

The Senate Committee on Finance offered the following substitute to HB 266:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
2 income taxes, so as to exempt from taxation all income received as retirement benefits  
3 derived from service in the armed forces of the United States or the reserve components  
4 thereof; to provide for related matters; to provide for an effective date and applicability; to  
5 repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,  
9 is amended in Code Section 48-7-27, relating to computation of taxable net income, by  
10 revising paragraph (5.1) of subsection (a) as follows:

11 ~~"(5.1)(A) Up to \$17,500.00 of All income received by an individual who is less than 62~~  
12 ~~years of age paid to such paid to an individual as retirement benefits from military service~~  
13 ~~in the armed forces of the United States or the reserve components thereof and an~~  
14 ~~additional amount of up to \$17,500.00 of such income, provided that he or she has~~  
15 ~~Georgia earned income otherwise included in his or her Georgia taxable net income in~~  
16 ~~an amount that exceeds \$17,500.00.~~

17 ~~(B) In the case of a married couple filing jointly, each spouse who is otherwise~~  
18 ~~qualified for an exclusion allowed by this paragraph shall be individually entitled to~~  
19 ~~exclude retirement income received by that spouse up to the exclusion amount.~~

20 (C) The ~~exclusions~~ exclusion provided for in this paragraph shall not apply to or affect  
21 and shall be in addition to those adjustments to net income provided for under any other  
22 paragraph of this subsection;"

23 **SECTION 2.**

24 This Act shall become effective on July 1, 2025, and shall be applicable to all taxable years  
25 beginning on or after January 1, 2026.

26 **SECTION 3.**

27 All laws and parts of laws in conflict with this Act are repealed.