

House Bill 1015

By: Representatives McDonald of the 26th, Blackmon of the 146th, Jones of the 47th, Hong of the 103rd, Wade of the 9th, 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 the imposition, rate, computation, exemptions, and credits relative to income
 3 taxes, so as to reduce the rate of the tax; to provide for related matters; to provide for an
 4 effective date and applicability; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
 8 imposition, rate, computation, exemptions, and credits relative to income taxes, is amended
 9 by revising subsection (a.1) of Code Section 48-7-20, relating to individual tax rates, credit
 10 for withholding and other payments, and applicability to estates and trusts, as follows:

11 "(a.1)(1) On and after January 1, 2024, the tax imposed pursuant to subsection (a) of this
 12 Code section shall be ~~5.49~~ 5.39 percent for taxable years beginning on or after January 1,
 13 2024; provided, however, that such rate shall be reduced by 0.10 percent annually
 14 beginning on January 1, 2025, until the rate reaches 4.99 percent, provided such annual
 15 reductions in the tax rate shall be subject to delays as provided in paragraph (2) of this
 16 subsection.

17 (2) Each prospective annual reduction in the tax rate that would otherwise occur as
18 provided in paragraph (1) of this subsection shall be delayed by one year for each year
19 that any of the following are true as of December 1:

20 (A) The Governor's revenue estimate for the succeeding fiscal year is not at least 3
21 percent above the Governor's revenue estimate for the present fiscal year;

22 (B) The prior fiscal year's net revenue collection was not higher than each of the
23 preceding three fiscal years' net tax revenue collection; or

24 (C) The Revenue Shortfall Reserve provided for in Code Section 45-12-93 does not
25 contain a sum that exceeds the amount of the decrease in state revenue projected to
26 occur as a result of the prospective reduction in the tax rates set to occur the following
27 year.

28 (3) The Office of Planning and Budget shall make the determinations necessary to
29 implement the provisions of paragraph (2) of this subsection and shall report its
30 determinations by December 1 of each year to the department, the Speaker of the House
31 of Representatives, the President of the Senate, and the chairpersons of the House
32 Appropriations Committee, the House Ways and Means Committee, the Senate
33 Appropriations Committee, and the Senate Finance Committee. This paragraph shall not
34 be applicable after the final reduction to the rate of 4.99 percent occurs."

35 **SECTION 2.**

36 This Act shall become effective on July 1, 2024, and shall apply to all taxable years
37 beginning on or after January 1, 2024.

38 **SECTION 3.**

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