

House Bill 1023 (AS PASSED HOUSE AND SENATE)

By: Representatives Williamson of the 112<sup>th</sup>, Blackmon of the 146<sup>th</sup>, Crowe of the 118<sup>th</sup>, Silcox of the 53<sup>rd</sup>, Hilton of the 48<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 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.