

House Bill 403

By: Representatives Randall of the 127th, Reichert of the 126th, Buckner of the 95th, Sailor of the 71st and Graves of the 125th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees
2 and taxes applicable to insurance companies, so as to provide for a tax credit against gross
3 premium taxes with respect to insurance companies who employ certain college students for
4 summer work; to provide for conditions and procedures regarding such credit; to define
5 certain terms; to amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia
6 Annotated, relating to imposition and rate of income taxes, so as to provide for a tax credit
7 for employers who employ certain college students for summer work; to provide for
8 conditions and procedures regarding such credit; to define certain terms; to provide an
9 effective date and for applicability; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees and taxes
13 applicable to insurance companies, is amended by adding between Code Sections 33-8-5 and
14 33-8-6 a new Code Section 33-8-5.1 to read as follows:

15 "33-8-5.1

16 (a) As used in this Code section, the term:

17 (1) 'College student' means a person under the age of 25 years who has been enrolled in
18 a public or private postsecondary educational institution in this state during the past ten
19 months and while enrolled has attempted at least 36 quarter hours or 24 semester hours
20 and who is in good standing for readmittance to the postsecondary educational institution
21 for the fall quarter or semester.

22 (2) 'Employer' means any insurance company upon whom a gross premium tax is
23 imposed pursuant to Code Section 33-8-4.

24 (3) 'Summer months' includes the months of May, June, July, August, and September.

25 (b) A tax credit against the gross premium tax imposed under Code Section 33-8-4 shall
26 be granted to an employer who first employs a college student for a summer job in this

1 state on or after January 1, 2002. The amount of the credit shall be 15 percent of the wages
2 paid during the summer months to any such college students.

3 (c) A tax credit under this Code section shall not exceed the amount of the employer's
4 gross premium tax liability for the taxable year as computed without regard to this Code
5 section. Any such excess credit may be carried over and claimed during the period of five
6 years after the taxable year for which the credit is claimed until the credit is exhausted.

7 (d) To be eligible to claim the credit granted under this Code section, the employer must
8 certify to the Commissioner the name of the employee; include a letter from the college
9 student's postsecondary educational institution evidencing that such student has attempted
10 the requisite number of quarter or semester hours during the past ten months and is in good
11 standing for readmittance to the postsecondary educational institution for the fall quarter
12 or semester; provide written evidence of the college student's wages, which may include
13 but not be limited to copies of the employee's W-2 forms prepared by or for the employer;
14 and furnish such other information as may be required by the Commissioner to ensure that
15 credits are only granted to employers who employ college students for summer work
16 pursuant to this Code section. The Commissioner shall adopt rules and regulations and
17 forms to implement this credit program."

18 SECTION 2.

19 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
20 imposition and rate of income taxes, is amended by adding at the end thereof a new Code
21 Section 48-7-43 to read as follows:

22 "48-7-43.

23 (a) As used in this Code section, the term:

24 (1) 'College student' means a person under the age of 25 years who has been enrolled in
25 a public or private postsecondary educational institution in this state during the past ten
26 months and while enrolled has attempted at least 36 quarter hours or 24 semester hours
27 and who is in good standing for readmittance to the postsecondary educational institution
28 for the fall quarter or semester.

29 (2) 'Employer' means any employer upon whom an income tax is imposed by this
30 chapter.

31 (3) 'Summer months' includes the months of May, June, July, August, and September.

32 (b) A tax credit against the tax imposed by this chapter shall be granted to an employer
33 who first employs a college student for a summer job on or after January 1, 2002. The
34 amount of the credit shall be 15 percent of the wages paid during the summer months to
35 any such college students.

1 (c) A tax credit under this Code section shall not exceed the amount of the employer's
2 income tax liability for the taxable year as computed without regard to this Code section.
3 Any such excess credit may be carried over and claimed during the period of five years
4 after the taxable year for which the credit is claimed until the credit is exhausted.

5 (d) To be eligible to claim the credit granted under this Code section, the employer must
6 certify to the department the name of the employee; include a letter from the college
7 student's postsecondary educational institution evidencing that such student has attempted
8 the requisite number of quarter or semester hours during the past ten months and is in good
9 standing for readmittance to the postsecondary educational institution for the fall quarter
10 or semester; provide written evidence of the college student's wages, which may include
11 but not be limited to copies of the employee's W-2 forms prepared by or for the employer;
12 and furnish such other information as may be required by the department to ensure that
13 credits are only granted to employers who employ college students for summer work
14 pursuant to this Code section. The department shall adopt rules and regulations and forms
15 to implement this credit program."

16 **SECTION 3.**

17 This Act shall become effective on January 1, 2002, and shall be applicable to all taxable
18 years beginning on or after January 1, 2002.

19 **SECTION 4.**

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