

House Bill 918 (AS PASSED HOUSE AND SENATE)

By: Representatives Efration of the 104<sup>th</sup>, Rogers of the 10<sup>th</sup>, Rhodes of the 120<sup>th</sup>, Powell of the 171<sup>st</sup>, Williamson of the 115<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to define the terms "Internal Revenue Code" and "Internal Revenue Code of  
3 1986" and thereby incorporate certain provisions of the federal law into Georgia law; to  
4 double the standard deduction amounts; to lower the personal and corporate income tax rates;  
5 to revise provisions relating to assignment of corporate income tax credits; to provide for no  
6 liability for state or local title ad valorem tax fees in a replacement title transaction for a  
7 vehicle not less than 15 years old; to provide for related matters; to provide for effective  
8 dates and applicability; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 PART I

11 SECTION 1-1.

12 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
13 amended by revising paragraph (14) of Code Section 48-1-2, relating to definitions regarding  
14 revenue and taxation, as follows:

15 "(14) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' means for taxable years  
16 beginning on or after January 1, ~~2016~~ 2017, the provisions of the United States Internal  
17 Revenue Code of 1986, as amended, provided for in federal law enacted on or before  
18 ~~January 1, 2017~~ February 9, 2018, except that ~~Section 85(e)~~, Section 108(i), Section  
19 163(e)(5)(F), ~~Section 164(a)(6)~~, ~~Section 164(b)(6)~~, Section 168(b)(3)(I), Section  
20 168(e)(3)(B)(vii), Section 168(e)(3)(E)(ix), Section 168(e)(8), Section 168(k) (~~but not~~  
21 ~~excepting~~ ~~Section 168(k)(2)(A)(i)~~, ~~Section 168(k)(2)(D)(i)~~, and ~~Section 168(k)(2)(E)~~),  
22 Section 168(m), Section 168(n), ~~Section 172(b)(1)(H)~~, ~~Section 172(b)(1)(J)~~, ~~Section~~  
23 ~~172(j)~~, Section 179(d)(1)(B)(ii), Section 179(f), Section 199, Section 381(c)(20), Section  
24 382(d)(3), Section 810(b)(4), Section 1400L, Section 1400N(d)(1), Section 1400N(f),  
25 Section 1400N(j), Section 1400N(k), and Section 1400N(o) of the Internal Revenue Code

26 of 1986, as amended, shall be treated as if they were not in effect, and except that Section  
 27 168(e)(7), Section 172(b)(1)(F), and Section 172(i)(1), and Section 1221 of the Internal  
 28 Revenue Code of 1986, as amended, shall be treated as they were in effect before the  
 29 2008 enactment of federal Public Law 110-343, and except that Section 163(i)(1) of the  
 30 Internal Revenue Code of 1986, as amended, shall be treated as it was in effect before the  
 31 2009 enactment of federal Public Law 111-5, and except that Section 13(e)(4) of 2009  
 32 federal Public Law 111-92 shall be treated as if it was not in effect, and except that  
 33 Section 118, Section 163(j), and Section 382(k)(1) of the Internal Revenue Code of 1986,  
 34 as amended, shall be treated as they were in effect before the 2017 enactment of federal  
 35 Public Law 115-97, and except that the limitations provided in Section 179(b)(1) shall  
 36 be \$250,000.00 for tax years beginning in 2010, shall be \$250,000.00 for tax years  
 37 beginning in 2011, shall be \$250,000.00 for tax years beginning in 2012, shall be  
 38 \$250,000.00 for tax years beginning in 2013, and shall be \$500,000.00 for tax years  
 39 beginning in 2014, and except that the limitations provided in Section 179(b)(2) shall be  
 40 \$800,000.00 for tax years beginning in 2010, shall be \$800,000.00 for tax years  
 41 beginning in 2011, shall be \$800,000.00 for tax years beginning in 2012, shall be  
 42 \$800,000.00 for tax years beginning in 2013, and shall be \$2 million for tax years  
 43 beginning in 2014, and provided that Section 1106 of federal Public Law 112-95 as  
 44 amended by federal Public Law 113-243 shall be treated as if it is in effect, except the  
 45 phrase 'Code Section 48-2-35 (or, if later, November 15, 2015)' shall be substituted for  
 46 the phrase 'section 6511(a) of such Code (or, if later, April 15, 2015),' and  
 47 notwithstanding any other provision in this title, no interest shall be refunded with respect  
 48 to any claim for refund filed pursuant to Section 1106 of federal Public Law 112-95, and  
 49 provided that subsection (b) of Section 3 of federal Public Law 114-292 shall be treated  
 50 as if it is in effect, except the phrase 'Code Section 48-2-35' shall be substituted for the  
 51 phrase 'section 6511(a) of the Internal Revenue Code of 1986' and the phrase 'such  
 52 section' shall be substituted for the phrase 'such subsection.' In the event a reference is  
 53 made in this title to the Internal Revenue Code or the Internal Revenue Code of 1954 as  
 54 it existed on a specific date prior to ~~January 1, 2017~~ February 9, 2018, the term means the  
 55 provisions of the Internal Revenue Code or the Internal Revenue Code of 1954 as it  
 56 existed on the prior date. Unless otherwise provided in this title, any term used in this  
 57 title shall have the same meaning as when used in a comparable provision or context in  
 58 the Internal Revenue Code of 1986, as amended. For taxable years beginning on or after  
 59 January 1, ~~2016~~ 2017, provisions of the Internal Revenue Code of 1986, as amended,  
 60 which were as of ~~January 1, 2017~~ February 9, 2018, enacted into law but not yet effective  
 61 shall become effective for purposes of Georgia taxation on the same dates upon which  
 62 they become effective for federal tax purposes."

**SECTION 1-2.**

63

64 Said title is further amended by revising paragraph (1) of subsection (b) of Code Section  
65 48-7-20, relating to individual income tax rates, as follows:

66 "(b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be  
67 computed in accordance with the following tables:

**SINGLE PERSON**

68

69	If Georgia Taxable	The Tax Is:
70	Net Income Is:	
71	Not over \$750.00 . . . . .	1%
72	Over \$750.00 but not over \$2,250.00 . . . . .	\$7.50 plus 2% of amount over \$750.00
73	Over \$2,250.00 but not over \$3,750.00 . . . . .	\$37.50 plus 3% of amount over
74		\$2,250.00
75	Over \$3,750.00 but not over \$5,250.00 . . . . .	\$82.50 plus 4% of amount over
76		\$3,750.00
77	Over \$5,250.00 but not over \$7,000.00 . . . . .	\$142.50 plus 5% of amount over
78		\$5,250.00
79	Over \$7,000.00 . . . . .	\$230.00 plus <del>6%</del> <u>5.75%</u> of amount
80		over \$7,000.00

**MARRIED PERSON FILING A SEPARATE RETURN**

81

82	If Georgia Taxable	The Tax Is:
83	Net Income Is:	
84	Not over \$500.00 . . . . .	1%
85	Over \$500.00 but not over \$1,500.00 . . . . .	\$5.00 plus 2% of amount over \$500.00
86	Over \$1,500.00 but not over \$2,500.00 . . . . .	\$25.00 plus 3% of amount over
87		\$1,500.00
88	Over \$2,500.00 but not over \$3,500.00 . . . . .	\$55.00 plus 4% of amount over
89		\$2,500.00
90	Over \$3,500.00 but not over \$5,000.00 . . . . .	\$95.00 plus 5% of amount over
91		\$3,500.00
92	Over \$5,000.00 . . . . .	\$170.00 plus <del>6%</del> <u>5.75%</u> of amount
93		over \$5,000.00

94 HEAD OF HOUSEHOLD AND MARRIED PERSONS  
95 FILING A JOINT RETURN

96	If Georgia Taxable	The Tax Is:
97	Net Income Is:	
98	Not over \$1,000.00 . . . . .	1%
99	Over \$1,000.00 but not over \$3,000.00 . . . . .	\$10.00 plus 2% of amount over
100		\$1,000.00
101	Over \$3,000.00 but not over \$5,000.00 . . . . .	\$50.00 plus 3% of amount over
102		\$3,000.00
103	Over \$5,000.00 but not over \$7,000.00 . . . . .	\$110.00 plus 4% of amount over
104		\$5,000.00
105	Over \$7,000.00 but not over \$10,000.00 . . . . .	\$190.00 plus 5% of amount over
106		\$7,000.00
107	Over \$10,000.00 . . . . .	\$340.00 plus <del>6%</del> <u>5.75%</u> of amount
108		over \$10,000.00"

109 **SECTION 1-3.**

110 Said title is further amended by revising paragraph (1) of subsection (b) of Code Section  
111 48-7-20, relating to individual income tax rates, as follows:

112 "(b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be  
113 computed in accordance with the following tables:

114 **SINGLE PERSON**

115	If Georgia Taxable	The Tax Is:
116	Net Income Is:	
117	Not over \$750.00 . . . . .	1%
118	Over \$750.00 but not over \$2,250.00 . . . . .	\$7.50 plus 2% of amount over \$750.00
119	Over \$2,250.00 but not over \$3,750.00 . . . . .	\$37.50 plus 3% of amount over
120		\$2,250.00
121	Over \$3,750.00 but not over \$5,250.00 . . . . .	\$82.50 plus 4% of amount over
122		\$3,750.00
123	Over \$5,250.00 but not over \$7,000.00 . . . . .	\$142.50 plus 5% of amount over
124		\$5,250.00

125 Over \$7,000.00 .....\$230.00 plus ~~5.75%~~ 5.5% of amount  
 126 over \$7,000.00

127 MARRIED PERSON FILING A SEPARATE RETURN

128 If Georgia Taxable The Tax Is:  
 129 Net Income Is:  
 130 Not over \$500.00 .....1%  
 131 Over \$500.00 but not over \$1,500.00 .....\$5.00 plus 2% of amount over \$500.00  
 132 Over \$1,500.00 but not over \$2,500.00 .....\$25.00 plus 3% of amount over  
 133 \$1,500.00  
 134 Over \$2,500.00 but not over \$3,500.00 .....\$55.00 plus 4% of amount over  
 135 \$2,500.00  
 136 Over \$3,500.00 but not over \$5,000.00 .....\$95.00 plus 5% of amount over  
 137 \$3,500.00  
 138 Over \$5,000.00 .....\$170.00 plus ~~5.75%~~ 5.5% of amount  
 139 over \$5,000.00

140 HEAD OF HOUSEHOLD AND MARRIED PERSONS  
 141 FILING A JOINT RETURN

142 If Georgia Taxable The Tax Is:  
 143 Net Income Is:  
 144 Not over \$1,000.00 .....1%  
 145 Over \$1,000.00 but not over \$3,000.00 .....\$10.00 plus 2% of amount over  
 146 \$1,000.00  
 147 Over \$3,000.00 but not over \$5,000.00 .....\$50.00 plus 3% of amount over  
 148 \$3,000.00  
 149 Over \$5,000.00 but not over \$7,000.00 .....\$110.00 plus 4% of amount over  
 150 \$5,000.00  
 151 Over \$7,000.00 but not over \$10,000.00 .....\$190.00 plus 5% of amount over  
 152 \$7,000.00  
 153 Over \$10,000.00 .....\$340.00 plus ~~5.75%~~ 5.5% of amount  
 154 over \$10,000.00"

155 **SECTION 1-4.**

156 Said title is further amended by revising subsection (a) of Code Section 48-7-21, relating to  
157 taxation of corporations, as follows:

158 "(a) Every domestic corporation and every foreign corporation shall pay annually an  
159 income tax equivalent to ~~6~~ 5.75 percent of its Georgia taxable net income. Georgia taxable  
160 net income of a corporation shall be the corporation's taxable income from property owned  
161 or from business done in this state. A corporation's taxable income from property owned  
162 or from business done in this state shall consist of the corporation's taxable income as  
163 defined in the Internal Revenue Code of 1986, with the adjustments provided for in  
164 subsection (b) of this Code section and allocated and apportioned as provided in Code  
165 Section 48-7-31."

166 **SECTION 1-5.**

167 Said title is further amended by revising subsection (a) of Code Section 48-7-21, relating to  
168 taxation of corporations, as follows:

169 "(a) Every domestic corporation and every foreign corporation shall pay annually an  
170 income tax equivalent to ~~5.75~~ 5.5 percent of its Georgia taxable net income. Georgia  
171 taxable net income of a corporation shall be the corporation's taxable income from property  
172 owned or from business done in this state. A corporation's taxable income from property  
173 owned or from business done in this state shall consist of the corporation's taxable income  
174 as defined in the Internal Revenue Code of 1986, with the adjustments provided for in  
175 subsection (b) of this Code section and allocated and apportioned as provided in Code  
176 Section 48-7-31."

177 **SECTION 1-6.**

178 Said title is further amended by revising subparagraphs (b)(8)(A) and (b)(10.1)(A) of Code  
179 Section 48-7-21, relating to taxation of corporations, as follows:

180 "(A) A corporation from sources outside the United States as defined in the Internal  
181 Revenue Code of 1986. For purposes of this subparagraph, dividends received by a  
182 corporation from sources outside of the United States shall include amounts treated as  
183 a dividend and income deemed to have been received under provisions of the Internal  
184 Revenue Code of 1986 by such corporation if such amounts could have been subtracted  
185 from taxable income under this paragraph, had such amounts actually been received but  
186 shall not include income specified in Section 951A of the Internal Revenue Code of  
187 1986. The deduction provided by Section 250 shall apply to the extent the same  
188 income was included in Georgia taxable net income. The deduction, exclusion, or  
189 subtraction provided by Section 245A, Section 965, or any other section of the Internal

190 Revenue Code of 1986 shall not apply to the extent income has been subtracted  
 191 pursuant to this subparagraph. Amounts to be subtracted under this subparagraph shall  
 192 include the following unless excluded by this paragraph, as defined by the Internal  
 193 Revenue Code of 1986:

- 194 (i) Qualified electing fund income;
- 195 (ii) Subpart F income; and
- 196 (iii) Income attributable to an increase in United States property by a controlled  
 197 foreign corporation.

198 The amount subtracted under this subparagraph shall be reduced by any expenses  
 199 directly attributable to the dividend income; and"

200 "(A) For any taxable year in which the taxpayer takes a federal net operating loss  
 201 deduction on its federal income tax return, the amount of such deduction shall be added  
 202 back to federal taxable income, and Georgia taxable net income for such taxable year  
 203 shall be computed from the taxpayer's federal taxable income as so adjusted. There  
 204 shall be allowed as a separate deduction from Georgia taxable net income so computed  
 205 an amount equal to the aggregate of the Georgia net operating loss carryovers to such  
 206 year, plus the Georgia net operating loss carrybacks to such year if such carrybacks are  
 207 allowed by the Internal Revenue Code of 1986. Any limitations included in the Internal  
 208 Revenue Code of 1986 on the amount of net operating loss that can be used in a taxable  
 209 year shall be applied for purposes of this Code section; provided, however, that such  
 210 limitations, including, but not limited to, the 80 percent limitation, shall be applied to  
 211 Georgia taxable net income;"

212 **SECTION 1-7.**

213 Said title is further amended by revising paragraph (1) of subsection (a) of Code Section  
 214 48-7-27, relating to computation of taxable income of individuals, to read as follows:

215 "(1) Either the sum of all itemized nonbusiness deductions used in computing federal  
 216 taxable income if the taxpayer used itemized nonbusiness deductions in computing  
 217 federal taxable income or, if the taxpayer could not or did not itemize nonbusiness  
 218 deductions, then a standard deduction as provided for in the following subparagraphs:

- 219 (A) In the case of a single taxpayer or a head of household, ~~\$2,300.00~~ \$4,600.00;
- 220 (B) In the case of a married taxpayer filing a separate return, ~~\$1,500.00~~ \$3,000.00;
- 221 (C) In the case of a married couple filing a joint return, ~~\$3,000.00~~ \$6,000.00;
- 222 (D) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer has attained  
 223 the age of 65 before the close of the taxpayer's taxable year. An additional deduction  
 224 of \$1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by

225 the taxpayer and the taxpayer's spouse and the spouse has attained the age of 65 before  
 226 the close of the taxable year; and  
 227 (E) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer is blind at the  
 228 close of the taxable year. An additional deduction of \$1,300.00 for the spouse of the  
 229 taxpayer shall be allowed if a joint return is made by the taxpayer and the taxpayer's  
 230 spouse and the spouse is blind at the close of the taxable year. For the purposes of this  
 231 subparagraph, the determination of whether the taxpayer or the spouse is blind shall be  
 232 made at the close of the taxable year except that, if either the taxpayer or the spouse  
 233 dies during the taxable year, the determination shall be made as of the time of the  
 234 death;"

#### 235 SECTION 1-8.

236 Said title is further amended by adding a new paragraph to subsection (b) of Code Section  
 237 48-7-27, relating to computation of taxable income of corporations, to read as follows:

238 "(14) Georgia net operating losses shall be treated in the same manner as provided in  
 239 paragraph (10.1) of subsection (b) of Code Section 48-7-21 but shall be based on the  
 240 income as computed pursuant to this Code section. Any limitations included in the  
 241 Internal Revenue Code of 1986 on the amount of net operating loss that can be used in  
 242 a taxable year shall be applied for purposes of this Code section; provided, however, that  
 243 such limitations, including, but not limited to, the 80 percent limitation, shall be applied  
 244 to Georgia taxable net income."

#### 245 SECTION 1-9.

246 Said title is further amended by revising subsection (c) and adding a new subsection to Code  
 247 Section 48-7-42, relating to affiliated entities and assignment of corporate income tax credits,  
 248 to read as follows:

249 "(c) The recipient of a tax credit assigned under subsection (b) of this Code section shall  
 250 attach a statement to its return identifying the assignor of the tax credit, in addition to  
 251 providing any other information required to be provided by a claimant of the assigned tax  
 252 credit. With the exception of the transferable credits in Code Sections 48-7-29.8,  
 253 48-7-29.12, 48-7-40.26, and 48-7-40.26A, the recipient of a tax credit assigned under  
 254 subsection (b) of this Code section shall also be eligible to take any credit against payments  
 255 due under Code Section 48-7-103, subject to the same requirements as the assignor of such  
 256 credit at the time of the assignment."

257 "(g) For the purposes of all credits provided for by this chapter, the sale, merger,  
 258 acquisition, or bankruptcy of any taxpayer shall not create new eligibility for the  
 259 succeeding transferee in such transaction or event, but any unused credit eligible to be



260 applied against income tax liability under this article may be transferred and continued by  
 261 such transferee and applied against the transferee's income tax liability under this article."

262

**PART II**

263

**SECTION 2-1.**

264 Said title is further amended in Chapter 5C, relating to the alternative ad valorem tax on  
 265 motor vehicles, by revising paragraph (15) of subsection (d) of Code Section 48-5C-1,  
 266 relating to definitions, exemption from taxation, allocation and disbursement of proceeds  
 267 collected by tag agents, fair market value of vehicle appealable, and report, as follows:

268 "(15) There shall be no liability for any state or local title ad valorem tax fees in any of  
 269 the following title transactions:

270 (A) The addition or substitution of lienholders on a motor vehicle title so long as the  
 271 owner of the motor vehicle remains the same;

272 (B) The acquisition of a bonded title by a person or entity pursuant to Code Section  
 273 40-3-28 if the title is to be issued in the name of such person or entity;

274 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the  
 275 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be  
 276 issued in the name of such lienholder;

277 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity  
 278 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer  
 279 of motor vehicles and the title is to be issued in the name of such person or entity;

280 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to  
 281 Code Section 40-3-43;

282 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,  
 283 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or  
 284 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,  
 285 or rebuilder shall submit an affidavit in a form promulgated by the commissioner  
 286 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or  
 287 to correct a title only;

288 (G) The obtaining of a title by and in the name of the holder of a security interest when  
 289 a motor vehicle has been repossessed after default in accordance with Part 6 of Article  
 290 9 of Title 11 if such title is to be issued in the name of such security interest holder;

291 (H) The obtaining of a title by a person or entity for purposes of correcting a title,  
 292 changing an odometer reading, or removing an odometer discrepancy legend, provided  
 293 that, subject to subparagraph (F) of this paragraph, title is not being transferred to  
 294 another person or entity; ~~and~~

- 295 (I) The obtaining of a title by a person who pays state and local title ad valorem tax  
 296 fees on a motor vehicle and subsequently moves out of this state but returns and applies  
 297 to retitle such vehicle in this state; and  
 298 (J) The obtaining of a replacement title on a vehicle that is not less than 15 years old  
 299 upon sufficient proof provided to the commissioner that such title no longer exists."

300 **PART III**

301 **SECTION 3-1.**

- 302 (a) Sections 1-1, 1-6, and 1-8 of this Act shall become effective upon the approval of this  
 303 Act by the Governor or upon this Act becoming law without such approval and such sections  
 304 shall be applicable to all taxable years beginning on or after January 1, 2017.
- 305 (b) Sections 1-2 and 1-4 of this Act shall become effective upon the approval of this Act by  
 306 the Governor or upon this Act becoming law without such approval and shall be applicable  
 307 to all taxable years beginning on or after January 1, 2019. Sections 1-2 and 1-4 of this Act  
 308 shall expire by operation of law on the last moment of December 31, 2025, and revert to the  
 309 language of paragraph (1) of subsection (b) of Code Section 48-7-20 and subsection (a) of  
 310 Code Section 48-7-21, respectively, as they existed on the day immediately preceding the  
 311 effective date of this Act.
- 312 (c) Sections 1-3 and 1-5 of this Act shall become effective upon passage of a joint resolution  
 313 that is signed by the Governor ratifying such sections by both houses of the Georgia General  
 314 Assembly on or after January 13, 2020, and upon such passage shall be applicable to all  
 315 taxable years beginning on or after January 1, 2020. Should Sections 1-3 and 1-5 of this Act  
 316 become effective as prescribed in the foregoing, both sections shall expire by operation of  
 317 law on the last moment of December 31, 2025, and revert to the language of paragraph (1)  
 318 of subsection (b) of Code Section 48-7-20 and subsection (a) of Code Section 48-7-21,  
 319 respectively, as they existed on the day immediately preceding the effective date of this Act.
- 320 (d) Section 1-7 of this Act shall become effective upon the approval of this Act by the  
 321 Governor or upon this Act becoming law without such approval and shall be applicable to  
 322 all taxable years beginning on or after January 1, 2018. Section 1-7 of this Act shall expire  
 323 by operation of law on the last moment of December 31, 2025, and revert to the language of  
 324 paragraph (1) of subsection (a) of Code Section 48-7-27 as it existed on the day immediately  
 325 preceding the effective date of this Act.
- 326 (e) Section 1-9 of this Act shall become effective upon the approval of this Act by the  
 327 Governor or upon this Act becoming law without such approval. The revisions to  
 328 subsection (c) of Code Section 48-7-42 contained in Section 1-9 of this Act shall be  
 329 applicable to tax credits that are assigned in taxable years beginning on or after January 1,

330 2018. New subsection (g) of Code Section 48-7-42 contained in Section 1-9 of this Act shall  
331 be applicable to sales, mergers, acquisitions, or bankruptcies occurring in taxable years  
332 beginning on or after January 1, 2018.

333 (f) Part II of this Act shall become effective July 1, 2018.

334 (g) Part III of this Act shall become effective upon its approval by the Governor or upon  
335 becoming law without such approval.

336 **SECTION 3-2.**

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