

The Senate Finance Committee offered the following substitute to HB 1244:

A BILL TO BE ENTITLED
AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, and exemptions regarding state income tax, so as to provide for comprehensive reform of state income tax; to provide for certain reductions in the income tax rates for individuals; to extend the period of time for which income tax credits for teleworking are granted; to change the amount of certain credits; to change certain reporting requirements; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, and exemptions regarding state income tax, is amended by revising paragraph (1) of subsection (b) of Code Section 48-7-20, relating to individual tax rates and tax tables, as follows:

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

(A) For the taxable years or portions thereof beginning prior to July 1, 2008:

SINGLE PERSON

If Georgia Taxable Net Income Is:	The Tax Is:
Not over \$750.00	1%
Over \$750.00 but not over \$2,250.00	\$7.50 plus 2% of amount over \$750.00
Over \$2,250.00 but not over \$3,750.00	\$37.50 plus 3% of amount over \$2,250.00
Over \$3,750.00 but not over \$5,250.00	\$82.50 plus 4% of amount over \$3,750.00
Over \$5,250.00 but not over \$7,000.00	\$142.50 plus 5% of amount over \$5,250.00
Over \$7,000.00	\$230.00 plus 6% of amount over

\$7,000.00

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

Not over \$500.00	1%
Over \$500.00 but not over \$1,500.00	\$5.00 plus 2% of amount over \$500.00
Over \$1,500.00 but not over \$2,500.00	\$25.00 plus 3% of amount over \$1,500.00
Over \$2,500.00 but not over \$3,500.00	\$55.00 plus 4% of amount over \$2,500.00
Over \$3,500.00 but not over \$5,000.00	\$95.00 plus 5% of amount over \$3,500.00
Over \$5,000.00	\$170.00 plus 6% of amount over \$5,000.00

HEAD OF HOUSEHOLD AND MARRIED PERSONS
FILING A JOINT RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

Not over \$1,000.00	1%
Over \$1,000.00 but not over \$3,000.00	\$10.00 plus 2% of amount over \$1,000.00
Over \$3,000.00 but not over \$5,000.00	\$50.00 plus 3% of amount over \$3,000.00
Over \$5,000.00 but not over \$7,000.00	\$110.00 plus 4% of amount over \$5,000.00
Over \$7,000.00 but not over \$10,000.00	\$190.00 plus 5% of amount over \$7,000.00
Over \$10,000.00	\$340.00 plus 6% of amount over \$10,000.00

(B) For the taxable year or portion thereof beginning on or after July 1, 2008, and prior to January 1, 2009:

SINGLE PERSON

<u>If Georgia Taxable Net Income Is:</u>	<u>The Tax Is:</u>
<u>Not over \$750.00</u>	<u>.9%</u>
<u>Over \$750.00 but not over \$2,250.00</u>	<u>\$6.75 plus 1.8% of amount over \$750.00</u>
<u>Over \$2,250.00 but not over \$3,750.00</u>	<u>\$33.75 plus 2.7% of amount over \$2,250.00</u>
<u>Over \$3,750.00 but not over \$5,250.00</u>	<u>\$74.25 plus 3.6% of amount over \$3,750.00</u>
<u>Over \$5,250.00 but not over \$7,000.00</u>	<u>\$128.25 plus 4.5% of amount over \$5,250.00</u>
<u>Over \$7,000.00</u>	<u>\$207.00 plus 5.9% of amount over \$7,000.00</u>

MARRIED PERSON FILING A SEPARATE RETURN

<u>If Georgia Taxable Net Income Is:</u>	<u>The Tax Is:</u>
<u>Not over \$500.00</u>	<u>.9%</u>
<u>Over \$500.00 but not over \$1,500.00</u>	<u>\$4.50 plus 1.8% of amount over \$500.00</u>
<u>Over \$1,500.00 but not over \$2,500.00</u>	<u>\$22.50 plus 2.7% of amount over \$1,500.00</u>
<u>Over \$2,500.00 but not over \$3,500.00</u>	<u>\$49.50 plus 3.6% of amount over \$2,500.00</u>
<u>Over \$3,500.00 but not over \$5,000.00</u>	<u>\$85.50 plus 4.5% of amount over \$3,500.00</u>
<u>Over \$5,000.00</u>	<u>\$153.00 plus 5.9% of amount over \$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONS
FILING A JOINT RETURN

<u>If Georgia Taxable Net Income Is:</u>	<u>The Tax Is:</u>
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<u>Not over \$1,000.00</u>	<u>.9%</u>
<u>Over \$1,000.00 but not over \$3,000.00</u>	<u>\$9.00 plus 1.8% of amount over \$1,000.00</u>
<u>Over \$3,000.00 but not over \$5,000.00</u>	<u>\$45.00 plus 2.7% of amount over \$3,000.00</u>
<u>Over \$5,000.00 but not over \$7,000.00</u>	<u>\$99.00 plus 3.6% of amount over \$5,000.00</u>
<u>Over \$7,000.00 but not over \$10,000.00</u>	<u>\$171.00 plus 4.5% of amount over \$7,000.00</u>
<u>Over \$10,000.00</u>	<u>\$306.00 plus 5.9% of amount over \$10,000.00</u>

(C) For the taxable year beginning on or after January 1, 2009, and prior to January 1, 2010:

SINGLE PERSON

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$750.00</u>	<u>.9%</u>
<u>Over \$750.00 but not over \$2,250.00</u>	<u>\$6.75 plus 1.8% of amount over \$750.00</u>
<u>Over \$2,250.00 but not over \$3,750.00</u>	<u>\$33.75 plus 2.7% of amount over \$2,250.00</u>
<u>Over \$3,750.00 but not over \$5,250.00</u>	<u>\$74.25 plus 3.6% of amount over \$3,750.00</u>
<u>Over \$5,250.00 but not over \$7,000.00</u>	<u>\$128.25 plus 4.5% of amount over \$5,250.00</u>
<u>Over \$7,000.00</u>	<u>\$207.00 plus 5.8% of amount over \$7,000.00</u>

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$500.00</u>	<u>.9%</u>
<u>Over \$500.00 but not over \$1,500.00</u>	<u>\$4.50 plus 1.8% of amount over</u>

	<u>\$500.00</u>
<u>Over \$1,500.00 but not over \$2,500.00</u>	<u>\$22.50 plus 2.7% of amount over \$1,500.00</u>
<u>Over \$2,500.00 but not over \$3,500.00</u>	<u>\$49.50 plus 3.6% of amount over \$2,500.00</u>
<u>Over \$3,500.00 but not over \$5,000.00</u>	<u>\$85.50 plus 4.5% of amount over \$3,500.00</u>
<u>Over \$5,000.00</u>	<u>\$153.00 plus 5.8% of amount over \$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONS
FILING A JOINT RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$1,000.00</u>	<u>.9%</u>
<u>Over \$1,000.00 but not over \$3,000.00</u>	<u>\$9.00 plus 1.8% of amount over \$1,000.00</u>
<u>Over \$3,000.00 but not over \$5,000.00</u>	<u>\$45.00 plus 2.7% of amount over \$3,000.00</u>
<u>Over \$5,000.00 but not over \$7,000.00</u>	<u>\$99.00 plus 3.6% of amount over \$5,000.00</u>
<u>Over \$7,000.00 but not over \$10,000.00</u>	<u>\$171.00 plus 4.5% of amount over \$7,000.00</u>
<u>Over \$10,000.00</u>	<u>\$306.00 plus 5.8% of amount over \$10,000.00</u>

(D) For the taxable year beginning on or after January 1, 2010, and prior to January 1, 2011:

SINGLE PERSON

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$750.00</u>	<u>.9%</u>
<u>Over \$750.00 but not over \$2,250.00</u>	<u>\$6.75 plus 1.8% of amount over \$750.00</u>

<u>Over \$2,250.00 but not over \$3,750.00</u>	<u>\$33.75 plus 2.7% of amount over \$2,250.00</u>
<u>Over \$3,750.00 but not over \$5,250.00</u>	<u>\$74.25 plus 3.6% of amount over \$3,750.00</u>
<u>Over \$5,250.00 but not over \$7,000.00</u>	<u>\$128.25 plus 4.5% of amount over \$5,250.00</u>
<u>Over \$7,000.00</u>	<u>\$207.00 plus 5.7% of amount over \$7,000.00</u>

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$500.00</u>	<u>.9%</u>
<u>Over \$500.00 but not over \$1,500.00</u>	<u>\$4.50 plus 1.8% of amount over \$500.00</u>
<u>Over \$1,500.00 but not over \$2,500.00</u>	<u>\$22.50 plus 2.7% of amount over \$1,500.00</u>
<u>Over \$2,500.00 but not over \$3,500.00</u>	<u>\$49.50 plus 3.6% of amount over \$2,500.00</u>
<u>Over \$3,500.00 but not over \$5,000.00</u>	<u>\$85.50 plus 4.5% of amount over \$3,500.00</u>
<u>Over \$5,000.00</u>	<u>\$153.00 plus 5.7% of amount over \$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONS
FILING A JOINT RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$1,000.00</u>	<u>.9%</u>
<u>Over \$1,000.00 but not over \$3,000.00</u>	<u>\$9.00 plus 1.8% of amount over \$1,000.00</u>
<u>Over \$3,000.00 but not over \$5,000.00</u>	<u>\$45.00 plus 2.7% of amount over \$3,000.00</u>

<u>Over \$5,000.00 but not over \$7,000.00</u>	<u>\$99.00 plus 3.6% of amount over \$5,000.00</u>
<u>Over \$7,000.00 but not over \$10,000.00</u>	<u>\$171.00 plus 4.5% of amount over \$7,000.00</u>
<u>Over \$10,000.00</u>	<u>\$306.00 plus 5.7% of amount over \$10,000.00</u>

(E) For the taxable year beginning on or after January 1, 2011, and prior to January 1, 2012:

SINGLE PERSON

<u>If Georgia Taxable Net Income Is:</u>	<u>The Tax Is:</u>
<u>Not over \$750.00</u>	<u>.9%</u>
<u>Over \$750.00 but not over \$2,250.00</u>	<u>\$6.75 plus 1.8% of amount over \$750.00</u>
<u>Over \$2,250.00 but not over \$3,750.00</u>	<u>\$33.75 plus 2.7% of amount over \$2,250.00</u>
<u>Over \$3,750.00 but not over \$5,250.00</u>	<u>\$74.25 plus 3.6% of amount over \$3,750.00</u>
<u>Over \$5,250.00 but not over \$7,000.00</u>	<u>\$128.25 plus 4.5% of amount over \$5,250.00</u>
<u>Over \$7,000.00</u>	<u>\$207.00 plus 5.6% of amount over \$7,000.00</u>

MARRIED PERSON FILING A SEPARATE RETURN

<u>If Georgia Taxable Net Income Is:</u>	<u>The Tax Is:</u>
<u>Not over \$500.00</u>	<u>.9%</u>
<u>Over \$500.00 but not over \$1,500.00</u>	<u>\$4.50 plus 1.8% of amount over \$500.00</u>
<u>Over \$1,500.00 but not over \$2,500.00</u>	<u>\$22.50 plus 2.7% of amount over \$1,500.00</u>
<u>Over \$2,500.00 but not over \$3,500.00</u>	<u>\$49.50 plus 3.6% of amount over \$2,500.00</u>

Over \$3,500.00 but not over \$5,000.00 \$85.50 plus 4.5% of amount over \$3,500.00

Over \$5,000.00 \$153.00 plus 5.6% of amount over \$5,000.00

HEAD OF HOUSEHOLD AND MARRIED PERSONS
FILING A JOINT RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

Not over \$1,000.00

.9%

Over \$1,000.00 but not over \$3,000.00

\$9.00 plus 1.8% of amount over \$1,000.00

Over \$3,000.00 but not over \$5,000.00

\$45.00 plus 2.7% of amount over \$3,000.00

Over \$5,000.00 but not over \$7,000.00

\$99.00 plus 3.6% of amount over \$5,000.00

Over \$7,000.00 but not over \$10,000.00

\$171.00 plus 4.5% of amount over \$7,000.00

Over \$10,000.00

\$306.00 plus 5.6% of amount over \$10,000.00

(F) For all taxable years beginning on or after January 1, 2012:

SINGLE PERSON

If Georgia Taxable
Net Income Is:

The Tax Is:

Not over \$750.00

.9%

Over \$750.00 but not over \$2,250.00

\$6.75 plus 1.8% of amount over \$750.00

Over \$2,250.00 but not over \$3,750.00

\$33.75 plus 2.7% of amount over \$2,250.00

Over \$3,750.00 but not over \$5,250.00

\$74.25 plus 3.6% of amount over \$3,750.00

Over \$5,250.00 but not over \$7,000.00

\$128.25 plus 4.5% of amount over \$5,250.00

Over \$7,000.00 \$207.00 plus 5.4% of amount over \$7,000.00

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$500.00</u>	<u>.9%</u>
<u>Over \$500.00 but not over \$1,500.00</u>	<u>\$4.50 plus 1.8% of amount over \$500.00</u>
<u>Over \$1,500.00 but not over \$2,500.00</u>	<u>\$22.50 plus 2.7% of amount over \$1,500.00</u>
<u>Over \$2,500.00 but not over \$3,500.00</u>	<u>\$49.50 plus 3.6% of amount over \$2,500.00</u>
<u>Over \$3,500.00 but not over \$5,000.00</u>	<u>\$85.50 plus 4.5% of amount over \$3,500.00</u>
<u>Over \$5,000.00</u>	<u>\$153.00 plus 5.4% of amount over \$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONS
FILING A JOINT RETURN

If Georgia Taxable
Net Income Is:

The Tax Is:

<u>Not over \$1,000.00</u>	<u>.9%</u>
<u>Over \$1,000.00 but not over \$3,000.00</u>	<u>\$9.00 plus 1.8% of amount over \$1,000.00</u>
<u>Over \$3,000.00 but not over \$5,000.00</u>	<u>\$45.00 plus 2.7% of amount over \$3,000.00</u>
<u>Over \$5,000.00 but not over \$7,000.00</u>	<u>\$99.00 plus 3.6% of amount over \$5,000.00</u>
<u>Over \$7,000.00 but not over \$10,000.00</u>	<u>\$171.00 plus 4.5% of amount over \$7,000.00</u>
<u>Over \$10,000.00</u>	<u>\$306.00 plus 5.4% of amount over \$10,000.00"</u>

SECTION 2.

Said article is further amended in Code Section 48-7-29.11, relating to income tax credits for teleworking, by revising subsection (b) as follows:

"(b) For taxable years beginning or ending on or after January 1, 2008, and prior to January 1, ~~2010~~ 2012, an employer shall be allowed a state income tax credit against the tax imposed by Code Section 48-7-20 or Code Section 48-7-21 for a percentage of eligible telework expenses incurred in the corresponding calendar ~~years 2008 and 2009~~ year. The amount of such credit shall be calculated as follows:

- (1) The credit shall be equal to 100 percent of the eligible telework expenses incurred pursuant to a telework agreement requiring the participating employee to telework at least 12 days per month if the employer's principal place of business is located in an area designated by the United States Environmental Protection Agency as a nonattainment area under the federal Clean Air Act, 42 U.S.C. Section 7401 et seq.;
- (2) The credit shall be equal to 75 percent of the eligible telework expenses incurred pursuant to a telework agreement requiring the participating employee to telework at least 12 days per month; or
- (3) The credit shall be equal to 25 percent of the eligible telework expenses incurred pursuant to a telework agreement requiring the participating employee to telework at least five days per month."

SECTION 3.

Said article is further amended in Code Section 48-7-29.11, relating to income tax credits for teleworking, by revising paragraph (2) of subsection (e) as follows:

"(2) The commissioner shall provide tentative approval of the applications by the date provided in paragraph (3) of this subsection. In no event shall the aggregate amount of tax credits approved by the commissioner for all qualified employers under this Code section in a calendar year exceed:

- (A) ~~Two million dollars for~~ For credits earned in calendar year 2008, \$2 million; and
- (B) ~~Two million dollars for~~ For credits earned in calendar year 2009, \$2 million;
- (C) For credits earned in calendar year 2010, \$2.5 million; and
- (D) For credits earned in calendar year 2011, \$2.5 million."

SECTION 4.

Said article is further amended in Code Section 48-7-29.11, relating to income tax credits for teleworking, by revising subsection (f) as follows:

"(f) Notwithstanding the provisions of Code Sections 48-2-15, 48-7-60, and 48-7-61, ~~on or before December 31, 2010, for credits allowed in calendar year 2008 and by December 31, 2011, for credits allowed in calendar year 2009~~, the commissioner shall make available a public report disclosing the employer names and amounts of credit claimed under this Code section as follows:

- (1) On or before December 31, 2010, for credits allowed in calendar year 2008;
- (2) On or before December 31, 2011, for credits allowed in calendar year 2009;
- (3) On or before December 31, 2012, for credits allowed in calendar year 2010; and

(4) On or before December 31, 2013, for credits allowed in calendar year 2011."

SECTION 5.

This Act shall become effective upon on July 1, 2008.

SECTION 6.

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