



State of Georgia Department of Revenue

2015

Individual Income Tax 500 and 500EZ Forms and General Instructions

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**Forms (included in tax booklet): Form 500, Form 500EZ,
and Form IND-CR**

ELECTRONIC FILING



CLICK. ZIP. FAST ROUND TRIP.

- Over 3.3 million taxpayers filed electronically last year!
- Qualified taxpayers can file electronically for free!
- Receive your refund by direct deposit!
- File fast and securely from your home PC!

CREDIT CARD PAYMENTS



The Georgia Department of Revenue accepts Visa, American Express, MasterCard, and Discover credit cards for payment of:

- ✓ Current-year and Prior-year individual and corporate tax payments;
- ✓ Liabilities on Department of Revenue-issued assessment notices;
- ✓ Individual and corporate estimated tax payments.



FROM THE COMMISSIONER

Did you know that by registering an account with the Department of Revenue's Georgia Tax Center (GTC), you can sign up to receive notifications when any activity takes place on your account? These notifications help you closely monitor your tax status and help combat fraudulent activity. Visit <https://gtc.dor.ga.gov> to register. For assistance, you may visit our self-service instructional videos at <http://dor.georgia.gov/georgia-tax-center-info>.

Did you also know that if you file electronically and choose direct deposit, you can receive your refund in less than 30 days? Taxpayers who filed their returns electronically and had their refunds directly deposited into their bank accounts received their refunds within an average of 30 days. Refunds from paper returns can take up to 12 weeks to be issued. If you've been considering electronic filing, some of the benefits include:

- Faster and more accurate processing
- Receiving your refund by mail or direct deposit
- The ability to file from your home PC or have your taxes prepared by a professional electronic return originator
- Elimination of mailing paper returns

If you file electronically and need to make a payment, you may pay by electronic check using the Georgia Tax Center. Visit <https://gtc.dor.ga.gov> or visit our self-service instructional videos at <http://dor.georgia.gov/georgia-tax-center-info>. For additional information contact the Taxpayer Services Call Center at 1-877-423-6711.

The Department of Revenue, as outlined in the Taxpayer Bill of Rights, will provide "fair, courteous and timely service" to the taxpayers of Georgia. We have implemented several initiatives to ensure we uphold that standard. Our mission is to provide the best customer service and operational performance of any state taxing authority.

Lynnette T. Riley
Commissioner
Lynne.Riley@dor.ga.gov

WHERE DO YOU FILE? WHERE TO FILE FOR INDIVIDUAL TAXPAYERS

Form 500 Tax Returns:**Refunds and No Balance Due:**

PROCESSING CENTER
GEORGIA DEPARTMENT OF REVENUE
PO BOX 740380
ATLANTA GA 30374-0380

Payments:

PROCESSING CENTER
GEORGIA DEPARTMENT OF REVENUE
PO BOX 740399
ATLANTA GA 30374-0399

Form 500 2D Tax Returns:**Refunds and No Balance Due:**

PROCESSING CENTER
GEORGIA DEPARTMENT OF REVENUE
PO BOX 105597
ATLANTA GA 30348-5597

Payments:

PROCESSING CENTER
GEORGIA DEPARTMENT OF REVENUE
PO BOX 105613
ATLANTA GA 30348-5613

Voucher:**Form 500-ES Individual Estimated Tax:**

PROCESSING CENTER
GEORGIA DEPARTMENT OF REVENUE
PO BOX 740319
ATLANTA GA 30374-0319

Form 525-TV Payment Voucher

PROCESSING CENTER
GEORGIA DEPARTMENT OF REVENUE
PO BOX 740323
ATLANTA GA 30374-0323

RETURN FILING TIPS

- **FILE ELECTRONICALLY** - File electronically instead of using paper tax forms. If you file electronically and choose direct deposit, you can receive your refund in less than 30 days.
- **CHECK THE IDENTIFICATION NUMBERS** - When filing a return, carefully check the identification numbers — usually Social Security numbers — for each person listed. Incorrect or illegible Social Security numbers can delay or reduce a tax refund.
- **MAILING ADDRESS**- Make sure your mailing address is complete and accurate on your return.
- **DOUBLE-CHECK YOUR FIGURES** - You should double-check that you have correctly calculated the refund or balance due.
- **CHECK THE TAX TABLES** - If you are filing using a paper return you should double-check that you have used the right figure from the tax table or tax rate schedule.
- **SUPPORTING DOCUMENTS**- Include copies of all income statements (W-2, 1099, etc.) indicating Georgia income tax withheld. You are not required to submit 1099 forms with your Georgia return unless Georgia income tax was withheld.
- **SIGN YOUR FORM** - Taxpayers must sign and date their returns. Both spouses must sign a joint return, even if only one had income. Anyone paid to prepare a return must also sign it.
- **MAILING YOUR RETURN** –Mail your return, payment and all necessary documentation to the appropriate address listed on the return. For additional mailing addresses, please check the section called “Where Do You File?” in the tax instruction booklet. **Sending your return via certified mail or courier will not speed processing of your return and will delay your refund.**
- **ELECTRONIC PAYMENTS** - Electronic payment options are convenient, safe and secure methods for paying taxes. You can authorize an electronic funds withdrawal, or use a credit card or a debit card. For more information on electronic payment options, visit the DOR website at <http://dor.georgia.gov> or GTC at <https://gtc.dor.ga.gov>.
- **MAILING A PAYMENT** – If you are filing a paper return; mail your return, 525 TV payment voucher and your payment to the address that appears on the return. The check or money order should be made payable to “Georgia Department of Revenue”. Make sure to include the Social Security number and tax year on all payments and correspondence. For faster, more accurate posting of your payment, use a payment voucher with a valid scanline from the Department of Revenue’s website at <http://dor.georgia.gov>.
- **EXTENSION TO FILE** - By the statutory due date, taxpayers should either file a return or request an extension of time to file. Remember, the extension of time to file is not an extension of time to pay. Please use form IT-560 to make an extension payment. Your extension payment can be paid via the DOR website <https://gtc.dor.ga.gov> then choose “Make a quick payment”.
- **DOR WEBSITE**- Forms and publications and helpful information on a variety of tax subjects are available around the clock on the Georgia Department of Revenue's website at <http://dor.georgia.gov>.
- **AMENDED RETURNS**- File Form 500X to correct information reported on Form 500. Do not use Form 500 to correct a previously filed return or Form 500X as an original return. Form 500X is located on the DOR website at <http://dor.georgia.gov> Please mail your completed Form 500X to Georgia Department of Revenue, PO Box 740318, Atlanta, GA 30374-0318.

2015 New Developments

HB 63 (O.C.G.A. § 48-7-41) This bill amends the basic skills education tax credit and is applicable to all taxable years beginning on or after January 1, 2016. This bill:

- Defines “basic skills education test” as the test required to receive a GED diploma.

- Provides a tax credit for an employer who provides or sponsors an approved adult basic skills program.

- Provides that the tax credit amount is \$400.00 for each employee who passes the basic skills education test, or \$1,200.00 for each employee who successfully completes an approved adult basic skills education program consisting of at least 40 hours of training while the employee is compensated at their normal rate of pay, and passes the basic skills education test. Specifies that the credit cap, the aggregate amount of income tax credits preapproved, shall not exceed \$1 million per calendar year; and that no single employer shall receive income tax credits in excess of \$100,000.00 per calendar.

- Provides that an employer must apply for preapproval with the Department (preapproval may be requested before the class is taken). The Department must preapprove or deny the application within 45 days of receipt. Preapproval will be based on the order in which the application was received and whether sufficient funds are available.

- Provides that after completion of the program and after receiving preapproval from the Department, then the employer must request certification from the Technical College System of Georgia, Office of Adult Education. The Office of Adult Education shall issue the certification if all the above requirements are satisfied. This certification must be attached to the employer's income tax return.

- Provides that this tax credit (Code Section) shall be repealed on January 1, 2020.

HB 170 (O.C.G.A. § 48-7-40.16) The income tax portion of this bill (Section 5-1) eliminates both the low-emission vehicle and zero emission vehicle tax credits by providing that the amount

of the tax credit shall be \$0.00 for any vehicle purchased or leased on or after July 1, 2015.

HB 237 (O.C.G.A. § 48-7-40.30) This bill extends the qualified investor tax credit (also known as the angel investor tax credit) to qualified investments made in 2016, 2017, and 2018.

HB 275 (O.C.G.A. § 48-7-161) This bill allows the Georgia Lottery Corporation to offset an individual taxpayer's state income tax refund for debts owed to the Georgia Lottery Corporation.

HB 292 (O.C.G.A. § 48-1-2) This bill adopts certain provisions of all federal laws related to the computation of Federal Adjusted Gross Income (Federal Taxable Income for non-individuals) that were enacted on or before January 1, 2015. This bill is applicable to taxable years beginning on or after January 1, 2014 (thus it also includes the 2015 tax year). Please see the Federal Tax Changes Section for more information.

HB 308 (O.C.G.A. § 48-7-29.8) This bill amends Code Section 48-7-29.8, historic rehabilitation tax credit. It is effective on January 1, 2016 and is applicable to certified rehabilitations completed on or after January 1, 2017. The bill provides that it shall stand repealed on December 31, 2021 (specifies that if these changes are repealed then this code section shall exist as it was prior to these changes). This bill:

- Changes the definition of "certified structure" to include that it "is located within a national historic district, individually listed on the National Register of Historic Places".

- Changes the definition of "qualified rehabilitation expenditure" to state that it means any "qualified rehabilitation expenditure as defined by Section 47 (c) (2) of the Internal Revenue Code of 1986".

- Makes the following changes with respect to a certified structure (other than a historic home):

- Increases the credit amount from \$300,000 to \$5 million for any taxable year, except in the case that

2015 New Developments continued

the project creates 200 or more full-time, permanent jobs or \$5 million in annual payroll within two years of the placed in service date, the project is eligible for credits up to \$10 million for an individual certified structure.

- Provides that in no event shall more than one application for any individual certified structure be approved in any 120 month period.

- For projects earning more than \$300,000 in credits, provides that in no event shall the aggregate amount of tax credits exceed \$25 million per calendar year.

- Provides that a taxpayer must apply for preapproval with the Department (preapproval is requested before the certified rehabilitation is completed). For applications on projects over the annual \$25 million limitation, those applications shall be given priority the following year.

- Eliminates the carry forward provision.

- Specifies that tax credits earned by a taxpayer and previously claimed but not used by such taxpayer may be transferred or sold in whole or in part by such taxpayer to another Georgia taxpayer.

- Provides that the sale of a credit does not extend the period for which a credit may be carried forward and does not increase the total amount of the credit that may be claimed.

- Specifies that a credit earned or purchased by, or assigned to, a partnership, limited liability company, Subchapter 'S' corporation or other pass-through entity may be allocated to the partners, members, or shareholders of that entity and claimed in accordance with provisions of any agreement among the partners, members, or shareholders of that entity and without regard to the ownership interest of the partners, members or shareholders in the rehabilitated certified structure, provided that the entity or person that claims the credit must be subject to Georgia tax.

- Provides reporting requirements for the earner of the credit.

- Provides that the Department shall provide a report to the chairperson of the House Committee on Ways and Means and the chairperson of the Senate Finance Committee by June 30 of each year. Such report shall contain the total sales tax collected in the prior calendar year and the average number of full-time employees at the certified structure and the total value of credits claimed for each taxpayer claiming the credit for a certified structure, other than a historic home.

HB 310 (O.C.G.A. § 48-7-161) This bill changes agencies that are eligible to offset an individual taxpayer's state income tax refund from both the Department of Corrections and State Board of Pardons and Paroles to the Department of Community Supervision.

HB 320 (O.C.G.A. § 20-3-236) The income tax portion of this bill provides that individuals who owe any amount to the Georgia Student Finance Commission relating to any scholarship or grant made by the Commission including repayments and refunds, are subject to offset of their state tax refund in accordance with rules and regulations promulgated by the Commission.

HB 339 (O.C.G.A. § 48-7-40.26) This bill extends the film tax credit for qualified interactive entertainment production companies through tax years beginning before January 1, 2019. Also for tax years beginning on or after January 1, 2016, it requires preapproval for such companies and makes certain other changes for such companies.

HB 464 (O.C.G.A. §§ 48-7-40.10, 48-7-40.11, and 48-7-29.12) This bill repeals Code Section 48-7-40.10, qualified water conservation investment tax credit, on December 31, 2016. It also repeals Code Section 48-7-40.11, tax credit for shift from ground-water usage, on December 31, 2016. Finally, it provides that beginning on January 1, 2016, the aggregate amount of conservation tax credits shall not exceed \$30 million per calendar year and it provides that the Department of Natural Resources shall not accept new applications for the conservation tax credit after December 31, 2016.



The Department of Revenue has entered into an alliance with certain software companies to offer free and/or low cost on-line filing services to Georgia taxpayers. Under this agreement, qualified taxpayers can prepare and file their Georgia individual income tax returns for free using approved software.

Each software company has income limitations and other restrictions for their free services. Please review each company's offer before selecting a product. For more information, visit our website at <http://dor.georgia.gov>.

If you do not qualify for free electronic services, you may file electronically using software produced by an approved vendor listed on our website <http://dor.georgia.gov>.

WHEN ELECTRONIC FILING IS REQUIRED

Taxpayers that remit payments by electronic funds transfer, whether on a mandatory or voluntary basis, must file all associated returns electronically. Also, a return preparer who prepares an income tax return, must electronically file the return, when the federal counterpart of such return is required to be filed electronically pursuant to the Internal Revenue Code of 1986 or Internal Revenue Service regulations.

CREDIT CARD PAYMENTS

The Georgia Department of Revenue accepts Visa, American Express, MasterCard, and Discover credit cards as payment for current year individual income tax due on original Forms 500, 500EZ, and 500ES, as well as for liabilities presented to taxpayers via Georgia Department of Revenue assessment notices. To make a payment, use Official Payments Corporation's (OPC) secure website at www.officialpayments.com or call OPC toll-free at 1-800-2PAY-TAX. When calling, use Jurisdiction Code 2000.

For more information, visit our website at <http://dor.georgia.gov>.

ELECTRONIC PAYMENTS

GTC accepts individual income and estimated tax payments. For information about the GTC, visit our website at <https://gtc.dor.ga.gov> or visit our self service Instructional Videos at <http://dor.georgia.gov/georgia-tax-center-info> for additional information or contact the Taxpayer Services Call Center at 1-877-423-6711.

WHERE'S MY REFUND?

You may check the status of your refund online at <https://gtc.dor.ga.gov>. You may also check the status of your refund by calling 1-877-GADOR11 (1-877-423-6711).

Please allow 90 business days to receive refunds. The Department is taking additional fraud prevention measures to ensure tax refunds are issued to the correct individuals.

You can also check your refund status using our myGAtax mobile app on your Apple or Android device.



Note: A claim for refund must be made within three (3) years from the later of the date the tax was paid or the due date of the return, including extensions.

TWO-DIMENSIONAL BARCODE RETURNS

If you choose to file a paper return, we recommend using a return containing a two-dimensional (2D) barcode. A 2D barcode is similar to the one located on the back of your Georgia driver's license. Information from your return is captured by a machine-readable barcode rather than manually entered, which reduces processing errors. The 2D barcode is only visible after your return has been printed.

REQUESTING AN EXTENSION

You have an automatic six-month extension to file your Georgia return when you receive an extension to file your Federal return. The Georgia return must be filed along with a copy of Federal Form 4868 or the IRS confirmation letter on or before the extended Federal due date. If you do not need a Federal extension, you may use Georgia Form IT 303 to request an extension to file your Georgia return.

An extension to file does not extend the date for paying the tax. Tax must be paid with Form IT 560 by the statutory due date to avoid late payment penalty and interest. The amount paid should be entered on Form 500, Line 21.

REVIEW OF ASSESSMENTS

If you are audited and it is believed that you owe additional taxes, you will generally be issued a Proposed Assessment. If the Proposed Assessment is not protested or paid within 30 days, an Official Assessment and Demand for Payment will be issued. When either of these assessments is issued, you are entitled to an administrative review upon written request. You must complete the appropriate form. For your convenience, these forms are available on the Department's website at <http://dor.georgia.gov>.

FILING REQUIREMENTS

Full-year Residents

Full-year residents are taxed on all income, except tax exempt income, regardless of the source or where derived. You are required to file a Georgia income tax return if:

- You are required to file a Federal income tax return;
- You have income subject to Georgia income tax that is not subject to Federal income tax;
- Your income exceeds the standard deduction and personal exemptions as indicated below:

A. Single, Head of Household or Qualifying Widow(er)

1. Under 65, not blind	\$ 5,000
2. Under 65, and blind	6,300
3. 65 or over, not blind	6,300
4. 65 or over, and blind	7,600

B. Married filing Joint

1. Both under 65, not blind	\$10,400
2. One 65 or over, not blind	11,700
3. Both under 65, both blind	13,000
4. Both under 65, one blind	11,700
5. Both 65 or over, not blind	13,000
6. One 65 or over, and blind	13,000
7. One 65 or over, and both blind	14,300
8. Both 65 or over, and blind	15,600

C. Married filing Separate

1. Under 65, not blind	\$ 5,200
2. Under 65, and blind	6,500
3. 65 or over, not blind	6,500
4. 65 or over, and blind	7,800

These requirements apply as long as your legal residence is Georgia, even if you are absent from or live outside the State temporarily. A credit for taxes paid to another state is allowed. See the worksheet on page 15 and the IND-CR for more information.

Filing for Deceased Taxpayers

The surviving spouse, administrator, or executor may file a return on behalf of a taxpayer who dies during the taxable year. When filing, use the same filing status that was used on the Federal income tax return. The due date for filing is the same as for Federal purposes.

To have a refund check in the name of a deceased taxpayer reissued, mail Georgia Form 5347, a copy of the death certificate, and the information specified on Form 5347 along with the check to the address on the form.

Part-year Residents and Nonresidents

Instructions for part-year residents and nonresidents are available on pages 17 through 18.

Military Personnel

Residents. Military personnel whose home of record is Georgia or who are otherwise residents of Georgia are subject to Georgia income tax on all income regardless of the source or where earned, unless specifically exempt by Georgia law. Military personnel who serve outside of the continental U.S. may file their Georgia income tax return within six months after they come back to the continental U.S. No penalties or interest will accrue during this period.

Members of the National Guard or Air National Guard who are on active duty for a period of more than 90 consecutive days are allowed a tax credit against their individual income tax. The credit cannot exceed the amount expended for qualified life insurance premiums or the taxpayer's income tax liability and should be claimed on Form IND-CR.

Nonresidents. Military personnel whose home of record is not Georgia and who are not otherwise residents of Georgia are only required to file a Georgia income tax return if they have earned income from Georgia sources other than military pay. If required, nonresident military personnel should file Georgia Form 500 and use Schedule 3 to calculate Georgia taxable income. (See pages 17-18 for instructions on completing Schedule 3.)

Combat Zone Pay. Effective tax year 2003, military income earned by a member of the National Guard or any reserve component of the armed services while stationed in a combat zone or stationed in defense of the borders of the United States pursuant to military orders is not subject to Georgia income tax. The exclusion from income is only with respect to military income earned during the period covered by such military orders. A copy of the Federal return must be enclosed with the Georgia return to claim this exclusion. The exclusion is limited to the amount included in Federal Adjusted Gross Income.

Taxpayers Required to File Form 1040NR

Individuals who are required to file Federal Form 1040NR must file Georgia Form 500. Similar to Federal income tax rules, most of these Georgia taxpayers are only allowed to deduct the applicable Georgia personal exemption and expenses reflected on Form 1040NR. Most taxpayers are not allowed to take the standard deduction and they are allowed only limited itemized deductions as shown on Form 1040NR, Schedule A.

Other State's Tax Return

If you claim a credit for taxes paid to another state(s), you must include a copy of your return filed with that state along with your Georgia return. No credit for taxes paid to another state will be allowed unless the other state's return is enclosed with the Georgia return.

Amended Returns

File Form 500X to correct information reported on Form 500. Do not use Form 500 to correct a previously filed return or Form 500X as an original return.

FEDERAL TAX CHANGES

The Governor signed House Bill 742 into law. Consequently, for taxable years beginning on or after January 1, 2015, with exceptions as discussed below, Georgia has adopted the provisions of all federal acts (as they relate to the computation of federal adjusted gross income (AGI) for individuals or federal taxable income for non-individuals) that were enacted **on or before** January 1, 2016. For 2015, for Georgia purposes, the I.R.C. Section 179 deduction is **limited to \$500,000** and the related phase out is **\$2,000,000**. Georgia has not adopted the Section 179 deduction for certain real property.

Exceptions

Georgia has **not** adopted I.R.C. Section 168(k) (the 30%, 50% and 100% bonus depreciation rules) except for I.R.C. Section 168(k)(2)(A)(i) (the definition of qualified property), I.R.C. Section 168(k)(2)(D)(i) (exceptions to the definition of qualified property), and I.R.C. Section 168(k)(2)(E) (special rules for qualified property) and Georgia has not adopted I.R.C. Section 199 (federal deduction for income attributable to domestic production activities).

Georgia has also **Not** adopted the following:

- The exclusion of \$2,400 of unemployment income for 2009, I.R.C. Section 85(c).
- Additional itemized deduction for the sales tax on the purchase of a new vehicle in 2009, I.R.C. Sections 164(a)(6) and 164(b)(6). Please note: Georgia also does not allow the increased standard deduction for sales tax on the purchase of a new vehicle in 2009 because Georgia has its own standard deduction.
- The election to increase the normal two year net operating loss carryback to 3, 4, or 5 years for tax years 2008 and 2009, I.R.C. Sections 172(b)(1)(H) and 810(b)(4).
- The transition rule that would allow a taxpayer to revoke a prior election to forego the net operating loss carryback period.
- Deferral of debt discharge income from reacquisitions of business debt at a discount in 2009 and 2010; federally deferred for up to five years, then included ratably over five years, I.R.C. Section 108(i).

- Modified rules for high yield original issue discount obligations, I.R.C. Sections 163(e)(5)(F) and 163(i)(1).
- New York Liberty Zone Benefits, I.R.C. Section 1400L.
- 50% first year depreciation for post 8/28/2006 Gulf Opportunity Zone property, I.R.C. Section 1400N(d)(1).
- 50% bonus depreciation for most tangible property and computer software bought after May 4, 2007 and placed in service in the Kansas Disaster Area, I.R.C. Section 1400N(d)(1).
- 50% bonus depreciation for "qualified reuse and recycling property", I.R.C. Section 168(m).
- 50% bonus depreciation in connection with disasters federally declared after 2007, I.R.C. Section 168(n).
- Increased (\$8,000) first-year depreciation limit for passenger automobiles if the passenger automobile is "qualified property," I.R.C. Section 168(k).
- 15 year straight-line cost recovery period for certain improvements to retail space, I.R.C. Sections 168(e)(3)(E)(ix), 168(e)(8), and 168(b)(3)(l).
- Modified rules relating to the 15 year straight-line cost recovery for qualified restaurant property (allowing buildings to now be included), I.R.C. Section 168(e)(7).
- 5 year depreciation life for most new farming machinery and equipment, I.R.C. Section 168(e)(3)(B)(vii).
- Special rules relating to Gulf Opportunity Zone public utility casualty losses, I.R.C. Section 1400N(j).
- 5 year carryback of NOLs attributable to Gulf Opportunity Zone losses, I.R.C. Section 1400N(k).
- 5 year carryback of NOLs incurred in the Kansas disaster area after May 3, 2007, I.R.C. Section 1400N(k).
- 5 year carryback of certain disaster losses, I.R.C. Sections 172(b)(1)(J) and 172(j).
- The election to deduct public utility property losses attributable to May 4, 2007 Kansas storms and tornadoes in the fifth tax year before the year of the loss, I.R.C. Section 1400N(o).
- Special rules relating to a financial institution being able to use ordinary gain or loss treatment for the sale or exchange of certain preferred stock after Dec. 31, 2007, I.R.C. Section 1221.
- Temporary tax relief provisions relating to the Midwestern disaster area, I.R.C. Sections 1400N(f) and 1400N(k).

FEDERAL TAX CHANGES (continued)

Depreciation Differences. Depreciation differences due to the Federal acts mentioned above should be treated as follows (If the taxpayer has depreciation differences from more than one Federal act, it is not necessary to make a separate adjustment for each act):

A. Depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the current year IRS Form 4562 and attach it to the Georgia return. This should be entered on the other addition line of the return.

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use Georgia Form 4562 to compute depreciation for Georgia purposes and attach it to the Georgia return. This should be entered on the other subtraction line of the return.

Federal deduction for income attributable to domestic production activities (IRC Section 199). This adjustment should be entered on the addition line of the applicable return. An adjustment to the Georgia partnership or S Corporation return is not required if the partnership or S Corporation is not allowed the Section 199 deduction directly, but instead passes through the information, needed to compute the deduction, to the partners or shareholders.

Other Differences. Other differences should be placed on the other addition or subtraction line of the applicable return. Attach a statement to the return explaining these differences. Additionally, the provisions listed above may have an indirect effect on the calculation of Georgia taxable income. Adjustments for the items listed below should be added or subtracted on your Georgia income tax form.

1. When property is sold for which the bonus depreciation was claimed, there will be a difference in the gain or loss on the sale of the property.

2. The depreciation adjustment may be different if the taxpayer is subject to the passive loss rules and is not able to claim the additional depreciation on the Federal return.

3. Other Federal items that are computed based on Federal Adjusted Gross Income or Federal Taxable Income will have to be recomputed if the provisions of the Federal Acts are claimed.

Furthermore, in 2003 the IRS started requiring separate reporting, to shareholders of S Corporations and partners of partnerships, for the gain from asset sales for which an I.R.C. Section 179 deduction was claimed. Georgia follows the separate reporting treatment of the gain and the Section 179 deduction. Accordingly, the gain should not be reported directly on the S Corporation or partnership return, but the gain, along with any Georgia adjustment to the gain (due to the Federal acts), should be reported separately to the shareholders or partners.



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GENERAL INFORMATION

Due Dates. Calendar year taxpayers are required to file on or before April 18, 2016. Fiscal year taxpayers must file on or before the 15th day of the fourth month after the close of their taxable year.

Mail your return and documents, including Form 525-TV if tax is due, to the address listed on the return. **Please do not staple documents to your return.**

Address Changes. You may notify the Department of your address change via the following methods: electronically through Georgia Tax Center (GTC) at <https://gtc.dor.ga.gov>; call 1-877-423-6711; or write the new address on your tax return and check the address change box.

Supporting Documents. We will request information to support the amounts listed on your Georgia income tax return and related schedules when necessary. However, you must enclose the indicated documentation with your Georgia return in the following situations:

- The amount on Form 500, Line 8 is \$40,000 or more, or less than the total income on your W-2(s) - submit a copy of Pages 1 and 2 of your Federal return.
- You itemize deductions - submit a copy of Federal Form 1040 Schedule A.
- You claim the Georgia child and dependent care expense credit - submit the appropriate Federal child care credit schedule.
- You claim a credit for taxes paid to another state(s) - submit a copy of your return filed with the other state(s).

Special Program Code. This code is only used when designated by an announcement after the beginning of the tax year. Use of this code and the appropriate codes to be used will be announced to tax preparers as well as posted to the Georgia Department of Revenue's website at <http://dor.georgia.gov>.

Installment Payments. You must meet the following criteria for an installment payment agreement:

- Returns for all years must be filed.
- Agreements are up to 36 months.
- Payments should be made through automatic debit from your bank account.
- Set up cost associated with initiating an Installment Payment Agreement.

Installment payment requests may be submitted online via Georgia Tax Center (GTC) at <https://gtc.dor.ga.gov>. To determine if you are eligible, please contact the Installment Payment Agreement Section at 404-417-2122 or via e-mail to ipa@dor.ga.gov.

Individual Retirement Accounts. The provisions concerning taxability and conversion from a traditional IRA to a Roth IRA are the same for Georgia as they are for the Internal Revenue Service.

Withholding on Lump-sum Distributions. For taxable years beginning on or after January 1, 2008, the payee of any non-periodic payment may elect to have withholding made on such non-periodic distributions from a pension, annuity, or similar fund. Such an election shall remain in effect until revoked by the payee.

Innocent Spouse Relief. In accordance with O.C.G.A. § 48-7-86(g), individuals granted innocent spouse relief under Section 6015 of the Internal Revenue Code are eligible for relief from liability for tax, interest and penalty to the extent relief was granted by the Internal Revenue Service.

Income from Partnerships and S Corporations. Nonresident partners must pay Georgia income tax on their portion of the partnership's net Georgia income. Nonresident shareholders must pay Georgia income tax on their portion of Georgia corporate income; resident shareholders and partners must report their total S Corporation or partnership income.

Low and Zero Emission Vehicle Credit. O.C.G.A. § 48-7-40.16 provides a tax credit for the purchase or lease of low and zero emission vehicles. **These credits do not extend to hybrid vehicles.** This credit is no longer available for vehicles purchased or leased on or after July 1, 2015. Visit <http://dor.georgia.gov> for more information.

Federal Audit. Whenever a Federal audit or other Federal adjustment results in a change in net income for any year, you are required to furnish under separate cover, within 180 days, a schedule reflecting all changes to the Taxpayer Services Division, Department of Revenue, P.O. Box 740380, Atlanta, Georgia 30374-0380. Additionally, if the changes result in a refund, the refund must be claimed within one year of the date the changes are submitted. If you do not submit a return reflecting all changes and the Commissioner receives this information in a report from the United States Government, the Commissioner will issue an assessment for tax due within five years from the date the report is received from the United States Government.

A taxpayer who fails to notify the Commissioner within 180 days forfeits any Georgia refund as a result of an audit if the normal statute of limitations has expired. However, 90 percent of any overpayment can be applied to a balance due for another year that is a result of the same IRS audit.

Consent Requirement for Nonresident Shareholders.

For tax years beginning on or after January 1, 2008, nonresident shareholders of an S Corporation will only need to file a single consent form in the year in which the S Corporation is first required to file a Georgia income tax return. Form 600S-CA may be downloaded and printed from the Department's website.

Withholding on Nonresidents. Withholding is required on the members share of the taxable income sourced to this state, whether distributed or not, from Partnerships, Limited Liability Companies and S Corporations. Withholding should be reported on Form G2-A and entered on Form 500, Line 20.

Include a copy of Form G2-A with your return.

As an alternative to withholding, an entity may file a composite return for its nonresident members. Form IT-CR may be downloaded and printed from the Department's website.

Withholding is also required on the sale or transfer of real property and associated tangible personal property by nonresidents of Georgia. Tax withheld is reported on Form G2-RP and should be entered on Form 500, Line 20. Include a copy of Form G2-RP with your return.

Individual Income Tax Online Services

What is Georgia Tax Center?

Georgia Tax Center (GTC) is the Department of Revenue's secure self-service customer facing portal for making online Individual or Business Tax payments and corresponding to the Department of Revenue.

Who Can Sign Up?

Any Individual that has filed an Individual Income Tax return or would like to submit an estimate payment in the state of Georgia is eligible to use GTC.

GTC Features

You will be able to do the following without a GTC login:

- Check refund status
- Quick payments (Estimated return or assessment payments)
- Protest a liability
- Request penalty waivers
- Submit additional documentation

A login is required to do the following:

- Installment Plan Agreement (IPA)
- Request Offer in Compromise (OIC)
- Submit Power of Attorney (POA)
- Request to view my 1099-G electronically in GTC
- View account balance
- Make payments
- General account maintenance - address change
- Receive notification when a return is filed using my SSN

Please visit our website for instructions: <http://dor.georgia.gov/georgia-tax-center-info>

DEPARTMENT OF REVENUE WEBSITE: <http://dor.georgia.gov>

Visit our website to download tax forms, view a list of the mailing addresses for commonly used forms, and obtain answers to Frequently Asked Questions. You may also order forms by submitting an e-mail to taxforms@dor.ga.gov.

Senior citizens may call AARP Tax-Aide toll-free at 1-888-AARPNOW (1-888-227-7669) from February 1 to April 18 for assistance with filing both Federal and Georgia income tax forms.

If you have a disability and need additional assistance, please contact one of the Revenue Offices.

TELEPHONE SERVICE FOR DEAF AND HARD OF HEARING PERSONS (TDD)

Deaf and hard of hearing taxpayers who have access to TDD equipment can use the Georgia Relay program. For more information visit <http://georgiarelay.org>.

PROBLEM RESOLUTION

For information concerning a notice or letter from the Department of Revenue, call the telephone number listed on the document. For additional assistance, contact the Taxpayer Services Division at 1-877-423-6711 or the Taxpayer Advocate's Office at 404-417-2251 or via e-mail to taxpayer.advocate@dor.ga.gov. For additional assistance with e-file contact the Department at 1-877-423-6711.

FORM 500 INSTRUCTIONS

Include all completed schedules with your Georgia return.

Your Federal return contains information necessary for completing your Georgia return; therefore, you should complete your Federal return before starting your Georgia return. If you owe tax, mail your return and payment along with Payment Voucher 525 TV to the address on the return. Make your check or money order payable to the Georgia Department of Revenue. Visit our website at <http://dor.georgia.gov> for information about alternate payment methods.

Part-year residents and nonresidents must omit Lines 9 -14 and follow the Schedule 3 instructions that begin on page 17.

LINES 1 - 3 Print or type your name(s), address (including apartment number if applicable) and social security number(s) in the spaces provided. **Do not write both a street address and post office box in the address field.**

If you were eligible for an estimated tax penalty exception on Form 500 UET, please check the "500 UET Exception Attached" box, include the revised penalty on line 34 of the Form 500 (if the revised penalty is zero enter zero), and include the 500 UET with the return.

LINE 4 If you lived in Georgia the entire year, regardless of temporary living arrangements, enter 1 in the residency status box. If you lived in Georgia part of the year, enter 2 in the residency status box and list the dates you lived in Georgia. If you did not live in Georgia, enter 3 in the residency status box. *If one spouse is a resident and one is a part-year resident or nonresident, enter 3 in the residency status box and complete Schedule 3 to calculate Georgia taxable income.*

LINE 5 Enter the letter appropriate for your filing status. You should use the same status that you use on your Federal return. However, if one spouse is a resident and the other is a nonresident without any Georgia-source income, your Georgia return may be filed jointly or separately with each spouse claiming the appropriate personal allowances and deductions. If your filing status is qualifying widow(er) on your Federal return, use filing status D on your Georgia return. Also, Georgia does recognize same-sex marriage.

LINE 6a-c Check box 6a for yourself and box 6b if you claim your spouse and you file jointly. Enter the number of boxes checked in box 6c.

LINES 7a & b & c List the requested information about your dependents in the spaces provided. Include a schedule if you have more than five dependents. Write the total number of dependents on Line 7a. **Do not include yourself or your spouse.** Add Lines 6c and 7a; write the total on Line 7b.

LINE 8 Enter Federal adjusted gross income from Form 1040, 1040A or 1040EZ. *Do not use Federal taxable income.*

LINE 9 If you have income that is taxable by the Federal Government but not taxable to Georgia or vice versa, you must adjust your Federal adjusted gross income. You must document your adjustments on Schedule 1 and enter the total amount here.

The following adjustments must be ADDED if applicable:

1. Interest received from non-Georgia municipal bonds and dividends received from mutual funds that derived income from non-Georgia municipal bonds.
2. Loss carryovers from years when you were not subject to Georgia income tax.
3. Lump sum distributions from employee benefit plans reported on IRS Form 4972.
4. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.
5. Adjustments due to Federal tax changes (see pages 7-8).
6. Federal deduction for income attributable to domestic production activities under I.R.C. Section 199.
7. Net operating loss carryover deducted on federal return.
8. Payments for more than \$600 in a taxable year made to employees which are not authorized employees and which are not excepted by Code Section 48-7-21.1. An authorized employee is someone

legally allowed to work in the United States.

9. Portion of charitable contributions for which a qualified education expense credit was claimed.

10. Taxable portion of withdrawals on the Path2College 529 Plan (see Regulation 560-7-4-.04).

11. For the Land Conservation credit, the charitable donation relating to the credit. See Regulation 560-7-8-.50 for more information.

Note: If a taxpayer receives a state refund and is not required to include the refund in Federal AGI since they were subject to Federal Alternative Minimum Tax, they are not required to include the refund for Georgia purposes.

The following adjustments may be SUBTRACTED:

1. Retirement income. For tax year 2015, the maximum retirement income exclusion is \$35,000 for taxpayers who are:
 - (A) 62 - 64 years of age, or
 - (B) less than 62 and permanently disabled to such an extent that they are unable to perform any type of gainful employment.

The retirement exclusion is \$65,000 if the taxpayer is 65 or older.

The exclusion is available for the taxpayer and his/her spouse; however, each must qualify on a separate basis. If both spouses qualify, each spouse may claim the amounts above. Income from property that is jointly owned should be allocated to each taxpayer at 50% of the total value. Up to \$4,000 of the maximum allowable exclusion may be earned income. Use the worksheet on page 14 to calculate the exclusion and document the adjustment on Form 500, Schedule 1.

2. Interest and dividends on U.S. Government bonds and other U.S. obligations. These must be reduced by direct and indirect interest expenses which are attributable to the income. Interest received from the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and from repurchase agreements is taxable.

3. Social security or railroad retirement (tier 1 and tier 2) paid by the Railroad Retirement Board included in Federal adjusted gross income.

4. Georgia net operating loss (NOL) carryover from previous years. Please note that before determining how much NOL can be carried from the previous year to the current year, the income from the previous year must be recomputed using the schedule at the top of page 3 of the Form 500-NOL. Please see the schedule at the top of page 3 of the Form 500-NOL and the related instructions on page 4 of the Form 500-NOL. Please list the entire available NOL on this line, not just the amount being used.

5. Salaries and wages reduced from Federal taxable income because of the Federal Jobs Tax Credit.

6. Individual retirement account, Keogh, SEP and SUB-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.

FORM 500 INSTRUCTIONS (continued)

7. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.
8. Dependent's unearned income included in parents' Federal adjusted gross income.
9. Income tax refunds from states other than Georgia included in Federal adjusted gross income. **Do not subtract Georgia income tax refunds.**
10. Income from any fund, program or system which is specifically exempted by Federal law or treaty.
11. Adjustment to Federal adjusted gross income for Georgia resident shareholders for Subchapter S income where the Sub S election is not recognized by Georgia or another state in order to avoid double taxation. *This adjustment is only allowed for the portion of income on which the tax was actually paid by the corporation to another state(s).*
In cases where the Sub S election is recognized by another state(s) the income should not be subtracted. Credit for taxes paid to other states may apply.
12. Adjustment for teachers retired from the Teacher's Retirement System of Georgia for contributions paid between July 1, 1987 and December 31, 1989 that were reported to and taxed by Georgia.
13. Amount claimed by employers in food and beverage establishments who took a credit instead of a deduction on the Federal return for FICA tax paid on employee cash tips.
14. An adjustment of 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year by individuals, corporations or partnerships that are party to state contracts. For more information call the Department of Administrative Services at 404-657-6000 or visit their website: <http://doas.ga.gov/state-purchasing/suppliers>
15. Deductible portion of contributions to the Path2College 529 Plan. The deduction is limited on a return to the amount contributed but cannot exceed \$2,000 per beneficiary.
16. Adjustments due to Federal tax changes. (See pages 7-8 for information.)
17. Combat zone pay exclusion. See page 6 for more information.
18. Up to \$10,000 of unreimbursed travel expenses, lodging expenses and lost wages incurred as a direct result of a taxpayer's donation of all or part of a kidney, liver, pancreas, intestine, lung or bone marrow during the taxable year.
19. Adjustments to Federal adjusted gross income for Georgia resident partners in a partnership or member(s) in a LLC where such entities income has been taxed at the entity level by another state. Adjustment is only allowed for the portion of income on which the tax was actually paid.
20. An amount equal to 100 percent of the premium paid by the taxpayer during the taxable year for high deductible health plans as defined by Section 223 of the Internal Revenue Code. The amount may only be deducted to the extent the deduction has not been included in federal adjusted income and the expenses have not been provided from a health reimbursement arrangement and have not been included in itemized deductions. In the event the taxpayer claims the expenses as itemized deductions, the taxpayer should multiply the expense by the ratio of total allowed itemized deductions after the federal limitation to the total allowed itemized deductions before the federal limitation to determine the amount that is not allowed to be deducted pursuant to this paragraph. For example the taxpayer has \$1,000 in high deductible health insurance premiums. They also have \$7,000 of other medical expenses which means they have total medical expenses of \$8,000. After the limitation, the taxpayer is only allowed to deduct \$2,000 of medical expenses. The \$1,000 deduction must be reduced by \$250 ($\$2,000/\$8,000 \times \$1,000$). Which means the taxpayer is allowed to deduct \$750 pursuant to this paragraph.

21. Federally taxable interest received on Georgia municipal bonds designated as "Build America Bonds" under Section 54AA of the Internal Revenue Code of 1986. "Recovery Zone Economic Development Bonds" under Section 1400U-2 of the Internal Revenue Code or any other bond treated as a "Qualified Bond" under Section 6431(f) of the Internal Revenue Code are considered "Build America Bonds" for this purpose.
22. Federally taxable interest received on Georgia municipal bonds issued by the State of Georgia and certain authorities or agencies of the State of Georgia for which there is a special exemption under Georgia law from Georgia tax on such interest.
23. Interest eliminated from federal itemized deductions due to the Federal Form 8396 credit.
24. An amount equal to \$1,000 for each clerkship (see below for those who provide more than 10) for any physician who served as the community based faculty physician for a medical core clerkship, physician assistant core clerkship, or nurse practitioner core clerkship. For purposes of this subtraction a "community based faculty physician" means a non-compensated physician who provides a minimum of three and a maximum of ten clerkships within a calendar year. As such, a physician who provides more than 10 clerkships may only subtract \$10,000. A core clerkship means a clerkship for a student who is enrolled in a Georgia medical school, a Georgia physician assistant school, or a Georgia nurse practitioner school and who completes a minimum of 160 hours of community based instruction in family medicine, internal medicine, pediatrics, obstetrics and gynecology, emergency medicine, psychiatry, or general surgery under the guidance of a community based faculty physician. The Statewide Area Health Education Centers Program Office at Georgia Regents University administers the program and certifies rotations. The physician should attach to their return a copy of the certification received from the Statewide Area Health Education Centers Program Office. If they file electronically and their software does not allow attachments, the certification should be retained and provided if requested by the Department.

LINE 10 Georgia adjusted gross income (net total of Line 8 and Line 9).

LINES 11a-c Enter the standard deduction that corresponds to your marital status as indicated below on Line 11a and any additional deductions on Line 11b. Enter the total standard deduction on Line 11c. **If you use the standard deduction on your Federal return, you must use the Georgia standard deduction on your Georgia return. The additional deduction applies if you and/or your spouse are age 65 or over and/or blind.**

Leave Lines 12a-c blank if you use the standard deduction.

Single/Head of Household:	\$2,300
Married Filing Separate:	\$1,500
Married Filing Joint:	\$3,000
Additional Deduction:	\$1,300

LINES 12a-c Enter itemized deductions from Federal Schedule A on Line 12a; enter adjustments for income taxes other than Georgia and investment interest expense for the production of income exempt from Georgia tax on Line 12b. Subtract Line 12b from Line 12a; enter the total on Line 12c.

Leave Lines 11a-c blank if you itemize deductions.

When Federal itemized deductions are reduced because of high income, the reduced amount should be used as the starting point to compute Georgia itemized deductions.

If you itemize deductions on your Federal return, or if you are married filing separate and your spouse itemizes deductions, you must itemize deductions on your Georgia return. Include a copy of Federal Schedule A with your Georgia return.

FORM 500 INSTRUCTIONS (continued)

LINE 13 Subtract Line 11c or 12c from Line 10.

LINES 14a-c Multiply the number on Line 6c by \$2,700 for filing status A or D or multiply by \$3,700 for filing status B or C; enter the total on Line 14a. Multiply the number on Line 7a by \$3,000; enter the total on Line 14b. Add the amounts on Lines 14a and 14b; enter the total on Line 14c.

LINE 15 Subtract Line 14c from Line 13 to determine your Georgia taxable income.

LINE 16 Use the amount on Line 15 and the tax tables on pages 20 through 22 to determine your tax liability.

LINE 17 Enter the credits from Schedule 2. If you claim the other state(s) tax credit and if you paid tax to more than one state, use the total of the other state's income and the worksheet on page 15 to calculate the Other State's Tax Credit. *You must complete Schedule 2 and the IND-CR and include a copy of the return filed with the other state(s) with your Georgia return or the credit will not be allowed.*

LINE 18 Subtract Line 17 from Line 16. If zero or less, enter zero.

LINE 19 Enter Georgia income tax withheld from all W-2s and 1099s (where Georgia income tax was withheld). *Include a copy of these statements with your return or this amount will not be allowed.*

LINE 20 Enter Georgia income tax withheld on G2-A, G2-FL, G2-LP, and/or G2-RP. Include a copy of these statements with your return or this amount will not be allowed.

LINE 21 Enter estimated tax payments, including amounts credited from a previous return, and any payments made with Form IT 560.

LINE 22 Enter the total of Lines 19 and 20 and 21.

LINE 23 If Line 18 is more than Line 22, subtract Line 22 from Line 18 to calculate the balance due.

LINE 24 If Line 22 is more than Line 18, subtract Line 18 from Line 22 to calculate your overpayment.

LINE 25 Enter the amount you want credited to next year's estimated tax.

LINES 26 - 33 Enter donation amount (not less than \$1).

LINE 34 Enter estimated tax penalty from Form 500 UET.

LINE 35 Add Lines 23 and 26 through 34 and enter the total amount due. Mail your return and payment along with Form 525 TV to the address on Form 500.

LINE 36 Subtract the sum of Lines 25 through 34 from Line 24 and enter the amount to be refunded to you.

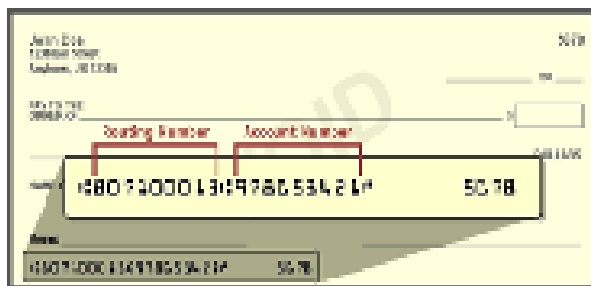
It costs the State of Georgia approximately \$1 to print, mail, and process each tax refund check. Last year, the State of Georgia spent over 1 Million dollars processing tax refund checks. Please consider choosing Direct Deposit, which is free to the State of Georgia for your tax refund method.

Direct Deposit Option

Line 36a Check the appropriate box for the type of account. **Do not check more than one box.** You must check the correct box to ensure your direct deposit is accepted. The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check below, the routing number is 807100013. John Doe would use that routing number unless their financial institution instructed them to use a different routing number for direct deposits.

Ask your financial institution for the correct routing number to enter on line 36a if:

- The routing number on a deposit slip is different from the routing number on your checks.
- The deposit is to a savings account that does not allow you to write checks or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.



The account number can be up to 17 characters (both numbers and letters). Include hyphens, but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check above, the account number is 978653421. Do not include the check number. On the sample check above, the check number is 5678.

Reasons your direct deposit may be rejected – If any of the following apply, your direct deposit request will be rejected and a check will be mailed:

- Any numbers or letters are crossed out or whited out.
- Your financial institution will not allow a joint refund to be deposited to an individual account. The State of Georgia is not responsible if a financial institution rejects a direct deposit.
- You request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).

Low Income Credit Worksheet

You may claim the low income credit if your Federal adjusted gross income is less than \$20,000 and you are not claimed or eligible to be claimed as a dependent on another taxpayer's Federal or Georgia income tax return. Part-year residents may only claim the credit if they were residents at the end of the tax year. Taxpayers filing a separate return for a taxable year in which a joint return could have been filed can only claim the credit that would have been allowed had a joint return been filed. **You cannot claim this credit if you are an inmate in a correctional facility. Please note for tax years beginning on or after January 1, 2010, the credit cannot exceed the taxpayer's income tax liability.**

1. Enter the amount from Form 500, Line 8 or Form 500EZ, Line 1. _____
2. Enter the number of exemptions. Exemptions are self, spouse and natural or legally adopted children. _____
3. Enter 1 if you or your spouse is 65 or older; enter 2 if you and your spouse are 65 or older. _____
4. Add Lines 2 and 3; enter on the IND-CR if you are filing the Form 500, or if filing the Form 500EZ, Line 5a. _____
5. Find the credit that corresponds to your income in the table below and enter on the IND-CR if you are filing the Form 500, or if filing the Form 500EZ, Line 5b. _____
6. Multiply Line 4 by Line 5; enter the total on the IND-CR if you are filing the Form 500; or if filing the Form 500EZ, Line 5c. _____

Credit Table:	<u>Federal Adjusted Gross Income</u>	<u>Credit</u>
	Under \$6,000	\$26
	\$6,000 but not more than \$7,999	\$20
	\$8,000 but not more than \$9,999	\$14
	\$10,000 but not more than \$14,999	\$ 8
	\$15,000 but not more than \$19,999	\$ 5

All claims for the low income credit, including claims on amended returns, must be filed on or before the end of the 12th month following the close of the tax year for which the credit may be claimed.

RETIREMENT INCOME EXCLUSION WORKSHEET (Keep for your records)

	TAXPAYER	SPOUSE
1. Salary and wages		
2. Other Earned Income(Losses)		
3. Total Earned Income		
4. Maximum Earned Income	\$4,000	\$4,000
5. Smaller of Line 3 or 4; if zero or less, enter zero		
6. Interest Income		
7. Dividend Income		
8. Alimony		
9. Capital Gains(Losses)		
10. Other Income(Losses)*		
11. Taxable IRA Distributions		
12. Taxable Pensions		
13. Rental, Royalty, Partnership, S Corp, etc. Income(Losses)**		
14. Total of Lines 6 through 13; if zero or less, enter zero		
15. Add Lines 5 and 14		
16. Maximum Allowable Exclusion, if age 62-64 or less than age 62 and permanently disabled enter \$35,000, or if age 65 or older enter \$65,000.		
17. Smaller of Lines 15 and 16; enter here and on Form 500, Schedule 1, Lines 7 A & B		

Social security and railroad retirement paid by the Railroad Retirement Board, exempt interest, or other income that is not taxable to Georgia should not be included in the retirement income exclusion calculation. Income or losses should be allocated to the person who owns the item. If any item is held jointly, the income or loss should be allocated to each taxpayer at 50%.

Part-year residents and nonresidents must prorate the retirement income exclusion. The earned income portion and the unearned income portion must be separately prorated. The earned income portion shall be prorated using the ratio of Georgia source earned income to total earned income computed as if the taxpayer were a resident of Georgia for the entire year. The unearned portion shall be prorated using the ratio of Georgia source unearned retirement income to total unearned retirement income computed as if the taxpayer were a resident of Georgia for the entire year.

*Retirement income does not include income received directly or indirectly from lotteries, gambling, illegal sources or similar income.

** Rental, Royalty or Partnership income that is subject to FICA tax or Self employment tax should be included on line 2 not line 13. Trade or business income from an S Corp in which the taxpayer or their spouse materially participated should be included on line 2 not line 13.

WORKSHEET FOR OTHER STATE(S) TAX CREDIT

Georgia allows a credit for tax paid to another state on income taxable to Georgia and the other state. Use these worksheets to compute the other state(s) tax credit for full-year and part-year residents. Do not file these worksheets with your return. Keep them for your records.

Enter the Total Tax Credit on the IND-CR. **Enclose a copy of tax return(s) filed with other state(s).** The credit is for state and U.S. local income tax only. No other income taxes such as foreign local, foreign city, foreign province, foreign country, U.S. Possession, etc., qualify for this credit.

FULL-YEAR RESIDENTS

1. Other state(s) adjusted gross income \$ _____
2. Georgia adjusted gross income (Line 10, Form 500) \$ _____
3. Ratio: Line 1 divided by Line 2 _____ %
4. Georgia standard or itemized deductions \$ _____
5. Georgia personal exemption and credit for dependents from Form 500, Line 14c \$ _____
6. Total of Line 4 and Line 5 \$ _____
7. Line 6 multiplied by ratio on Line 3 \$ _____
8. Income for computation of credit (Line 1 less Line 7) \$ _____
9. Tax at Georgia rates (use tax table on pages 20 - 22) \$ _____
10. Tax shown on return(s) filed with other state(s)* \$ _____
11. Total Tax Credit (Lesser of Line 9 or Line 10) to be claimed on the IND-CR \$ _____

PART-YEAR RESIDENTS

1. Income earned in another state(s) while a Georgia resident \$ _____
2. Georgia adjusted gross income (Line 8, Column C of Form 500, Schedule 3) \$ _____
3. Ratio: Line 1 divided by Line 2 _____ %
4. Georgia standard or itemized deductions and Georgia personal exemption and credit for dependents after applying the ratio on Schedule 3 (Line 13, Schedule 3, Form 500) \$ _____
5. Line 4 multiplied by ratio on Line 3 \$ _____
6. Income for computation of credit (Line 1 less Line 5) \$ _____
7. Tax at Georgia rates (use tax table on pages 20 - 22) \$ _____
8. Tax shown on return(s) filed with other state(s) for income taxed by Georgia* \$ _____
9. Total Tax Credit (Lesser of Line 7 or Line 8) to be claimed on the IND-CR \$ _____

* The amount entered must be reduced by credits that have been allowed by the other states.

TAX CREDITS

The following Pass-Through Credits from the Ownership of a Sole Proprietorship or from the ownership of a S Corp, LLC, LLP, or Partnership Interest which will be reflected on the Individual's K-1 and must be listed on Form 500, Schedule 2. The entity information and credit type code must be included. Additional documentation for claiming a credit is required where indicated.

NOTE: Credit code numbers are subject to change annually. Current code numbers are listed below. See Form IND-CR for information about additional tax credits.

For additional information on the below-listed credits, please visit the Georgia Department of Revenue website at <http://dor.georgia.gov>.

Code Name of Credit

- 101 **Employer's Credit for Basic Skills Education**
- 102 **Employer's Credit for Approved Employee Retraining**
- 103 **Employer's Jobs Tax Credit**
- 104 **Employer's Credit for Purchasing Child Care Property**
- 105 **Employer's Credit for Providing or Sponsoring Child Care for Employees**
- 106 **Manufacturer's Investment Tax Credit**
- 107 **Optional Investment Tax Credit**
- 108 **Qualified Transportation Credit**
- 109 **Low Income Housing Credit** (enclose Form IT-HC and K-1)
- 110 **Diesel Particulate Emission Reduction Technology Equipment**
- 111 **Business Enterprise Vehicle Credit**
- 112 **Research Tax Credit**
- 113 **Headquarters Tax Credit**
- 114 **Port Activity Tax Credit** (Use 114J for Port Activity Job Tax Credit and 114M for Port Activity Investment Tax Credit)
- 115 **Bank Tax Credit**
- 116 **Low Emission Vehicle Credit** (enclose DNR certification)
- 117 **Zero Emission Vehicle Credit** (enclose DNR certification)
- 118 **New Facilities Job Credit**
- 119 **Electric Vehicle Charger Credit** (enclose DNR certification)
- 120 **New Facilities Property Credit**
- 121 **Historic Rehabilitation Credit** (enclose Form IT-RHC and DNR certification)
- 122 **Film Tax Credit**
- 124 **Land Conservation Credit** (enclose Form IT-CONSV and DNR certification)
- 125 **Qualified Education Expense Credit** (enclose Form IT-QEE-SS01 and IT-QEE-TP2)
- 126 **Seed-Capital Fund Credit**
- 127 **Clean Energy Property Credit** (enclose Form IT-CEP)
- 128 **Wood Residual Credit**
- 129 **Qualified Health Insurance Expense Credit** (enclose Form IT-QHIE)
- 130 **Quality Jobs Tax Credit**
- 131 **Alternate Port Activity Tax Credit**
- 132 **Qualified Investor Tax Credit**
- 133 **Film Tax Credit for a Qualified Interactive Entertainment Production Company**
- 134 **Alternative Fuel Heavy-Duty Vehicle and Alternative Fuel Medium-Duty Vehicle Tax Credits**

INSTRUCTIONS FOR PART-YEAR RESIDENTS AND NONRESIDENTS

Part-year residents and nonresidents who work in Georgia or receive income from Georgia sources are required to file Georgia Form 500 and complete Schedule 3 to calculate Georgia taxable income. A married part-year resident or nonresident with income earned in Georgia whose spouse is a nonresident with no Georgia source income may file either a separate return claiming only their own personal exemption and dependent exemptions and deductions or a joint return claiming total allowable deductions. If one spouse is a resident and one is a part-year resident or nonresident, enter 3 in the residency status box and complete Form 500, Schedule 3 to calculate Georgia taxable income.

Part-year Residents. If you are a legal resident of Georgia for only a portion of the tax year and are required to file a Federal income tax return, you are required to file a Georgia income tax return.

Part-year residents who claim a credit for taxes paid to another state for income earned while a resident must include a copy of the individual income tax return filed with that state(s) with a copy of their Georgia return. Otherwise the credit will not be allowed.

Nonresidents. Nonresidents who work in Georgia or receive income from Georgia sources and are required to file a Federal return are required to file a Georgia income tax return.

Legal residents of other states are not required to file a Georgia tax return if their only activity for financial gain or profit in Georgia consists of performing services for an employer as an employee where the wages for such services does not exceed the lesser of five percent of the income received from performing services in all places during the taxable year or \$5,000.

A nonresident, who receives deferred compensation or income from the exercise of stock options that were earned in Georgia in a prior year is required to pay tax on the income, but only if the prior year's income exceeds the lesser of: 1) 5 percent of the income received by the person in all places during the current taxable year; or 2) \$5,000. However, the income is not taxed if federal law prohibits the state from taxing it. Federal law prohibits state taxation of some types of retirement income including pensions as well as income received from nonqualified deferred compensation plans if the income is paid out over the life expectancy of the person or at least 10 years. See Regulation 560-7-4-.05 for more information.

Adjusted Gross Income. The percentage on Schedule 3, Line 9 is zero if Georgia adjusted gross income (AGI) is zero or negative. If the adjusted Federal AGI is zero or negative, the Line 9 percentage is 100%. The percentage is also considered to be 100% if both adjusted Federal and Georgia AGI are zero or negative. In this case, the taxpayer is entitled to the full exemption amount and deductions.

Instructions for Completing Schedule 3 (See example on page 18)

LINES 1 - 4, Column A: List your Federal income.

LINES 1 - 4, Column B: List your income not taxable to Georgia.

LINES 1 - 4, Column C: List your Georgia taxable income.

LINE 5, Columns A, B, and C: Enter the total of Lines 1- 4 in Columns A, B, and C respectively.

LINES 6 - 7, Column A: List adjustments from your federal return on Line 6; list adjustments allowed by Georgia law on Line 7. See the Line 9 instructions on pages 11 and 12 for adjustments allowed by Georgia law.

LINES 6 - 7, Column B: List adjustments that do not apply to Georgia residency or do not apply because of taxable income earned as a nonresident.

LINES 6 - 7, Column C: List adjustments from the Federal return that apply to Georgia on Line 6; list Georgia adjustments on Line 7. See the Line 9 instructions on pages 11 and 12 for adjustments allowed by Georgia law.

LINES 8 A, B, and C: Subtract Line 6 from Line 5 in each column; and add or subtract Line 7 from Line 5 in each column. Enter the total for each column on Line 8 A, B, and C respectively.

LINE 9: Divide Line 8, Column C by Line 8, Column A to calculate the ratio of Georgia income to total income.

LINE 10: If itemizing, enter the amount from Federal Schedule A reduced by income taxes paid to other states or expense for the production of non-Georgia income. Enclose a copy of Federal Schedule A with your Georgia income tax return. If using the standard deduction, enter the amount for your filing status as indicated below.

Single/Head of Household:	\$2,300
Married Filing Joint:	\$3,000
Married Filing Separate:	\$1,500
Additional Deduction for Blind and/or 65 or older:	\$1,300

LINES 11a-c: Multiply Form 500, Line 6c by \$2,700 for filing status A or D or multiply by \$3,700 for filing status B or C, and enter the total on Line 11a. Multiply Form 500, Line 7a by \$3,000 and enter the total on Line 11b. Enter the total of Lines 11a plus 11b on Line 11c.

LINE 12: Add Lines 10 and 11c.

LINE 13: Multiply Line 12 by the percentage on Line 9.

LINE 14: Subtract Line 13 from Line 8, Column C. This is your Georgia taxable income. Enter here and on Form 500, Line 15. Use the income tax table on pages 20-22 to determine your tax and enter on Form 500, Line 16.

EXAMPLE FOR COMPLETING SCHEDULE 3
Basis for Example: A husband and wife are both part-year residents of Georgia who file a joint return. Their Federal adjusted gross income is \$52,000 consisting of \$48,000 in salary and \$4,000 of interest. They have one child and adjustments to income totaling \$2,500. They became Georgia residents on April 1. Their Schedule 3 would be completed as follows:

YOUR SOCIAL SECURITY NUMBER 9 8 7 - 6 5 - 4 3 2 1

DO NOT USE LINES 9 THRU 14 OF PAGE 3, FORM 500

SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR ONLY PART-YEAR RESIDENTS AND NONRESIDENTS. Income earned in another state as a Georgia resident is taxable but other state(s) tax credit may apply. See IT-511 Tax Booklet.		
FEDERAL INCOME AFTER GEORGIA ADJUSTMENT (COLUMN A)	INCOME NOT TAXABLE TO GEORGIA (COLUMN B)	GEORGIA INCOME (COLUMN C)
1. WAGES, SALARIES, TIPS, etc , 4 8 , 0 0 0 00	1. WAGES, SALARIES, TIPS, etc , 1 1 , 4 5 3 00	1. WAGES, SALARIES, TIPS, etc , 3 6 , 5 4 7 00
2. INTERESTS AND DIVIDENDS , 4 , 0 0 0 00	2. INTERESTS AND DIVIDENDS , , , 9 5 4 00	2. INTERESTS AND DIVIDENDS , 3 , 0 4 6 00
3. BUSINESS INCOME OR (LOSS) , , , 00	3. BUSINESS INCOME OR (LOSS) , , , 00	3. BUSINESS INCOME OR (LOSS) , , , 00
4. OTHER INCOME OR (LOSS) , , , 00	4. OTHER INCOME OR (LOSS) , , , 00	4. OTHER INCOME OR (LOSS) , , , 00
5. TOTAL INCOME: TOTAL LINES 1 THRU 4 , 5 2 , 0 0 0 00	5. TOTAL INCOME: TOTAL LINES 1 THRU 4 , 1 2 , 4 0 7 00	5. TOTAL INCOME: TOTAL LINES 1 THRU 4 , 3 9 , 5 9 3 00
6. TOTAL ADJUSTMENTS FROM FORM 1040 , - 2 , 0 0 0 00	6. TOTAL ADJUSTMENTS FROM FORM 1040 , - 2 , 0 0 0 00	6. TOTAL ADJUSTMENTS FROM FORM 1040 , , , 00
7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 5 , - 5 0 0 00	7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 5 , , , 00	7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 5 , - 5 0 0 00
8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 , 4 9 , 5 0 0 00	8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 , 1 0 , 4 0 7 00	8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 , 3 9 , 0 9 3 00

9. RATIO: Divide Line 8, Column C by Line 8, Column A. Enter percentage	9. , 7 8 , 9 8 % Not to exceed 100%
10. Itemized <input type="checkbox"/> or Standard Deduction <input checked="" type="checkbox"/> (See IT-511 Tax Booklet).....	10. , 3 , 0 0 0 00
11. Personal Exemption from Form 500, Page 3 (See IT-511 Tax Booklet)	
11a. Number on Line 6c. 2 multiply by \$2,700 for filing status A or D OR multiply by \$3,700 for filing status B or C	11a. , 7 , 4 0 0 00
11b. Number on Line 7a. 1 multiply by \$3,000.....	11b. , 3 , 0 0 0 00
11c. Add Lines 11a. and 11b. Enter total.....	11c. , 1 0 , 4 0 0 00
12. Total Deductions and Exemptions: Add Lines 10 and 11c.....	12. , 1 3 , 4 0 0 00
13. Multiply Line 12 by Ratio on Line 9 and enter result	13. , 1 0 , 5 8 3 00
14. Georgia Taxable Income: Subtract Line 13 from Line 8, Column C Enter here and on Line 15, Page 3 of Form 500.....	14. , 2 8 , 5 1 0 00

List the state(s) in which the income in Column B was earned and/or to which it was reported.

1. S O U T H C A R O L I N A	3.
2. A L A B A M A 	4.



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CHECKOFF GEORGIA

Pick an Amount & Make it Count!

Pick an amount and make it count by donating on your State Income Tax Return form to one or more of the following Checkoff Georgia charitable organizations.



The Georgia Wildlife Conservation Fund protects and preserves Georgia's nongame wildlife, including bald eagles, sea turtles, and other animals that are not hunted, trapped or fished. *Georgia Department of Natural Resources / 2070 U.S. Hwy 278 S.E. / Social Circle, GA 30025 / 770-761-3035 / www.georgiawildlife.com*



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH
Division of Public Health

The Georgia Fund for Children and Elderly provides programs for preschool children with special needs plus home-delivered meals and transportation for elders. *DHS Division Aging Services / 404-657-5258 / <http://aging.dhs.georgia.gov>; DCH / Division of Public Health / MCH / Children and Youth with Special Needs / 404-657-2700 / <http://dph.georgia.gov/children-and-youth-special-healthcare-needs-cyshn>*



Georgia. Immobilizing Cancer.
www.georgiacancer.org

The Georgia Cancer Research Fund supports innovative and promising research on all types of cancer. Funds often provide seed money for pilot projects to help scientists obtain data needed to win grants from national cancer organizations.

Georgia Cancer Coalition / 50 Hurt Plaza, Suite 700 / Atlanta, GA 30303 / 404-584-7720



The Georgia Land Conservation Program provides funds for land conservation to protect natural resources and increase the state's economic competitiveness. *Georgia Environmental Finance Authority / 233 Peachtree St NE, Suite 900 / Atlanta, GA 30303 / 404-584-1101 <http://glcp.georgia.gov/>*



The Georgia National Guard Foundation Inc. provides emergency relief assistance to the soldiers and airmen of the Georgia National Guard and other qualified members of the Georgia Department of Defense. *Georgia National Guard Foundation/ 1000 Halsey Ave. BLDG. 447/ Marietta, GA 30060 / 678-569-5704 / <http://www.georgiaguardfamily.org/>*



The Dog and Cat Sterilization Fund provides financial support for the sterilization of dogs and cats, as well as education to the public about the healthy benefits of animal sterilization. *DCSF / 19 Martin Luther King Jr. Drive / Atlanta, GA 30334 / 404-656-4914 / <http://www.agr.georgia.gov>*



The Saving the Cure Fund is designed to encourage the donation, collection and storage of stem cells from postnatal tissue and fluid; make such stem cells available for medical research and treatment; promote principled and ethical stem cell research; and to encourage stem cell research with immediate clinical and medical applications. www.savingthecure.com



Realizing Educational Achievement Can Happen (REACH) Program provides low-income academically promising students with the academic, social, and financial support needed to graduate from high school, access college, and achieve post-secondary success. *Georgia Student Finance Authority / 2082 East Exchange Place / Tucker, GA 30084 / 770-724-9248 / <http://www.reachga.org>*



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SCHEDULE FOR ESTIMATING GEORGIA INCOME TAXES

(Figures may be rounded off.)

1. Federal Adjusted gross income expected during the current year		\$ _____ .
2. Social Security		
(See Line 9 instructions on page 11)	\$ _____ .	
3. Railroad Retirement		
(See Line 9 instructions on page 11)	\$ _____ .	
4. Other deductions		
(See instructions on pages 11-12)	\$ _____ .	
5. Balance (Subtract Lines 2 - 4 from Line 1)		\$ _____ .
6. Personal exemption and exemption for dependents	\$ _____ .	
7. Balance (Subtract Line 6 from Line 5)		\$ _____ .
8. Additions to income		
(See instructions on page 11)	\$ _____ .	
9. Balance (Add lines 7 and 8)		\$ _____ .
10. Applicable Retirement Exclusion		
(Worksheet on page 14)	\$ _____ .	
11. Taxable income (Subtract Line 10 from Line 9)		\$ _____ .
12. Tax on amount on Line 11		
(See Georgia tax rate schedule below)		\$ _____ .
13. Withholding Tax and other credits	\$ _____ .	
14. Amount from prior year's return to be credited to this year's estimate	\$ _____ .	
15. Estimated Tax due this year		
(Subtract Lines 13 and 14 from Line 12) (See 500ES)		\$ _____ .

GEORGIA TAX RATE SCHEDULE

SINGLE

If Georgia taxable income is

Not Over \$ 750	
Over \$ 750	But not over.....\$2,250
Over \$ 2,250	But not over.....\$3,750
Over \$ 3,750	But not over.....\$5,250
Over \$ 5,250	But not over.....\$7,000
Over \$ 7,000	

Amount of Tax is

1% of Taxable Income	
\$ 7.50	plus 2% of the amount over\$ 750
\$ 37.50	plus 3% of the amount over\$ 2,250
\$ 82.50	plus 4% of the amount over\$ 3,750
\$ 142.50	plus 5% of the amount over\$ 5,250
\$ 230.00	plus 6% of the amount over\$ 7,000

MARRIED FILING JOINT OR HEAD OF HOUSEHOLD

If Georgia taxable income is

Not Over \$ 1,000	
Over \$ 1,000	But not over.....\$ 3,000
Over \$ 3,000	But not over.....\$ 5,000
Over \$ 5,000	But not over.....\$ 7,000
Over \$ 7,000	But not over.....\$10,000
Over \$ 10,000	

Amount of Tax is

1% of Taxable Income	
\$ 10.00	plus 2% of the amount over\$ 1,000
\$ 50.00	plus 3% of the amount over\$ 3,000
\$ 110.00	plus 4% of the amount over\$ 5,000
\$ 190.00	plus 5% of the amount over\$ 7,000
\$ 340.00	plus 6% of the amount over\$10,000

MARRIED FILING SEPARATE

If Georgia taxable income is

Not Over \$ 500	
Over \$ 500	But not over.....\$1,500
Over \$ 1,500	But not over.....\$2,500
Over \$ 2,500	But not over.....\$3,500
Over \$ 3,500	But not over.....\$5,000
Over \$ 5,000	

Amount of Tax is

1% of Taxable Income	
\$ 5.00	plus 2% of the amount over\$ 500
\$ 25.00	plus 3% of the amount over\$1,500
\$ 55.00	plus 4% of the amount over\$2,500
\$ 95.00	plus 5% of the amount over\$3,500
\$ 170.00	plus 6% of the amount over\$5,000

COMMON MISTAKES THAT WILL DELAY YOUR REFUND

1. **Sending your return by certified mail.** The postal service imposes special handling procedures for certified mail that could delay processing of your return.
 2. Not filling in the name(s), social security number(s), address, residency code, and/or filing status.
 3. Failing to list your spouse's social security number when filing a separate return.
 4. Incorrectly listing or failing to list exemptions, dependents, income, and deductions.
 5. Failing to submit required schedules, statements, and supporting documentation, including W-2s, other states' tax returns, or necessary federal returns and schedules.
 6. Entering information on a special funds line when a donation is not being made; including a check for a donation with a refund return.
 7. Not entering the amount owed or the refund amount. **Do not enter amounts on both lines.**
 8. Not verifying calculations, including the tax rate, or placing zeros on lines that are not being used.
 9. Incorrectly completing Schedule 3 or failing to include it with your return when required.
 10. Mailing your Georgia return to the wrong address.
-

REMINDERS

- Mail your return, payment and all necessary documentation to the appropriate address listed on the return. For additional mailing addresses, please check the section called "Where Do You File?" in the tax instruction booklet.
 - Enclose copies of required returns, schedules and other documentation with your return. Failure to enclose proper documentation could delay your refund.
 - If you have an overpayment, indicate the amount to be refunded, credited to estimated tax and/or contributed to one of the special funds.
 - Mail Payment Voucher 525 TV with your return and payment to the address on Form 500 or 500EZ to ensure proper posting to your account. **If you file electronically, mail the voucher and your payment to the address on the voucher.**
 - Make your check or money order payable to the Georgia Department of Revenue. If you owe less than \$1, you do not need to send a payment. If you are due a refund of less than \$1, submit Form IT 550 to request a refund.
 - Do not staple your check, W-2s or any other documents to your return.
-

PENALTY AND INTEREST

Tax not paid by the statutory due date of the return is subject interest and ½ of 1 percent late payment penalty per month, or fraction thereof. Also a late filing penalty is imposed at 5 percent of the tax not paid by the original due date. Interest accrues until the tax due has been paid in full; the combined total of late filing and late payment penalty cannot exceed 25 percent of the tax not paid by the original due date. An extension of time for filing the return does not extend the date for making the payment. Additional penalties may apply as follows:

- Frivolous Return Penalty - \$1,000. (A frivolous return is one that contains incorrect or insufficient information to accurately compute the appropriate tax liability with the intent to delay or impede Georgia tax law or is based on a frivolous position.)
- Negligent Underpayment Penalty - 5 percent of the underpaid amount.
- Fraudulent Underpayment Penalty - 50 percent of the underpaid amount.
- Failure to File Estimated Tax Penalty - 9 percent per year for the period of underpayment. Use Form 500 UET to calculate the penalty.
- Interest accruing for months **beginning before** July 1, 2016 accrues at the rate of 12 percent annually. Interest that accrues **for months beginning on or after** July 1, 2016 accrues at an annual rate equal to the Federal Reserve prime rate plus 3 percent. The interest rate will be reviewed and may be adjusted in January of each subsequent calendar year **based on the Federal Reserve Rate**.



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STATE OF GEORGIA
DEPARTMENT OF REVENUE
TAXPAYER SERVICES DIVISION
1800 CENTURY BLVD. NE
ATLANTA, GA 30345-3205