

House Bill 607

By: Representatives Jenkins of the 110<sup>th</sup> and Jamieson of the 22<sup>nd</sup>

**A BILL TO BE ENTITLED  
AN ACT**

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to imposition, rate, and computation of state income taxes, so as to provide for  
3 certain tax credits with respect to certain qualified business expansion; to provide for  
4 procedures, conditions, and limitations; to provide for an effective date; to provide for  
5 applicability; to repeal conflicting laws; and for other purposes.

6 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

7 **SECTION 1.**

8 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
9 imposition, rate, and computation of state income taxes, is amended by adding a new Code  
10 section immediately following Code Section 48-7-40.20, to be designated Code Section  
11 48-7-40.21, to read as follows:

12 "48-7-40.21.

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

14 (1) 'Existing business enterprise' means any business or the headquarters of any such  
15 business which is engaged in manufacturing, warehousing and distribution, processing,  
16 telecommunications, tourism, or research and development industries that has been in  
17 operation in this state for at least five years. Such term shall not include retail businesses.

18 (2) 'Qualified business expansion' means the creation of at least 500 new full-time jobs  
19 within a taxable year.

20 (b) An existing business enterprise undergoing a qualified business expansion shall be  
21 eligible to make application to the commissioner to take tax credits established by Code  
22 Section 48-7-40 against such taxpayer's quarterly or monthly payment under Code Section  
23 48-7-103 subject to the following limitations:

24 (1) Such application may be made only where the amount of such credit exceeds 50  
25 percent of an existing business enterprise's liability for taxes imposed under this article  
26 in a taxable year. In such cases where the existing business enterprise has claimed and

1       not used credits established by Code Section 48-7-40 prior to the effective date of this  
2       Code section and such credits have been carried forward pursuant to subsection (h) of  
3       Code Section 48-7-40, the taxpayer may also include in the application a request to take  
4       such credits against such taxpayer's quarterly or monthly payment under Code Section  
5       48-7-103;

6       (2) Following the commissioner's referral of the application to a panel composed of the  
7       commissioner of community affairs, the commissioner of industry, trade, and tourism,  
8       and the director of the Office of Planning and Budget, said panel, after reviewing the  
9       application, certifies that the expansion will have a beneficial economic effect on the  
10      region for which it is planned;

11      (3) The credit shall apply to not more than five taxable years;

12      (4) Credit shall not be allowed during a year if the net employment increase falls below  
13      the 500 new full-time jobs required; and

14      (5) No credit in excess of \$5 million may be claimed pursuant to the terms of this Code  
15      section.

16      (c) Notwithstanding any other provision of law to the contrary, any credit claimed pursuant  
17      to this Code section shall be subject to recapture if the minimum job requirement is not  
18      met.

19      (d) Each employee whose employer receives credit against such taxpayer's quarterly or  
20      monthly payment under Code Section 48-7-103 shall receive credit against his or her  
21      income tax liability under Code Section 48-7-20 for the corresponding taxable year for the  
22      full amount which would be credited against such liability prior to the application of the  
23      credit provided for in this Code section. Credits against quarterly or monthly payments  
24      under Code Section 48-7-103 and credits against liability under Code Section 48-7-20  
25      established by this Code section shall not constitute income to the taxpayer."

26

**SECTION 2.**

27     This Act shall become effective upon its approval by the Governor or upon its becoming law  
28     without such approval and shall be applicable to all taxable years ending on or after  
29     January 1, 2001.

30

**SECTION 3.**

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