

Income/Franchise:

Georgia: New Law Permits Some Affiliated Companies to File Consolidated Income Tax Return

H.B. 1058, signed by gov. 5/5/22; *Press Release: Gov. Kemp Signs Legislation to Support Georgia Businesses*, Ga. Office of the Governor (5/5/22). Effective immediately, and applicable for taxable years beginning on or after January 1, 2023, new law authorizes some Georgia affiliated corporations to elect filing their Georgia income tax returns on a consolidated basis and provides that such election generally is irrevocable and binding on both the Georgia Department of Revenue (Department) and electing Georgia affiliated group for a period of five years without modification. The legislation explains how electing consolidated groups must compute their underlying Georgia corporate income tax apportionment, allocation, and overall liability, including relevant definitions and some related procedures. The legislation specifically states that nothing in these new consolidated filing provisions “shall be construed as allowing or requiring the filing of combined income tax returns under the unitary business concept,” as well as provides that “under no circumstances may the Department compel a taxpayer to file a Georgia consolidated return if the taxpayer has not so elected.” The new law also requires the Department to promulgate regulations interpreting and implementing this new state consolidated filing election.

URL: <https://www.legis.ga.gov/legislation/61411>

URL: <https://gov.georgia.gov/press-releases/2022-05-05/gov-kemp-signs-legislation-support-georgia-businesses>

See recently issued Multistate Tax Alert for more details on this new law, and please contact us with any questions.

— John Paek (Atlanta)
Principal
Deloitte Tax LLP
jpaek@deloitte.com

Joe Garrett (Birmingham)
Managing Director
Deloitte Tax LLP
jogarrett@deloitte.com

Kent Clay (Charlotte)
Managing Director
Deloitte Tax LLP
kclay@deloitte.com

Cari Sorsa (Atlanta)
Senior Manager
Deloitte Tax LLP
csorsa@deloitte.com

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