

House Bill 111 (AS PASSED HOUSE AND SENATE)

By: Representatives Hong of the 103rd, Gambill of the 15th, McDonald III of the 26th, Wade of the 9th, Williamson of the 112th, 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~~ 2025, the tax imposed pursuant to subsection (a)
12 of this Code section shall be ~~5.39~~ 5.19 percent for taxable years beginning on or after
13 January 1, ~~2024~~ 2025; provided, however, that such rate shall be reduced by 0.10 percent
14 annually beginning on January 1, ~~2025~~ 2026, until the rate reaches 4.99 percent, provided
15 that such annual reductions in the tax rate shall be subject to delays as provided in
16 paragraph (2) of this subsection.

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

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

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

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

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

SECTION 2.

This Act shall become effective on July 1, 2025, and shall apply to all taxable years beginning on or after January 1, 2025.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.