

The House Committee on Ways and Means offers the following substitute to HB 1023:

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 match the rate of the income tax imposed on corporations to that imposed
3 on individual taxpayers; to extend the time within which a corporation shall not be subject
4 to penalty due to late filing; to provide for legislative construction; to provide for related
5 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
6 other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
10 amended by revising subsection (a) and division (b)(7)(C)(ii) of Code Section 48-7-21,
11 relating to taxation of corporations, as follows:

12 "(a) Every domestic corporation and every foreign corporation shall pay annually an
13 income tax ~~equivalent to 5.75 percent of~~ on its Georgia taxable net income at the same rate
14 of the tax imposed on individuals under subsection (a.1) of Code Section 48-7-20 for the
15 corresponding taxable year. Georgia taxable net income of a corporation shall be the
16 corporation's taxable income from property owned or from business done in this state. A

17 corporation's taxable income from property owned or from business done in this state shall
18 consist of the corporation's taxable income as defined in the Internal Revenue Code of
19 1986, with the adjustments provided for in subsection (b) of this Code section and allocated
20 and apportioned as provided in Code Section 48-7-31."

21 "(ii) Notwithstanding the provisions of subparagraph (B) of this paragraph, an
22 electing Subchapter 'S' corporation, with respect to a taxable period, shall pay an
23 income tax ~~equivalent to 5.75 percent of~~ on its net income at the same rate of the tax
24 imposed on individuals under subsection (a.1) of Code Section 48-7-20 for the
25 corresponding taxable year as computed pursuant to this Code section, and allocated
26 and apportioned pursuant to Code Section 48-7-31, for such taxable period, and such
27 shareholders shall not recognize their respective share of the portion of income on
28 which tax was actually paid pursuant to this subparagraph."

29 **SECTION 2.**

30 Said title is further amended by revising paragraph (3) of subsection (b) of Code Section
31 48-7-23, relating to taxation of partnerships, computation of net income, disallowance of
32 charitable contributions, individual liability of partners, individual returns of distributive
33 shares, taxable years, and elections, as follows:

34 "(3) Notwithstanding subsection (a) of this Code section, an electing partnership with
35 respect to a taxable period shall pay an income tax ~~equivalent to 5.75 percent of~~ on its net
36 income at the same rate of the tax imposed on individuals under subsection (a.1) of Code
37 Section 48-7-20 for the corresponding taxable year as computed pursuant to this Code
38 Section ~~48-7-23~~, and allocated and apportioned pursuant to Code Section 48-7-31, for
39 such taxable period, and such partners shall not recognize their respective share of the
40 portion of income on which tax was actually paid pursuant to this subsection."

41 **SECTION 3.**

42 Said title is further amended by revising subsection (d) of Code Section 48-7-57, relating to
43 penalty for failure to file timely return, rate, maximum, failure due to reasonable cause,
44 reduction of tax due by partial payment, credit, or other penalty, and applicability of federal
45 return extension to state return, as follows:

46 "(d)(1) No penalty due to late filing shall be incurred by a taxpayer if the taxpayer
47 attaches to ~~his~~ the state return a copy of an approved extension of time within which to
48 file ~~his~~ the federal income tax return which has been granted by the Internal Revenue
49 Service and also files ~~his~~ the state return within the period of time specified in the
50 extension or, for tax years beginning on or after January 1, 2025, in the case of a
51 corporate taxpayer, within the period of time specified in the extension, plus one month.
52 In such instances, the taxpayer need not apply to the commissioner for an extension of
53 time within which to file ~~his~~ the state return.

54 (2) Nothing in paragraph (1) of this subsection shall allow a taxpayer to defer payment
55 of a corporate income tax liability beyond the original due date provided for in Code
56 Section 48-7-56."

57 **SECTION 4.**

58 This Act shall become effective on July 1, 2024, and shall be applicable to all taxable years
59 beginning on or after January 1, 2024.

60 **SECTION 5.**

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