

House Bill 329

By: Representatives Powell of the 171st, Kelley of the 16th, Williamson of the 115th, Harrell of the 106th, Blackmon of the 146th, 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, and computation of and exemptions from income taxes, so as to
3 modify the rate of tax imposed on the Georgia taxable net income of individuals; to add
4 Georgia income tax paid by an individual to his or her Georgia taxable income to the extent
5 deducted in determining federal taxable income; to provide for a nonrefundable earned
6 income tax credit; to provide for rules and regulations; to provide for related matters; to
7 provide an effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
11 imposition, rate, and computation of and exemptions from income taxes, is amended by
12 revising Code Section 48-7-20, relating to individual tax rates and tables, as follows:

13 "48-7-20.

14 (a) A tax is imposed upon every resident of this state with respect to the Georgia taxable
15 net income of the taxpayer as defined in Code Section 48-7-27. A tax is imposed upon
16 every nonresident with respect to such nonresident's Georgia taxable net income not
17 otherwise exempted which is received by the taxpayer from services performed, property
18 owned, proceeds of any lottery prize awarded by the Georgia Lottery Corporation, or from
19 business carried on in this state. Except as otherwise provided in this chapter, the tax
20 imposed by this subsection shall be levied, collected, and paid annually.

21 (b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be ~~computed~~
22 ~~in accordance with the following tables:~~ 5.4 percent.

23 **SINGLE PERSON**

24 **If Georgia Taxable** **The Tax Is:**

25 **Net Income Is:**

26 Not over \$750.00 1%

27 Over \$750.00 but not over \$2,250.00 \$7.50 plus 2% of amount over \$750.00

28 Over \$2,250.00 but not over \$3,750.00 \$37.50 plus 3% of amount over \$2,250.00

29 Over \$3,750.00 but not over \$5,250.00 \$82.50 plus 4% of amount over \$3,750.00

30 Over \$5,250.00 but not over \$7,000.00 \$142.50 plus 5% of amount over \$5,250.00

31 Over \$7,000.00 \$230.00 plus 6% of amount over \$7,000.00

32 **MARRIED PERSON FILING A SEPARATE RETURN**

33 **If Georgia Taxable** **The Tax Is:**

34 **Net Income Is:**

35 Not over \$500.00 1%

36 Over \$500.00 but not over \$1,500.00 \$5.00 plus 2% of amount over \$500.00

37 Over \$1,500.00 but not over \$2,500.00 \$25.00 plus 3% of amount over \$1,500.00

38 Over \$2,500.00 but not over \$3,500.00 \$55.00 plus 4% of amount over \$2,500.00

39 Over \$3,500.00 but not over \$5,000.00 \$95.00 plus 5% of amount over \$3,500.00

40 Over \$5,000.00 \$170.00 plus 6% of amount over \$5,000.00

41 **HEAD OF HOUSEHOLD AND MARRIED PERSONS**

42 **FILING A JOINT RETURN**

43 **If Georgia Taxable** **The Tax Is:**

44 **Net Income Is:**

45 Not over \$1,000.00 1%

46 Over \$1,000.00 but not over \$3,000.00 \$10.00 plus 2% of amount over \$1,000.00

47 Over \$3,000.00 but not over \$5,000.00 \$50.00 plus 3% of amount over \$3,000.00

48 Over \$5,000.00 but not over \$7,000.00 \$110.00 plus 4% of amount over \$5,000.00

49 Over \$7,000.00 but not over \$10,000.00 \$190.00 plus 5% of amount over \$7,000.00

50 Over \$10,000.00 \$340.00 plus 6% of amount over \$10,000.00

51 ~~(2) To facilitate the computation of the tax by those taxpayers whose federal adjusted~~

52 ~~gross income together with the adjustments set out in Code Section 48-7-27 for use in~~

53 ~~arriving at Georgia taxable net income is less than \$10,000.00, the commissioner may~~

54 ~~construct tax tables which may be used by the taxpayers at their option. The tax shown~~

55 ~~to be due by the tables shall be computed on the bases of the standard deduction and the~~

56 ~~tax rates specified in paragraph (1) of this subsection. Insofar as practicable, the tables~~

57 ~~shall produce a tax approximately equivalent to the tax imposed by paragraph (1) of this~~

58 ~~subsection.~~

59 (c) The amount deducted and withheld by an employer from the wages of an employee
 60 pursuant to Article 5 of this chapter, relating to current income tax payments, shall be
 61 allowed the employee as a credit against the tax imposed by this Code section. Amounts
 62 paid by an individual as estimated tax under Article 5 of this chapter shall constitute
 63 payments on account of the tax imposed by this Code section. The amount withheld or paid
 64 during any calendar year shall be allowed as a credit or payment for the taxable year
 65 beginning in the calendar year in which the amount is withheld or paid.

66 (d) The tax imposed by this Code section applies to the Georgia taxable net income of
 67 estates and trusts, which shall be computed in the same manner as in the case of a single
 68 individual. The tax shall be computed on the Georgia taxable net income and shall be paid
 69 by the fiduciary."

70 **SECTION 2.**

71 Said article is further amended by revising paragraph (3) of subsection (b) of Code Section
 72 48-7-27, relating to computation of taxable net income, to read as follows:

73 "(3) There shall be added to taxable income any income taxes imposed by any tax
 74 jurisdiction ~~except the State of Georgia~~ to the extent deducted in determining federal
 75 taxable income."

76 **SECTION 3.**

77 Said article is further amended by adding a new Code section to read as follows:

78 "48-7-29.21.

79 (a) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
 80 in an amount equal to 10 percent of the federal credit that such taxpayer is allowed under
 81 Section 32 of the Internal Revenue Code.

82 (b) If the total amount of the tax credit provided for in this Code section exceeds the
 83 taxpayer's income tax liability for a taxable year, such excess funds shall not be refunded
 84 to the taxpayer or applied to any preceding or succeeding years' tax liability.

85 (c) The commissioner shall be authorized to promulgate rules and regulations reasonable
 86 and necessary to implement this Code section."

87 **SECTION 4.**

88 This Act shall become effective on January 1, 2018.

89 **SECTION 5.**

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