

Annual Election to Pay Passthrough Entity's Georgia Tax Liability at the Entity Level Pursuant to HB 149
Illustration of Tax Consequences

	Scenario 1 (Election made pursuant to Georgia HB 149)	Scenario 2 (Election NOT made pursuant to Georgia HB 149)
	Company ABC ₁	Company ABC ₁
Georgia Taxable Income	1,000,000	1,000,000
Georgia Tax Rate	5.29%	5.29%
Georgia Tax	52,900	52,900
Federal Taxable Income (Before Georgia Tax)	1,000,000	1,000,000
LESS: Georgia State Tax Deduction ₂	(52,900)	-
Federal Taxable Income (Post Georgia Tax)	947,100	1,000,000
Federal Tax Rate ₃	37%	37%
Federal Tax	350,427	370,000
<u>Total Cash Outflow</u>		
Georgia Tax - Paid By Company ABC via Contribution to Georgia GOAL or Georgia HEART ₄	39,675	-
Georgia Tax - Paid by Company ABC ₄	13,225	
Georgia Tax - Paid by Shareholder(s) ₅	-	52,900
Federal Tax - Paid by Shareholder(s)	350,427	370,000
Total	403,327	422,900
Net Cash Savings by Making Election to Pay Georgia Tax at Entity Level	19,573	