

Senate Bill 26

By: Senators Rhett of the 33rd, Harbison of the 15th, Payne of the 54th, Bearden of the 30th, Hickman of the 4th 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 imposition, rate, computation, exemptions, and credits relative to state income
3 taxes, so as to require the state revenue commissioner, with regard to military retirement
4 income, to determine and apply a cost-of-living adjustment to the amount of allowable
5 retirement pay excluded from Georgia taxable net income; to provide for rules and
6 regulations; to provide for related matters; to provide for an effective date and applicability;
7 to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
11 imposition, rate, computation, exemptions, and credits relative to state income taxes, is
12 amended by adding a new paragraph to subsection (a) of Code Section 48-7-27 to read as
13 follows:

14 “(5.2) The commissioner shall by regulation establish and maintain rules concerning the
15 determination and application of cost-of-living adjustments to the amount of allowable
16 retirement pay excluded from Georgia taxable net income with regard to income received

17 as retirement benefits for military service. Such rules shall include the determination and
18 use of an appropriate cost-of-living index which reflects the effects of inflation and
19 deflation on persons receiving retirement income in this state for military service in the
20 armed forces of the United States or the reserve components thereof. In the regulation
21 of such rules, the commissioner may use the Consumer Price Index as reported by the
22 Bureau of Labor Statistics of the United States Department of Labor as such index is used
23 to determine adjustments to social security payments or any other similar index
24 established by the federal government if the commissioner determines that such federal
25 index reflects the effects of inflation and deflation on persons receiving retirement
26 income in this state for military service in the armed forces of the United States or the
27 reserve components thereof. Any such cost-of-living adjustment determined appropriate
28 by the commissioner shall result in a proportional adjustment to the amount of military
29 retirement income excluded from Georgia taxable net income."

30 **SECTION 2.**

31 This Act shall become effective on July 1, 2025, and shall be applicable to all taxable years
32 beginning on or after January 1, 2026.

33 **SECTION 3.**

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