House Bill 151

By: Representatives Momtahan of the 17th, Cannon of the 172nd, Hagan of the 156th, Corbett of the 174th, O'Steen of the 169th, and others

A BILL TO BE ENTITLED

AN ACT

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to provide for a deduction from Georgia taxable income for casualty losses of timber in an amount based on the diminution of value; to provide for conditions and limitations; to provide for an aggregate cap; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is amended in subsection (b) of Code Section 48-7-27, relating to the computation of taxable net income, by adding a new paragraph to read as follows:

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

(i) In excess of the cost or other basis reported on such federal income tax return;

(ii) Attributable to property owned by the taxpayer in this state;

(iii) Not claimed as a deduction for any other person with respect to the same timberland;

(iv) In excess of the total value received directly or indirectly related to such loss, including insurance payments, tax credits, tax deductions, disaster payments, grants, and relief funding; and

(v) Not otherwise deducted in determining such taxpayer's taxable income as defined under the Internal Revenue Code of 1986.

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

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

**SECTION 2.**

This Act shall become effective on July 1, 2025, and shall be applicable to all taxable years beginning on or after January 1, 2025.

**SECTION 3.**

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