Appropriations Act or Acts embodying the Governor's budget report and recommendations for appropriations for the next fiscal year and drafts

of such revenue and other Acts as may be recommended for putting into effect the proposed financial plan. The recommended appropriation for each budget unit shall be specified in a separate section of the General Appropriations Act. The total amount of appropriations recommended shall not exceed the cash resources available to meet expenditures under such appropriations; ~~and~~

(8) A tax expenditure review for the state. Such review shall be prepared by the Department of Audits and Accounts and provided to the Office of Planning and Budget in a timely manner for inclusion as part of the budget report. Such review shall detail for each tax expenditure item that amount of tax revenue foregone for at least a three-year period, including the period covered in the Governor's budget submitted the preceding January, the current budget, and an estimate of one future year; a citation of the statutory or other legal authority for the expenditure; the year in which it was enacted; and the tax year in which it became effective. The tax expenditure information required under this paragraph shall be tracked and compiled by the Department of Revenue and provided in a timely manner to the Department of Audits and Accounts. Taxes included in this report shall cover all state taxes collected by the Department of Revenue. The Department of Revenue shall be authorized to provide estimations in the event the required tax expenditure information cannot be actually determined from available information. The Department of Revenue shall not be authorized to impose additional reporting requirements on any person or entity in order to track and compile any tax expenditure information. Nothing in this paragraph shall preclude the Department of Audits and Accounts from contracting out the preparation and analysis associated with the development of such report to any member institution of The University System of Georgia; and

(9) Such other information as the Governor deems desirable or as is required by law."

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4.

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