

Senate Bill 474

By: Senators Robertson of the 29th, Hatchett of the 50th, Tillery of the 19th, Strickland of the 42nd, Williams of the 25th and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to imposition, rate, computation, exemptions, and credits for state income tax, so as  
3 to exclude overtime compensation from taxation; to provide for reporting by employers; to  
4 provide for rules and regulations; to provide for a definition; to provide for related matters;  
5 to provide for an effective date and applicability; to repeal conflicting laws; and for other  
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
10 imposition, rate, computation, exemptions, and credits for state income tax, is amended in  
11 subsection (a) of Code Section 48-7-27, relating to computation of taxable net income, by  
12 deleting "and" at the end of paragraph (14), by replacing the period at the end of paragraph  
13 (15) with "; and", and by adding a new paragraph to read as follows:

14 "(16)(A) For all taxable years beginning on or after January 1, 2027, any amount  
15 received by a full-time employee paid by an hourly wage as compensation for work

16 performed in excess of 40 hours a week, and any amount paid as overtime  
17 compensation in accordance with the federal Fair Labor Standards Act of 1938.

18 (B) Notwithstanding subparagraph (A) of this paragraph, for employers governed by  
19 the federal National Railway Labor Act, the exemption provided in this paragraph shall  
20 apply to hourly component overtime compensation as defined in applicable collective  
21 bargaining agreements.

22 (C) For each tax year beginning on or after January 1, 2027, each employer shall  
23 submit to the department, on forms prescribed by the department, the total amount  
24 received by full-time employees paid by an hourly wage as compensation for work  
25 performed in excess of 40 hours a week and the total number of employees to which  
26 such compensation was paid. The data shall be provided monthly or quarterly and shall  
27 be due no later than the due date for the corresponding monthly or quarterly  
28 withholding tax returns.

29 (D) The department may require additional information of employers and shall be  
30 authorized to adopt rules and regulations to provide for the administration of this  
31 paragraph."

32 **SECTION 2.**

33 This Act shall become effective on July 1, 2026, and shall be applicable to all taxable years  
34 beginning on or after January 1, 2027.

35 **SECTION 3.**

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