

House Bill 1199 (AS PASSED HOUSE AND SENATE)

By: Representatives Carson of the 46<sup>th</sup>, Blackmon of the 146<sup>th</sup>, Kelley of the 16<sup>th</sup>, and Williamson of the 112<sup>th</sup>

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 revise the definition of the terms "Internal Revenue Code" and "Internal  
3 Revenue Code of 1986" to incorporate certain provisions of the federal law into Georgia law;  
4 to provide for exemption of income taxes on overtime and tips; to provide for a sunset of  
5 such exemption; to provide for a cap on tax credits for qualified low-income buildings; to  
6 temporarily suspend collection of taxes on motor fuels; to provide for related matters; to  
7 provide for an effective date and applicability; to repeal conflicting laws; and for other  
8 purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
12 amended in Code Section 48-1-2, relating to definitions, by revising paragraph (14) as  
13 follows:

14 "(14) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' means for taxable years  
15 beginning on or after January 1, ~~2024~~ 2025, the provisions of the United States Internal  
16 Revenue Code of 1986, as amended, provided for in federal law enacted on or before

17 January 1, ~~2025~~ 2026, except that Section 63(b)(7), Section 108(i), Section 163(e)(5)(F),  
18 Section 163(h)(4), ~~Section 168(b)(3)(I)~~, Section 168(e)(3)(B)(vii),  
19 ~~Section 168(e)(3)(E)(ix)~~, ~~Section 168(e)(8)~~, Section 168(k), Section 168(m),  
20 Section 168(n), Section 174A, Section 179(d)(1)(B)(ii), ~~Section 179(f)~~ Section 179(e),  
21 Section 199, Section 224, Section 225 Section 381(c)(20), and Section 382(d)(3);  
22 ~~Section 810(b)(4)~~, ~~Section 1400L~~, ~~Section 1400N(d)(1)~~, ~~Section 1400N(f)~~,  
23 ~~Section 1400N(j)~~, ~~Section 1400N(k)~~, and ~~Section 1400N(o)~~ of the Internal Revenue Code  
24 of 1986, as amended, shall be treated as if they were not in effect, and except that Section  
25 170(p) of the Internal Revenue Code of 1986, as amended, shall be treated as they were  
26 in effect before the 2025 enactment of federal Public Law 119-21, and except that Section  
27 168(e)(7), Section 172(b)(1)(F), and Section 172(i)(1) of the Internal Revenue Code of  
28 1986, as amended, shall be treated as they were in effect before the 2008 enactment of  
29 federal Public Law 110-343, and except that Section 163(i)(1) of the Internal Revenue  
30 Code of 1986, as amended, shall be treated as it was in effect before the 2009 enactment  
31 of federal Public Law 111-5, and except that Section 13(e)(4) of 2009 federal Public Law  
32 111-92 shall be treated as if it was not in effect, and except that Section 118, Section  
33 163(j), Section 382(k)(1), and Section 174 of the Internal Revenue Code of 1986, as  
34 amended, shall be treated as they were in effect before the 2017 enactment of federal  
35 Public Law 115-97; provided, however, that all provisions in federal Public Law 117-58  
36 (Infrastructure Investment and Jobs Act) that change or affect in any manner Section 118  
37 shall be treated as if they were in effect, and except that all provisions in federal Public  
38 Law 116-136 (CARES Act) that change or affect in any manner Section 172 and Section  
39 461(l) shall be treated as if they were not in effect, and except that all provisions in  
40 federal Public Law 117-2 (American Rescue Plan Act of 2021) that change or affect in  
41 any manner Section 461(l) shall be treated as if they were not in effect, and except that  
42 the limitations provided in Section 179(b)(1) shall be \$250,000.00 for tax years beginning  
43 in 2010, shall be \$250,000.00 for tax years beginning in 2011, shall be \$250,000.00 for

44 tax years beginning in 2012, shall be \$250,000.00 for tax years beginning in 2013, and  
45 shall be \$500,000.00 for tax years beginning in 2014, and except that the limitations  
46 provided in Section 179(b)(2) shall be \$800,000.00 for tax years beginning in 2010, shall  
47 be \$800,000.00 for tax years beginning in 2011, shall be \$800,000.00 for tax years  
48 beginning in 2012, shall be \$800,000.00 for tax years beginning in 2013, and shall be \$2  
49 million for tax years beginning in 2014, and provided that Section 1106 of federal Public  
50 Law 112-95 as amended by federal Public Law 113-243 shall be treated as if it is in  
51 effect, except the phrase 'Code Section 48-2-35 (or, if later, November 15, 2015)' shall  
52 be substituted for the phrase 'section 6511(a) of such Code (or, if later, April 15, 2015),'  
53 and notwithstanding any other provision in this title, no interest shall be refunded with  
54 respect to any claim for refund filed pursuant to Section 1106 of federal Public Law  
55 112-95, and provided that subsection (b) of Section 3 of federal Public Law 114-292 shall  
56 be treated as if it is in effect, except the phrase 'Code Section 48-2-35' shall be substituted  
57 for the phrase 'section 6511(a) of the Internal Revenue Code of 1986' and the phrase 'such  
58 section' shall be substituted for the phrase 'such subsection.' In the event a reference is  
59 made in this title to the Internal Revenue Code or the Internal Revenue Code of 1954 as  
60 it existed on a specific date prior to January 1, ~~2025~~ 2026, the term means the provisions  
61 of the Internal Revenue Code or the Internal Revenue Code of 1954 as it existed on the  
62 prior date. Unless otherwise provided in this title, any term used in this title shall have  
63 the same meaning as when used in a comparable provision or context in the Internal  
64 Revenue Code of 1986, as amended. For taxable years beginning on or after January 1,  
65 ~~2024~~ 2025, provisions of the Internal Revenue Code of 1986, as amended, which were  
66 as of January 1, ~~2025~~ 2026, enacted into law but not yet effective shall become effective  
67 for purposes of Georgia taxation on the same dates upon which they become effective for  
68 federal tax purposes."

69 **SECTION 2.**

70 Said title is further amended in Code Section 48-7-29.6, relating to tax credits for qualified  
71 low-income buildings, by adding a new paragraph to subsection (b) to read as follows:

72 "(5) The aggregate annual amount of tax credits allowed pursuant to this Code section  
73 shall not exceed \$100 million for taxable years 2026 through 2028."

74 **SECTION 3.**

75 Said title is further amended in Code Section 48-9-3, relating to levy of excise tax, rates,  
76 exemptions, and prohibition on tax by political subdivisions, by adding a new paragraph to  
77 subsection (a) to read as follows:

78 "(1.2) The collection of the excise taxes provided for by paragraph (1) of this subsection  
79 shall be suspended for 60 days beginning on the effective date of this Act."

80 **SECTION 4.**

81 (a) This Act shall become effective upon its approval by the Governor or upon its becoming  
82 law without such approval and, except as otherwise provided in subsection (b) of this section,  
83 this Act shall be applicable to all taxable years beginning on or after January 1, 2026.

84 (b) Section 1 of this Act shall be applicable to all taxable years beginning on or after  
85 January 1, 2025.

86 **SECTION 5.**

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