



## House of Representatives

**JOHN CARSON**  
REPRESENTATIVE, DISTRICT 46  
401 STATE CAPITOL  
ATLANTA, GEORGIA 30334  
(404) 656-7855  
E-Mail: [john.carson@house.ga.gov](mailto:john.carson@house.ga.gov)

STATE CAPITOL, SUITE 401-E  
ATLANTA, GEORGIA 30334  
(404) 656-7855 (O)  
(404) 651-9730 (F)

STANDING COMMITTEES:  
RETIREMENT – CHAIRMAN  
APPROPRIATIONS  
ENERGY, UTILITIES & TELECOMMUNICATIONS  
INSURANCE  
RULES  
TRANSPORTATION  
WAYS & MEANS

March 6, 2026

Fellow CPAs, Tax advisors

As you are aware, the state of Georgia must pass an IRC conformity bill each legislative session, to specifically adopt or not adopt income tax provisions that have been changed by Congress during the prior calendar year. Although usually just an annual housekeeping measure, this year's legislation has required much more analysis and revenue consideration than usual, due to the tax law changes from last year's HR 1, the Big Beautiful Bill.

I've heard from many tax CPAs, noting that various tax software platforms (CCH, Lacerte, Intuit, etc.) are flagging various issues since Georgia has not finalized IRC conformity for 2025 tax year. I share this frustration and understand the delay this is causing to proper filing of GA 500s, GA 600s, and other returns.

Below is an overview of the bill's status, frequently asked questions, etc.

### *Is there a delay with the IRC conformity bill?*

Our IRC conformity bill, [HB 1199](#), passed the Georgia House of Representatives on February 20<sup>th</sup>.

It subsequently passed the Senate Finance Committee on Wednesday, February 25<sup>th</sup>. I'm told that the Senate Rules committee is implementing some changes to the current version of the bill.

### *Timing/What are the next steps?*

As of the date of this letter, the Georgia Senate is expected to vote on HB 1199 sometime during the week of March 9<sup>th</sup>. From there, assuming any changes are agreed upon, it will be sent back to us in the Georgia House for an Agree motion and then immediately to the Governor's desk.

I'm also told that tax software platforms, such as the ones noted above, will be made aware of our IRC conformity upon final passage.



## House of Representatives

**JOHN CARSON**  
REPRESENTATIVE, DISTRICT 46  
401 STATE CAPITOL  
ATLANTA, GEORGIA 30334  
(404) 656-7855  
E-Mail: [john.carson@house.ga.gov](mailto:john.carson@house.ga.gov)

STATE CAPITOL, SUITE 401-E  
ATLANTA, GEORGIA 30334  
(404) 656-7855 (O)  
(404) 651-9730 (F)

STANDING COMMITTEES:  
RETIREMENT – CHAIRMAN  
APPROPRIATIONS  
ENERGY, UTILITIES & TELECOMMUNICATIONS  
INSURANCE  
RULES  
TRANSPORTATION  
WAYS & MEANS

### Will Georgia adopt a \$40,000 SALT deduction, as done in HR 1, the Big Beautiful Bill?

No. In our IRC conformity bill from calendar year 2018 (which addressed many of the federal tax provisions changes in the Tax Cuts and Jobs Act from 2017), Georgia adopted the following language:

*OCGA 48-7-27. Computation of taxable net income:*

**(b)(3)** *There shall be added to taxable income any amount deducted pursuant to Section 164 of the Internal Revenue Code in determining federal taxable income that exceeds the following:*

- **(A)** *For a single taxpayer, a taxpayer filing as head-of-household, or a married taxpayer filing jointly, \$10,000.00; or*
- **(B)** *For a married taxpayer filing separately, \$5,000.00.*

We are not proposing any changes in HB 1199 to this section of our state revenue code.

### Will Georgia exempt tips and overtime income, as done in HR 1?

Not for 2025 tax year.

If Georgia adopts any exclusion from AGI of either tips or overtime pay, this will be considered in separate legislation. There are currently several proposals to adopt some state tax relief from tips and overtime, including [HB 1370](#).

As mentioned above, if Georgia does adopt any AGI exclusion of tips or overtime pay, it will almost certainly not impact state tax year 2025, due to issues with proper reporting and administration.



## House of Representatives

**JOHN CARSON**  
 REPRESENTATIVE, DISTRICT 46  
 401 STATE CAPITOL  
 ATLANTA, GEORGIA 30334  
 (404) 656-7855  
 E-Mail: [john.carson@house.ga.gov](mailto:john.carson@house.ga.gov)

STATE CAPITOL, SUITE 401-E  
 ATLANTA, GEORGIA 30334  
 (404) 656-7855 (O)  
 (404) 651-9730 (F)

STANDING COMMITTEES:  
 RETIREMENT – CHAIRMAN  
 APPROPRIATIONS  
 ENERGY, UTILITIES & TELECOMMUNICATIONS  
 INSURANCE  
 RULES  
 TRANSPORTATION  
 WAYS & MEANS

### Overview of the proposed changes

As provided earlier, here is a brief summary of the proposed changes in the IRC Conformity bill:

| Provision   | HR 1 bill section | Code Section / Description  | Georgia Conformity to IRC? |
|---|-------------------|---|----------------------------|
| <i>Individuals:</i>                                 |                   |   |                            |
| Casualty loss deduction                             | 70109             | Permanently eliminates deductions for casualty losses, except for Federally-declared disasters                                      | Yes                        |
| Misc. expenses itemized deductions                  | 70110             | Permanently eliminates deductions for misc. itemized, except educator-expense deductions  | Yes                        |
| Limitation on itemized deductions                   | 70111             | Replaces the PEASE limitation but replaces with a new limitation that caps tax savings at 35% of the amount of itemized deductions. | Yes                        |
| “No tax on tips”                                    | 70201             | Would need to be in separate legislation, after noting significant cost considerations  | No                         |
| “No tax on overtime”                                | 70202             | Would need to be in separate legislation, after noting significant cost considerations  | No                         |
| “No tax on car loan interest”                       | 70203             | Would need to be in separate legislation, after noting significant cost considerations  | No                         |
| Child & dependent care credit                       | 70405             | Georgia credit under OCGA § 48-7-29.10  | Yes                        |
| Employer payments of student loans                  | 70412             | IRC Section 127   | Yes                        |
| Charitable contribution deduction for non-itemizers | 70424             | Does not impact Georgia, as this is below AGI   | No                         |
| Charitable contribution floor for itemizers         | 70425             | Establishes a floor for charitable contribution itemized deductions at 0.5% of MAGI   | Yes                        |
| Gains exclusion for qualified small business stock  | 70431             | Increased issuer limit under IRC Section 1202(a)(1)   | Yes                        |
|   |                   |   |                            |



## House of Representatives

**JOHN CARSON**  
REPRESENTATIVE, DISTRICT 46  
401 STATE CAPITOL  
ATLANTA, GEORGIA 30334  
(404) 656-7855  
E-Mail: [john.carson@house.ga.gov](mailto:john.carson@house.ga.gov)

STATE CAPITOL, SUITE 401-E  
ATLANTA, GEORGIA 30334  
(404) 656-7855 (O)  
(404) 651-9730 (F)

STANDING COMMITTEES:  
RETIREMENT – CHAIRMAN  
APPROPRIATIONS  
ENERGY, UTILITIES & TELECOMMUNICATIONS  
INSURANCE  
RULES  
TRANSPORTATION  
WAYS & MEANS

| <u>Businesses:</u>   |       |                          |  |
|--|-------|--------------------------|--|
| Full expensing for qualified business property                   | 70301 | IRC Section 168(k)       | No   |
| Full expensing of Research & Experimental expenditures           | 70302 | IRC Section 174(A)       | No; Georgia conforms to full expensing pre-TCJA                  |
| Business interest limitation                                     | 70303 | IRC Section 163(j)       | No   |
| Limitation on expensing of business assets                       | 70306 | IRC Section 179          | Partial; Georgia conforms to Section 179(d)(1)(B)(ii) and 179(e) |
| Special depreciation allowance for qualified production property | 70307 | IRC Section 168(n)       | No   |
| Low-income housing credit  | 70422 | IRC Section 42           | Yes  |
| Charitable contribution floor and cap for corporations           | 70426 | IRC Section 170(b)(2)(A) | Yes  |

I trust this update is helpful to you and your practice. Please feel free to reach out to me with any questions.

Proud to represent our profession here at the State Capitol.

Sincerely,

Rep. John Carson, CPA  
(R – NE Cobb, SE Cherokee)