

## Income/Franchise:

### Georgia: New Law Generally Updates State Conformity to Internal Revenue Code

H.B. 265, signed by gov. 2/24/21. Effective immediately, and applicable for taxable years beginning on or after January 1, 2020, new law generally updates Georgia's corporate and individual income tax conformity to the Internal Revenue Code (IRC) of 1986 provided for in federal law enacted on or before January 1, 2021 (previously, March 27, 2020). Subsequently issued guidance from the Georgia Department of Revenue, Income Tax Federal Tax Changes (2/25/21), explains the impact of this law change and Georgia's IRC coupling and decoupling provisions generally – including that for 2020, Georgia has adopted the increased IRC section 179 deduction of \$1,040,000, as well as the \$2,590,000 phaseout; however, Georgia has *not* adopted the IRC section 179 deduction for certain real property (*i.e.*, IRC sections 179(d)(1)(B)(ii)).

[URL: https://www.legis.ga.gov/legislation/59265](https://www.legis.ga.gov/legislation/59265)

[URL: https://dor.georgia.gov/rules-policies/income-tax/income-tax-federal-tax-changes](https://dor.georgia.gov/rules-policies/income-tax/income-tax-federal-tax-changes)

Note that Georgia continues to decouple from delineated provisions of the IRC, including certain provisions under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (*i.e.*, P.L. 116-136) [see H.B. 846 (2020) for more details on CARES Act coupling and decoupling provisions] and the federal Tax Cuts and Jobs Act (TCJA) of 2017 (*i.e.*, P.L. 115-97) [see H.B. 918 (2018) and previously issued Multistate Tax Alert; and S.B. 328 (2018) and previously issued Multistate Tax Alert for more details on TCJA coupling and decoupling].

Please contact us with any questions.

[URL: http://www.legis.ga.gov/legislation/en-US/Display/20192020/HB/846](http://www.legis.ga.gov/legislation/en-US/Display/20192020/HB/846)

[URL: http://www.legis.ga.gov/Legislation/en-US/display/20172018/HB/918](http://www.legis.ga.gov/Legislation/en-US/display/20172018/HB/918)

[URL: https://www2.deloitte.com/us/en/pages/tax/articles/ga-hb-918-enacted-includes-irc-conformity-amendment-and-income-tax-rate-reductions.html?id=us:2em:3na:stm:awa:tax:031921&sfid=7011O0000038IESQAY](https://www2.deloitte.com/us/en/pages/tax/articles/ga-hb-918-enacted-includes-irc-conformity-amendment-and-income-tax-rate-reductions.html?id=us:2em:3na:stm:awa:tax:031921&sfid=7011O0000038IESQAY)

[URL: http://www.legis.ga.gov/legislation/en-US/Display/20172018/SB/328](http://www.legis.ga.gov/legislation/en-US/Display/20172018/SB/328)

[URL: https://www2.deloitte.com/us/en/pages/tax/articles/georgia-sb-328-enacted-provides-for-full-subtraction-of-gilti-income.html?id=us:2em:3na:stm:awa:tax:031921&sfid=7011O0000038IESQAY](https://www2.deloitte.com/us/en/pages/tax/articles/georgia-sb-328-enacted-provides-for-full-subtraction-of-gilti-income.html?id=us:2em:3na:stm:awa:tax:031921&sfid=7011O0000038IESQAY)

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