

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 the imposition, rate, computation, and exemptions from state income tax, so as to  
3 exclude from state income tax certain retirement benefits paid to taxpayers less than 62 years  
4 of age for military service in the armed forces of the United States or the reserve components  
5 thereof; to provide for related matters; to provide for an effective date and applicability; to  
6 repeal conflicting laws; and for other 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 the  
10 imposition, rate, computation, and exemptions from state income tax, is amended in  
11 subsection (a) of Code Section 48-7-27, relating to the computation of taxable net income,  
12 by adding a new paragraph and to read as follows:

13 "(5.1)(A) Retirement income for military service in the armed forces of the United  
14 States or the reserve components thereof that is otherwise included in the Georgia  
15 taxable net income of a taxpayer who is less than 62 years of age:

16 (i) In an amount that does not exceed \$3,000.00; or

17 (ii) If such taxpayer has Georgia earned income otherwise included in such taxpayer's  
18 Georgia net taxable income that exceeds \$3,000.00:

19 (I) For taxable years beginning on or after January 1, 2021, and prior to January 1,  
20 2022, an amount equal to the lesser of such individual's earned income or  
21 \$5,900.00;

22 (II) For taxable years beginning on or after January 1, 2022, and prior to January 1,  
23 2023, an amount equal to the lesser of such individual's earned income or  
24 \$8,800.00;

25 (III) For taxable years beginning on or after January 1, 2023, and prior to January 1,  
26 2024, an amount equal to the lesser of such individual's earned income or  
27 \$11,700.00;

28 (IV) For taxable years beginning on or after January 1, 2024, and prior to  
29 January 1, 2025, an amount equal to the lesser of such individual's earned income  
30 or \$14,600.00; and

31 (V) For taxable years beginning on or after January 1, 2025, an amount equal to the  
32 lesser of such individual's earned income or \$17,500.00.

33 (B) In the case of a married couple filing jointly, each spouse shall if otherwise  
34 qualified for an exclusion allowed by this paragraph, be individually entitled to exclude  
35 retirement income received by that spouse up to the exclusion amount.

36 (C) The exclusions provided for in this paragraph shall not apply to or affect and shall  
37 be in addition to those adjustments to net income provided for under any other  
38 paragraph of this subsection;”

## 39 **SECTION 2.**

40 This Act shall become effective on July 1, 2021, and shall be applicable to all taxable years  
41 beginning on or after January 1, 2021.

