

The House Committee on Ways and Means offers the following substitute to HB 196:

A BILL TO BE ENTITLED  
AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, computation, and exemptions from state income tax, so as to provide an exemption for royalties paid to musical artists; to provide for an automatic repeal; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, computation, and exemptions from state income tax, is amended in subsection (a) of Code Section 48-7-27, relating to the computation of taxable net income, by revising the introductory language; by striking "; and" at the end of paragraph (14) and inserting a semicolon in lieu thereof; by striking the period at the end of paragraph (15) and inserting "; and" in lieu thereof; and by adding a new paragraph, to read as follows:

"(a) Georgia taxable net income of an individual shall be the taxpayer's federal adjusted gross income, as defined in the United States Internal Revenue Code of 1986, less:"

"(16)(A) For taxable years beginning on or after January 1, 2017, an amount equal to the income paid to a musical artist, composer, or performer in this state as compensation for the licensing or other authorized use or reproduction of his or her musical compositions.

(B) This paragraph shall be repealed by operation of law on December 31, 2022."

**SECTION 2.**

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

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**SECTION 3.**

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All laws and parts of laws in conflict with this Act are repealed.