

House Bill 938

By: Representative Sanders of the 107<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to provide for a gradual reduction in the income tax rate for individuals over  
3 a period of years; to abolish the individual income tax and the income tax on fiduciaries and  
4 partnerships, effective for tax years beginning on and after January 1, 2007; to provide for  
5 the collection of individual income taxes until such abolishment; to repeal the provisions  
6 relating to a local income tax; to repeal provisions relating to setoff debt collection; to repeal  
7 laws relating to the individual income tax; to repeal certain provisions relating to nongame  
8 wildlife conservation and wildlife habitat acquisition programs; to repeal certain provisions  
9 relating to liens for taxes; to repeal certain provisions relating to the Home Delivered Meals,  
10 Transportation Services for the Elderly, and Preschool Children with Special Needs Fund;  
11 to conform other provisions of law; to amend other provisions of the Official Code of  
12 Georgia Annotated to change certain references; to change certain Georgia income tax  
13 references to federal income tax references; to provide for editorial revision; to provide for  
14 other matters relative to the foregoing; to provide for effective dates; to repeal conflicting  
15 laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **PART I**  
18 **SECTION 1.**

19 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
20 amended by striking in its entirety paragraph (1) of subsection (b) of Code Section 48-7-20,  
21 relating to the income tax rate for individuals, and inserting in lieu thereof a new paragraph  
22 (1) to read as follows:

23 "(b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be  
24 computed in accordance with the following tables:

1 (A) For the taxable year beginning on or after January 1, 2001, and prior to January 1,  
 2 2002:

3 SINGLE PERSON

4	If Georgia Taxable	The Tax Is:
5	Net Income Is:	
6	Not over \$750.00 . . . . .	1%
7	Over \$750.00 but not over \$2,250.00 . . . . .	\$7.50 plus 2% of amount over \$750.00
8	Over \$2,250.00 but not over \$3,750.00 . . . . .	\$37.50 plus 3% of amount over \$2,250.00
9	Over \$3,750.00 but not over \$5,250.00 . . . . .	\$82.50 plus 4% of amount over \$3,750.00
10	Over \$5,250.00 but not over \$7,000.00 . . . . .	\$142.50 plus 5 <u>4.5%</u> of amount over \$5,250.00
11	Over \$7,000.00 . . . . .	\$230.00 plus 6 <u>5%</u> of amount over \$7,000.00

12 MARRIED PERSON FILING A SEPARATE RETURN

13	If Georgia Taxable	The Tax Is:
14	Net Income Is:	
15	Not over \$500.00 . . . . .	1%
16	Over \$500.00 but not over \$1,500.00 . . . . .	\$5.00 plus 2% of amount over \$500.00
17	Over \$1,500.00 but not over \$2,500.00 . . . . .	\$25.00 plus 3% of amount over \$1,500.00
18	Over \$2,500.00 but not over \$3,500.00 . . . . .	\$55.00 plus 4% of amount over \$2,500.00
19	Over \$3,500.00 but not over \$5,000.00 . . . . .	\$95.00 plus 5 <u>4.5%</u> of amount over \$3,500.00
20	Over \$5,000.00 . . . . .	\$170.00 plus 6 <u>5%</u> of amount over \$5,000.00



MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

Not over \$500.00 . . . . .	.8%
Over \$500.00 but not over \$1,500.00 . . . . .	\$5.00 plus 1.6% of amount over \$500.00
Over \$1,500.00 but not over \$2,500.00 . . . . .	\$25.00 plus 2.4% of amount over \$1,500.00
Over \$2,500.00 but not over \$3,500.00 . . . . .	\$55.00 plus 3.2% of amount over \$2,500.00
Over \$3,500.00 but not over \$5,000.00 . . . . .	\$95.00 plus 3.5% of amount over \$3,500.00
Over \$5,000.00 . . . . .	\$170.00 plus 4% of amount over \$5,000.00

HEAD OF HOUSEHOLD AND MARRIED PERSONS

FILING A JOINT RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

Not over \$1,000.00 . . . . .	.8%
Over \$1,000.00 but not over \$3,000.00 . . . . .	\$10.00 plus 1.6% of amount over \$1,000.00
Over \$3,000.00 but not over \$5,000.00 . . . . .	\$50.00 plus 2.4% of amount over \$3,000.00
Over \$5,000.00 but not over \$7,000.00 . . . . .	\$110.00 plus 3.2% of amount over \$5,000.00
Over \$7,000.00 but not over \$10,000.00 . . . . .	\$190.00 plus 3.5% of amount over \$7,000.00
Over \$10,000.00 . . . . .	\$340.00 plus 4% of amount over \$10,000.00

(C) For the taxable year beginning on or after January 1, 2003, and prior to January 1, 2004:

SINGLE PERSON

If Georgia Taxable

The Tax Is:

Net Income Is:

<u>Not over \$750.00 . . . . .</u>	<u>.6%</u>
<u>Over \$750.00 but not over \$2,250.00 . . . . .</u>	<u>\$7.50 plus 1.2% of amount over</u> <u>\$750.00</u>
<u>Over \$2,250.00 but not over \$3,750.00 . . . . .</u>	<u>\$37.50 plus 1.8% of amount over</u> <u>\$2,250.00</u>
<u>Over \$3,750.00 but not over \$5,250.00 . . . . .</u>	<u>\$82.50 plus 2.4% of amount over</u> <u>\$3,750.00</u>
<u>Over \$5,250.00 but not over \$7,000.00 . . . . .</u>	<u>\$142.50 plus 2.7% of amount over</u> <u>\$5,250.00</u>
<u>Over \$7,000.00 . . . . .</u>	<u>\$230.00 plus 3% of amount over</u> <u>\$7,000.00</u>

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

<u>Not over \$500.00 . . . . .</u>	<u>.6%</u>
<u>Over \$500.00 but not over \$1,500.00 . . . . .</u>	<u>\$5.00 plus 1.2% of amount over</u> <u>\$500.00</u>
<u>Over \$1,500.00 but not over \$2,500.00 . . . . .</u>	<u>\$25.00 plus 1.8% of amount over</u> <u>\$1,500.00</u>
<u>Over \$2,500.00 but not over \$3,500.00 . . . . .</u>	<u>\$55.00 plus 2.4% of amount over</u> <u>\$2,500.00</u>
<u>Over \$3,500.00 but not over \$5,000.00 . . . . .</u>	<u>\$95.00 plus 2.7% of amount over</u> <u>\$3,500.00</u>
<u>Over \$5,000.00 . . . . .</u>	<u>\$170.00 plus 3% of amount over</u> <u>\$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONSFILING A JOINT RETURNIf Georgia TaxableThe Tax Is:Net Income Is:

Not over \$1,000.00 .....	.6%
Over \$1,000.00 but not over \$3,000.00 .....	\$10.00 plus 1.2% of amount over \$1,000.00
Over \$3,000.00 but not over \$5,000.00 .....	\$50.00 plus 1.8% of amount over \$3,000.00
Over \$5,000.00 but not over \$7,000.00 .....	\$110.00 plus 2.4% of amount over \$5,000.00
Over \$7,000.00 but not over \$10,000.00 .....	\$190.00 plus 2.7% of amount over \$7,000.00
Over \$10,000.00 .....	\$340.00 plus 3% of amount over \$10,000.00

(D) For the taxable year beginning on or after January 1, 2004, and prior to January 1, 2005:

SINGLE PERSONIf Georgia TaxableThe Tax Is:Net Income Is:

Not over \$750.00 .....	.4%
Over \$750.00 but not over \$2,250.00 .....	\$7.50 plus .6% of amount over \$750.00
Over \$2,250.00 but not over \$3,750.00 .....	\$37.50 plus 1.2% of amount over \$2,250.00
Over \$3,750.00 but not over \$5,250.00 .....	\$82.50 plus 1.6% of amount over \$3,750.00
Over \$5,250.00 but not over \$7,000.00 .....	\$142.50 plus 1.8% of amount over \$5,250.00
Over \$7,000.00 .....	\$230.00 plus 2% of amount over \$7,000.00

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

Not over \$500.00 .....	<u>.4%</u>
Over \$500.00 but not over \$1,500.00 .....	<u>\$5.00 plus .8% of amount over \$500.00</u>
Over \$1,500.00 but not over \$2,500.00 .....	<u>\$25.00 plus 1.2% of amount over \$1,500.00</u>
Over \$2,500.00 but not over \$3,500.00 .....	<u>\$55.00 plus 1.6% of amount over \$2,500.00</u>
Over \$3,500.00 but not over \$5,000.00 .....	<u>\$95.00 plus 1.8% of amount over \$3,500.00</u>
Over \$5,000.00 .....	<u>\$170.00 plus 2% of amount over \$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONS

FILING A JOINT RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

Not over \$1,000.00 .....	<u>.4%</u>
Over \$1,000.00 but not over \$3,000.00 .....	<u>\$10.00 plus .8% of amount over \$1,000.00</u>
Over \$3,000.00 but not over \$5,000.00 .....	<u>\$50.00 plus 1.2% of amount over \$3,000.00</u>
Over \$5,000.00 but not over \$7,000.00 .....	<u>\$110.00 plus 1.6% of amount over \$5,000.00</u>
Over \$7,000.00 but not over \$10,000.00 .....	<u>\$190.00 plus 1.8% of amount over \$7,000.00</u>
Over \$10,000.00 .....	<u>\$340.00 plus 2% of amount over \$10,000.00</u>

(E) For the taxable year beginning on or after January 1, 2005, and prior to January 1, 2006:

SINGLE PERSON

If Georgia Taxable

The Tax Is:

Net Income Is:

Not over \$750.00 .....	.2%
Over \$750.00 but not over \$2,250.00 .....	\$7.50 plus .4% of amount over \$750.00
Over \$2,250.00 but not over \$3,750.00 .....	\$37.50 plus .6% of amount over <u>\$2,250.00</u>
Over \$3,750.00 but not over \$5,250.00 .....	\$82.50 plus .8% of amount over <u>\$3,750.00</u>
Over \$5,250.00 but not over \$7,000.00 .....	\$142.50 plus .9% of amount over <u>\$5,250.00</u>
Over \$7,000.00 .....	\$230.00 plus 1% of amount over <u>\$7,000.00</u>

MARRIED PERSON FILING A SEPARATE RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

Not over \$500.00 .....	.2%
Over \$500.00 but not over \$1,500.00 .....	\$5.00 plus .4% of amount over \$500.00
Over \$1,500.00 but not over \$2,500.00 .....	\$25.00 plus .6% of amount over <u>\$1,500.00</u>
Over \$2,500.00 but not over \$3,500.00 .....	\$55.00 plus .8% of amount over <u>\$2,500.00</u>
Over \$3,500.00 but not over \$5,000.00 .....	\$95.00 plus .9% of amount over <u>\$3,500.00</u>
Over \$5,000.00 .....	\$170.00 plus 1% of amount over <u>\$5,000.00</u>

HEAD OF HOUSEHOLD AND MARRIED PERSONS

FILING A JOINT RETURN

If Georgia Taxable

The Tax Is:

Net Income Is:

1	<u>Not over \$1,000.00 . . . . .</u>	<u>.2%</u>
2	<u>Over \$1,000.00 but not over \$3,000.00 . . . . .</u>	<u>\$10.00 plus .4% of amount over</u>
		<u>\$1,000.00</u>
3	<u>Over \$3,000.00 but not over \$5,000.00 . . . . .</u>	<u>\$50.00 plus .6% of amount over</u>
		<u>\$3,000.00</u>
4	<u>Over \$5,000.00 but not over \$7,000.00 . . . . .</u>	<u>\$110.00 plus .8% of amount over</u>
		<u>\$5,000.00</u>
5	<u>Over \$7,000.00 but not over \$10,000.00 . . . . .</u>	<u>\$190.00 plus .9% of amount over</u>
		<u>\$7,000.00</u>
6	<u>Over \$10,000.00 . . . . .</u>	<u>\$340.00 plus 1% of amount over</u>
		<u>\$10,000.00</u>
7	<u>(F) For any taxable year beginning on or after January 1, 2007, and thereafter, there</u>	
8	<u>shall not be an individual income tax and no individual returns are required."</u>	

**SECTION 2.**

Said title is further amended by adding at the beginning of Article 5 of Chapter 7, relating to current income tax payment, a new Code Section 48-7-99 to read as follows:

"48-7-99.

The provisions of this article relating to the withholding of taxes or estimated taxes applicable to individuals shall not apply to taxable years beginning on or after January 1, 2007."

**PART II**

**SECTION 1.**

Said title is further amended by striking in its entirety Chapter 7, relating to income taxes, and inserting in lieu thereof a new Chapter 7 to read as follows:

**"CHAPTER 7**

48-7-1.

Effective January 1, 2007, there shall not be an individual income tax or income tax on fiduciaries or partnerships in this state for taxable years beginning on or after January 1, 2007.

1 48-7-2.

2 As used in this chapter, the term:

3 (1) 'Corporation' includes, but is not limited to, all associations, professional associations  
4 organized pursuant to Chapter 10 of Title 14, and insurance companies.

5 (2) 'Deficiency' means the amount by which the tax imposed by this chapter or any prior  
6 law exceeds the amount shown as the tax due by the corporation upon its return or, if no  
7 amount is shown as the tax due by a corporation upon its return or if no return is made  
8 by the corporation, the amount determined by the commissioner to be the correct amount  
9 of the tax.

10 (3) 'Fiscal year' means an accounting period of 12 months ending on the last day of any  
11 month other than December. In the case of any taxpayer who has elected a year consisting  
12 of 52 to 53 weeks for federal income tax purposes, the term means the period so elected.

13 (4) 'Income tax day' means December 31 of each calendar year.

14 (5) 'Paid,' for the purpose of the deductions under this chapter, means 'paid or accrued'  
15 or 'paid or incurred.' The terms 'paid or accrued,' 'paid or incurred,' and 'incurred' shall be  
16 construed according to the method of accounting upon the basis of which the net income  
17 is computed under this chapter.

18 (6) 'Received,' for the purpose of the computation of the net income under this chapter,  
19 means 'received or accrued.' The term 'received or accrued' shall be construed according  
20 to the method of accounting upon the basis of which the net income is computed under  
21 this chapter.

22 (7) 'Taxable year' means the calendar year or the fiscal year ending during the calendar  
23 year upon the basis of which the net income is computed under this chapter.

24 (8) 'Taxpayer' means a corporation.

25 48-7-3.

26 (a) It shall be unlawful for any person who is required under this chapter to pay any tax,  
27 make any return, keep any records, supply any information, or exhibit any books or records  
28 for the purpose of computation, assessment, or collection of any tax imposed by this  
29 chapter to fail to:

30 (1) Pay the tax;

31 (2) Make the return;

32 (3) Keep the records; or

33 (4) When requested to do so by the commissioner:

34 (A) Supply the information; or

35 (B) Exhibit the books or records.

1 (b) In addition to other penalties provided by law, any person who violates subsection (a)  
2 of this Code section shall be guilty of a misdemeanor.

3 48-7-4.

4 (a) With respect to any matter arising under this chapter, it shall be unlawful for any  
5 person willfully to aid or assist in, or procure, counsel, or advise the preparation or  
6 presentation of, a false or fraudulent return, affidavit, claim, or document, whether or not  
7 the falsity or fraud is with the knowledge or consent of the person authorized or required  
8 to present the return, affidavit, claim, or document.

9 (b) Any person who violates subsection (a) of this Code section shall be guilty of a  
10 misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000.00 or  
11 imprisoned for not more than six months, or both, and shall be required to pay the costs of  
12 prosecution.

13 48-7-5.

14 (a) It shall be unlawful for any person, with intent to evade the income tax imposed by this  
15 chapter, willfully to advise the preparation or presentation of a return with intentional  
16 disregard of rules and regulations of the commissioner.

17 (b) Any person who violates subsection (a) of this Code section shall be guilty of a  
18 misdemeanor and, upon conviction thereof, shall be fined not less than \$100.00 nor more  
19 than \$500.00 or imprisoned for not more than six months, or both.

20 48-7-6.

21 Any person who willfully evades or defeats or willfully attempts to evade or defeat, in any  
22 manner, any income tax, penalty, interest, or other amount in excess of \$3,000.00 imposed  
23 under this chapter, including but not limited to failure to file a return or report, shall, in  
24 addition to any other criminal or civil penalties provided by law, be guilty of a felony and,  
25 upon conviction thereof, shall be fined not more than \$500,000.00 in the case of a  
26 corporation or imprisoned not less than one nor more than five years, or both. Conduct  
27 proscribed by this Code section shall be subject to punishment under this Code section  
28 notwithstanding the applicability to such conduct of any other provision of law.

29 48-7-7.

30 (a) Every domestic corporation and every foreign corporation shall pay annually an  
31 income tax equivalent to 6 percent of its Georgia taxable net income. Georgia taxable net  
32 income of a corporation shall be the corporation's taxable income from property owned or  
33 from business done in this state. A corporation's taxable income from property owned or

1 from business done in this state shall consist of the corporation's taxable income as defined  
2 in the Internal Revenue Code of 1986, with the adjustments provided for in subsection (b)  
3 of this Code section and allocated and apportioned as provided in Code Section 48-7-9.

4 (b)(1)(A) When interest income is derived from obligations of any state or political  
5 subdivision except this state and political subdivisions of this state, the interest income  
6 shall be added to taxable income to the extent that the interest income is not included  
7 in gross income for federal income tax purposes. Interest or dividends on obligations  
8 of any authority, commission, instrumentality, territory, or possession of the United  
9 States which by the laws of the United States are exempt from federal income tax but  
10 not from state income tax shall also be added to taxable income.

11 (B) There shall be subtracted from taxable income interest or dividends on obligations  
12 of the United States and its territories and possessions or of any authority, commission,  
13 or instrumentality of the United States to the extent such interest or dividends are  
14 includable in gross income for federal income tax purposes but exempt from state  
15 income taxes under the laws of the United States. There shall also be subtracted from  
16 taxable income any income derived from the authorized activities of a domestic  
17 international banking facility operating pursuant to the provisions of Article 5A of  
18 Chapter 1 of Title 7, the 'Domestic International Banking Facility Act,' and any income  
19 arising from the conduct of a banking business with persons or entities located outside  
20 the United States, its territories, or possessions. Any amount subtracted pursuant to this  
21 subparagraph shall be reduced by any expenses directly attributable to the production  
22 of the interest or dividend income.

23 (2) There shall be added to taxable income any taxes on, or measured by, net income or  
24 net profits paid or accrued within the taxable year imposed by the authority of the United  
25 States or any foreign country, by any state except the State of Georgia, or by any  
26 territory, county, school district, municipality, or other tax subdivision of any state,  
27 territory, or foreign country to the extent such taxes are deducted in determining federal  
28 taxable income.

29 (3) No portion of any deductions or losses which occurred in a year in which the  
30 taxpayer was not subject to taxation in this state including, but not limited to, net  
31 operating losses may be deducted in any tax year. When the federal adjusted gross  
32 income or net income of a corporation includes such deductions or losses, an adjustment  
33 deleting them shall be made under rules established by the commissioner. The provisions  
34 of this subsection shall not prohibit the carry-over of any deductions or losses including,  
35 but not limited to, net operating losses of any taxpayer which were incurred in a year or  
36 years in which the taxpayer was subject to methods of taxation in this state other than the  
37 corporate income tax.

1 (4) Income, losses, and deductions previously used in computing Georgia taxable income  
2 shall not again be used in computing Georgia taxable income. The commissioner shall  
3 provide for needed adjustments by regulation.

4 (5) When on the sale or exchange of real or tangible personal property located in this  
5 state gain or loss is not recognized because the taxpayer receives or purchases similar  
6 property, the nonrecognition shall be allowed only when the property is replaced with  
7 property located in this state.

8 (6) This chapter shall not be construed to repeal any tax exemptions contained in other  
9 laws of this state not referred to in this chapter. Those exemptions and the exemptions  
10 provided for by federal law and treaty shall be deducted on forms provided by the  
11 commissioner.

12 (7) All elections made by corporate taxpayers under the Internal Revenue Code of 1954  
13 or the Internal Revenue Code of 1986 shall also apply under this chapter except elections  
14 involving consolidated corporate returns and Subchapter 'S' elections which shall be  
15 treated as follows:

16 (A)(i) If two or more corporations file federal income tax returns on a consolidated  
17 basis and all of the corporations derive all of their income from sources within this  
18 state, the corporations must file consolidated returns for Georgia income tax purposes.  
19 Affiliated corporations which file a consolidated federal income tax return but which  
20 derive income from sources outside this state must file separate income tax returns  
21 with this state unless they have prior approval or have been requested to file a  
22 consolidated return by the department.

23 (ii) No depository financial institution shall be deprived of the benefit of any  
24 exemption, deduction, or credit authorized by this title as a consequence of its election  
25 to file otherwise lawful consolidated returns with its parent organization or any  
26 corporate subsidiaries with respect to any state or local tax levied against such  
27 depository financial institution as a result of this title. As used in this division, the  
28 term:

29 (I) 'Bank' means any financial institution chartered under the laws of this state or  
30 under the laws of the United States and domiciled in this state which is authorized  
31 to receive deposits in this state and which has a corporate structure authorizing the  
32 issuance of capital stock.

33 (II) 'Depository financial institution' means a 'bank' or a 'savings and loan  
34 association.'

35 (III) 'Savings and loan association' means any financial institution, other than a  
36 credit union, chartered under the laws of this state or under the laws of the United

1 States and domiciled in this state which is authorized to receive deposits in this state  
2 and which has a mutual corporate form; and

3 (B) Subchapter 'S' elections apply only if all stockholders are subject to tax in this state  
4 on their portion of the corporate income. If all nonresident stockholders pay the  
5 Georgia income tax on their portion of the corporate income, the election shall be  
6 allowed.

7 (8) There shall be subtracted from taxable income dividends received by:

8 (A) A corporation from sources outside the United States as defined in the Internal  
9 Revenue Code of 1986. For purposes of this subparagraph, dividends received by a  
10 corporation from sources outside of the United States shall include amounts treated as  
11 a dividend and income deemed to have been received under provisions of the Internal  
12 Revenue Code of 1986 by such corporation if such amounts could have been subtracted  
13 from taxable income under this paragraph, had such amounts actually been received.  
14 Amounts to be subtracted under this subparagraph shall include the following, as  
15 defined by the Internal Revenue Code of 1986:

16 (i) Qualified electing fund income;

17 (ii) Subpart F income; and

18 (iii) Income attributable to an increase in United States property by a controlled  
19 foreign corporation.

20 The amount subtracted under this subparagraph shall be reduced by any expenses  
21 directly attributable to the dividend income; and

22 (B) Corporations from affiliated corporations within the United States, when the  
23 corporation receiving the dividends is engaged in business in this state and is subject  
24 to the payment of taxes under the income tax laws of this state, to the extent that the  
25 dividends have been included in net income under this Code section. Dividends from  
26 affiliates shall be reduced by any expenses directly attributable to the dividend income.

27 (9) Where a corporation's salary and wage deductions are reduced in computing federal  
28 taxable income because the corporation has taken a federal jobs tax credit which required,  
29 as a condition to using the federal jobs tax credit, the elimination of salary and wage  
30 deductions, the eliminated salary and wage deductions shall be subtracted from taxable  
31 income.

32 (10) Reserved.

33 (11) There shall be subtracted from taxable income a portion of qualified payments to  
34 minority subcontractors, as provided in Code Section 48-7-14.

35 (12) Georgia taxable income shall, if the taxpayer so elects, be adjusted with respect to  
36 federal depreciation deductions as provided in Code Section 48-7-8.

1 48-7-8.

2 (a) With respect to property placed in service in taxable years ending prior to the effective  
3 date of this Code section, a taxpayer shall in such taxpayer's return for the first taxable year  
4 ending on or after January 1, 1987, elect to:

5 (1) Continue to depreciate or otherwise recover the cost of such property according to  
6 the same method used for Georgia income tax purposes for the taxable year in which the  
7 property was placed in service; or

8 (2) Depreciate or otherwise recover the cost of such property according to the method  
9 used for federal income tax purposes for the taxable year in which the property was  
10 placed in service.

11 The election required by this subsection shall be made for a taxpayer's first taxable year  
12 ending on or after January 1, 1987, in such manner as may be specified by the  
13 commissioner. If a return for such a taxable year has been filed without such an election  
14 prior to or within 90 days after the effective date of this Code section, the taxpayer may file  
15 an amended return containing such an election.

16 (b) The election provided for in subsection (a) of this Code section shall apply to all  
17 property of the taxpayer uniformly and shall be irrevocable and applicable to all subsequent  
18 taxable years. Except as otherwise provided in the last sentence of subsection (a) of this  
19 Code section, if no such election is made, the taxpayer shall be deemed to have elected the  
20 option afforded by paragraph (2) of subsection (a) of this Code section. The General  
21 Assembly recognizes and intends that if a taxpayer elects the option afforded by paragraph  
22 (2) of subsection (a) of this Code section then in certain cases the taxpayer may never fully  
23 depreciate or recover the cost of certain property for Georgia income tax purposes and in  
24 certain cases the taxpayer may be allowed to depreciate or recover more than the full cost  
25 of certain property for Georgia income tax purposes. Taxpayers electing the option  
26 afforded by paragraph (1) of subsection (a) of this Code section shall in determining  
27 Georgia taxable income make such adjustments to federal taxable income as are required  
28 to reflect the effect of such election. Any such election shall apply both to determination  
29 of deductions for depreciation or cost recovery of affected property and also to  
30 determination of gain or loss on the sale or other disposition of such property. The  
31 commissioner shall specify the manner in which such adjustments shall be made.

32 48-7-9.

33 (a) The tax imposed by this chapter shall apply to the entire net income, as defined in this  
34 chapter, received by every foreign or domestic corporation owning property or doing  
35 business within this state. A corporation shall be deemed to be doing business within this

1 state if it engages within this state in any activities or transactions for the purpose of  
2 financial profit or gain whether or not:

3 (1) The corporation qualifies to do business in this state;

4 (2) The corporation maintains an office or place of doing business within this state; or

5 (3) Any such activity or transaction is connected with interstate or foreign commerce.

6 (b)(1) If the entire business income of the corporation is derived from property owned  
7 or business done in this state, the tax shall be imposed on the entire business income.

8 (2) If the business income of the corporation is derived in part from property owned or  
9 business done in this state and in part from property owned or business done outside this  
10 state, the tax shall be imposed only on that portion of the business income which is  
11 reasonably attributable to the property owned and business done within this state, such  
12 portion to be determined as provided in subsections (c) and (d) of this Code section.

13 (c)(1) Interest received on bonds held for investment and income received from other  
14 intangible property held for investment are not subject to apportionment. All expenses  
15 connected with such investment income shall be applied against the investment income.  
16 The net investment income from intangible property shall be allocated to this state if the  
17 situs of the corporation is in this state or if the intangible property was acquired as income  
18 from property held in this state or as a result of business done in this state.

19 (2) Rentals received from real estate held purely for investment purposes and not used  
20 in the operation of any business are not subject to apportionment. All expenses connected  
21 with such investment income shall be applied against the investment income. The net  
22 investment income from tangible property located in this state shall be allocated to this  
23 state.

24 (3) Gains from the sale of tangible or intangible property not held, owned, or used in  
25 connection with the trade or business of the corporation nor held for sale in the regular  
26 course of business shall be allocated to this state if the property sold is real or tangible  
27 personal property situated in this state or intangible property having an actual situs or a  
28 business situs within this state. Otherwise, the gains shall not be allocated to this state.

29 (d) Net income of the classes described in subsection (c) of this Code section having been  
30 separately allocated and deducted, the remainder of the net business income shall be  
31 apportioned as follows:

32 (1) For purposes of paragraphs (2) and (3) of this subsection, the commissioner may  
33 enter into an agreement with the taxpayer establishing the allocation and apportionment  
34 of the taxpayer's income for a limited period, provided that the following conditions are  
35 met:

36 (A) The taxpayer is planning a new facility in the State of Georgia or an expansion of  
37 an existing facility;

1 (B) The taxpayer submits a proposal asking the commissioner to enter into a contract  
2 under this paragraph requesting a different allocation and apportionment method and  
3 stating the reasons for such proposal; and

4 (C) Following the commissioner's referral of the proposal to a panel composed of the  
5 commissioner of community affairs, the commissioner of industry, trade, and tourism,  
6 and the director of the Office of Planning and Budget, said panel, after reviewing the  
7 proposal, certifies that:

8 (i) The new facility or expansion will have a significant beneficial economic effect  
9 on the region for which it is planned; and

10 (ii) The benefits to the public from the new facility or expansion exceed its costs to  
11 the public;

12 (2) Where the net business income of the corporation is derived principally from the  
13 manufacture, production, or sale of tangible personal property, the portion of the net  
14 income therefrom attributable to property owned or business done within this state shall  
15 be taken to be the portion arrived at by application of the following formula:

16 (A) Property factor. The property factor is a fraction, the numerator of which is the  
17 average value of the taxpayer's real and tangible personal property owned or rented and  
18 used in this state during the tax period and the denominator of which is the average  
19 value of all the taxpayer's real and tangible personal property owned or rented and used  
20 during the tax period;

21 (i) Property owned by the taxpayer is valued at its original cost. Property rented by  
22 the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate  
23 is the annual rental rate paid by the taxpayer less any annual rental rate received by  
24 the taxpayer from subrentals;

25 (ii) The average value of property shall be determined by averaging the values at the  
26 beginning and end of the tax period, except that the commissioner may require the  
27 averaging of monthly values during the tax period if such averaging is reasonably  
28 required to reflect properly the average value of the taxpayer's property;

29 (B) Payroll factor. The payroll factor is a fraction, the numerator of which is the total  
30 amount paid in this state during the tax period by the taxpayer for compensation and the  
31 denominator of which is the total compensation paid everywhere during the tax period.  
32 The term 'compensation' means wages, salaries, commissions, and any other form of  
33 remuneration paid to employees for personal services. Payments made to an  
34 independent contractor or any other person not properly classified as an employee are  
35 excluded. Compensation is paid in this state if:

36 (i) The employee's service is performed entirely within this state;

1 (ii) The employee's service is performed both within and outside this state and the  
2 service performed outside this state is incidental to the employee's service within this  
3 state; or

4 (iii) Some of the service is performed in this state and either the base of operations  
5 or the place from which the service is directed or controlled is in this state or the base  
6 of operations or the place from which the service is directed or controlled is not in any  
7 state in which some part of the service is performed but the employee's residence is  
8 in this state;

9 (C) Gross receipts factor. The gross receipts factor is a fraction, the numerator of which  
10 is the total gross receipts from business done within this state during the tax period and  
11 the denominator of which is the total gross receipts from business done everywhere  
12 during the tax period. For the purposes of this subparagraph, receipts shall be deemed  
13 to have been derived from business done within this state only if the receipts are  
14 received from products shipped to customers in this state or products delivered within  
15 this state to customers. In determining the gross receipts within this state, receipts from  
16 sales negotiated or effected through offices of the taxpayer outside this state and  
17 delivered from storage in this state to customers outside this state shall be excluded;

18 (D) Apportionment formula. The property factor, the payroll factor, and the gross  
19 receipts factor shall be separately determined and an apportionment fraction shall be  
20 calculated using the following formula:

21 (i) The property factor shall represent 25 percent of the fraction;

22 (ii) The payroll factor shall represent 25 percent of the fraction; and

23 (iii) The gross receipts factor shall represent 50 percent of the fraction.

24 The net income of the corporation shall be apportioned to this state according to such  
25 fraction;

26 (3) Except as otherwise provided in paragraph (3.1) or (3.2) of this subsection, where the  
27 net business income is derived principally from business other than the manufacture,  
28 production, or sale of tangible personal property, the net business income of the  
29 corporation shall be arrived at by application of the following three factor formula:

30 (A) Property factor. The property factor is a fraction, the numerator of which is the  
31 average value of the taxpayer's real and tangible personal property owned or rented and  
32 used in this state during the tax period and the denominator of which is the average  
33 value of all the taxpayer's real and tangible personal property owned or rented and used  
34 during the tax period;

35 (i) Property owned by the taxpayer is valued at its original cost. Property rented by  
36 the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate

1 is the annual rental rate paid by the taxpayer less any annual rental rate received by  
2 the taxpayer from subrentals;

3 (ii) The average value of property shall be determined by averaging the values at the  
4 beginning and end of the tax period, except that the commissioner may require the  
5 averaging of monthly values during the tax period if such averaging is reasonably  
6 required to reflect properly the average value of the taxpayer's property;

7 (B) Payroll factor. The payroll factor is a fraction, the numerator of which is the total  
8 amount paid in this state during the tax period by the taxpayer for compensation and the  
9 denominator of which is the total compensation paid everywhere during the tax period.  
10 The term 'compensation' means wages, salaries, commissions, and any other form of  
11 remuneration paid to employees for personal services. Payments made to an  
12 independent contractor or any other person not properly classified as an employee are  
13 excluded. Compensation is paid in this state if:

14 (i) The employee's service is performed entirely within this state;

15 (ii) The employee's service is performed both within and outside this state and the  
16 service performed outside this state is incidental to the employee's service within this  
17 state; or

18 (iii) Some of the service is performed in this state and either the base of operations  
19 or the place from which the service is directed or controlled is in this state or the base  
20 of operations or the place from which the service is directed or controlled is not in any  
21 state in which some part of the service is performed but the employee's residence is  
22 in this state;

23 (C) Gross receipts factor. The gross receipts factor is a fraction, the numerator of which  
24 is the total gross receipts from business done within this state during the tax period and  
25 the denominator of which is the total gross receipts from business done everywhere  
26 during the tax period. Gross receipts are in this state if the receipts are derived from  
27 customers within this state or if the receipts are otherwise attributable to this state's  
28 marketplace;

29 (D) Apportionment formula. The property factor, payroll factor, and the gross receipts  
30 factor shall be separately determined and an apportionment fraction shall be calculated  
31 using the following formula:

32 (i) The property factor shall represent 25 percent of the fraction;

33 (ii) The payroll factor shall represent 25 percent of the fraction; and

34 (iii) The gross receipts factor shall represent 50 percent of the fraction.

35 The net income of the corporation shall be apportioned to this state according to such  
36 fraction;

1 (E) If the allocation and apportionment provisions provided for in this paragraph do not  
2 fairly represent the extent of the taxpayer's business activity in this state, the taxpayer  
3 may petition the commissioner for, or the commissioner may by regulation require,  
4 with respect to all or any part of the taxpayer's business activity, if reasonable:

- 5 (i) Separate accounting;
- 6 (ii) The exclusion of any one or more of the factors;
- 7 (iii) The inclusion of one or more additional factors that will fairly represent the  
8 taxpayer's business activity within this state; or
- 9 (iv) The employment of any other method to effectuate an equitable allocation and  
10 apportionment of the taxpayer's income.

11 The denial of a petition under this paragraph shall be appealable pursuant to either Code  
12 Section 48-2-59 or 50-13-12;

13 (3.1)(A) Except as otherwise provided in this paragraph, all terms used in this  
14 paragraph shall have the same meaning as such terms are defined in 49 U.S.C. Section  
15 1301 and the United States Department of Transportation's Uniform System of  
16 Accounts and Reports for Large Certificated Air Carriers, 14 C.F.R. Part 241, as now  
17 or hereafter amended.

18 (B) Where the net business income of the corporation is derived principally from  
19 transporting passengers or cargo in revenue flight, the portion of the net income  
20 therefrom attributable to property owned or business done within this state shall be  
21 taken to be the portion arrived at by application of the following three factor formula:

22 (i) Revenue air miles factor. The revenue air miles factor is a fraction, the numerator  
23 of which shall be equal to the total, for each flight stage which originates or  
24 terminates in this state, of revenue passenger miles by aircraft type flown in this state  
25 and revenue cargo ton miles by aircraft type flown in this state and the denominator  
26 of which shall be equal to the total, for all flight stages flown everywhere, of total  
27 revenue passenger miles by aircraft type and total revenue cargo ton miles by aircraft  
28 type;

29 (ii) Tons handled factor. The tons handled factor is a fraction, the numerator of which  
30 shall be equal to the total of revenue passenger tons by aircraft type handled in this  
31 state and revenue cargo tons by aircraft type handled in this state and the denominator  
32 of which shall be equal to the total of revenue passenger tons by aircraft type flown  
33 everywhere and revenue cargo tons by aircraft type flown everywhere. For purposes  
34 of this division, the term 'handled' means the product of 60 percent multiplied by the  
35 revenue passenger tons flown on each flight stage which originates in this state or 60  
36 percent multiplied by the revenue cargo tons flown on each flight stage which  
37 originates in this state;

1 (iii) Originating revenue factor. The originating revenue factor is a fraction, the  
 2 numerator of which shall be equal to the total of passenger and cargo revenue by  
 3 aircraft type which is attributable to this state and the denominator of which shall be  
 4 the total of passenger and cargo revenue by aircraft type everywhere. For purposes  
 5 of this division, passenger or cargo revenue which is attributable to this state shall be  
 6 equal to the product of passenger or cargo revenue everywhere by aircraft type  
 7 multiplied by the ratio of revenue passenger miles or revenue cargo ton miles in this  
 8 state to total revenue passenger miles everywhere or total revenue cargo ton miles  
 9 everywhere for each aircraft type as separately determined in division (i) of this  
 10 subparagraph. If records of total passenger revenue everywhere by aircraft type or  
 11 total cargo revenue everywhere by aircraft type are not maintained, then for purposes  
 12 of this division, total passenger revenue everywhere for all aircraft types or total cargo  
 13 revenue everywhere for all aircraft types shall be allocated to each aircraft type based  
 14 on the ratio of total revenue passenger miles everywhere for that aircraft type to all  
 15 aircraft types or total revenue cargo ton miles everywhere for that aircraft type to all  
 16 aircraft types;

17 (iv) The revenue air miles factor, the tons handled factor, and the originating revenue  
 18 factor shall be separately determined and an apportionment fraction shall be  
 19 calculated using the following formula:

- 20 (I) The revenue air miles factor shall represent 25 percent of the fraction;
- 21 (II) The tons handled factor shall represent 25 percent of the fraction; and
- 22 (III) The originating revenue factor shall represent 50 percent of the fraction.

23 The net income of the corporation shall be apportioned to this state according to such  
 24 average fraction;

25 (3.2)(A) As used in this paragraph, the term:

26 (i) 'Credit card data processing and related services' shall include, but not be limited  
 27 to, the provision of infrastructure services for bank credit card and private label card  
 28 issuers, such as new account application processing, international and domestic  
 29 clearing, statement preparation, point-of-sale authorization processing, card  
 30 embossing, and other related processing services for managing cardholder accounts.

31 (ii) 'Customer' means the banks and institutions to whom credit card data processing  
 32 and related services are provided.

33 (iii) 'Gross receipts factor' means a fraction, the numerator of which is the total gross  
 34 receipts from the taxpayer's customers during the tax period, if the principal office of  
 35 the customer's credit card operation is in this state or if the principal office of the  
 36 taxpayer's customer is in this state, and the denominator of which is the total gross  
 37 receipts from all of the taxpayer's customers during the tax period.

1 (B) Where more than 60 percent of the total gross receipts of a corporation are derived  
2 from the provision of credit card data processing and related services to banks and other  
3 institutions, the portion of the net income attributable to business done in this state shall  
4 be determined by multiplying the corporation's net income by the gross receipts factor  
5 in division (iii) of subparagraph (A) of this paragraph;

6 (4) For the purposes of this subsection, the term 'sale' shall include, but not be limited to,  
7 an exchange, and the term 'manufacture' shall include, but not be limited to, the extraction  
8 and recovery of natural resources and all processes of fabricating and curing.

9 (e) The net income of a domestic or foreign corporation which is a subsidiary of another  
10 corporation or which is closely affiliated with another corporation by stock ownership shall  
11 be determined by eliminating all payments to the parent corporation or affiliated  
12 corporation in excess of fair value and by including fair compensation to the domestic  
13 business corporation for its commodities sold to or services performed for the parent  
14 corporation or affiliated corporation. For the purposes of determining net income as  
15 provided in this subsection, the commissioner may equitably determine the net income by  
16 reasonable rules of apportionment of the combined income of the subsidiary, its parent, and  
17 affiliates, or any combination of the subsidiary, its parent, and any one or more of its  
18 affiliates.

19 48-7-10.

20 (a) When the business of any corporation engaged in the operation of a railroad, express  
21 service, telephone or telegraph business, or other form of public service is partly within and  
22 partly outside the state, the net income of the corporation for the purpose of this chapter  
23 shall be that amount ascertained by apportioning to the state the sum of the net income of  
24 the corporation including, but not limited to, dividend income that may legally be taxed by  
25 the state (exclusive of income from tax-exempt securities and without any deduction for  
26 federal and state income taxes), as shown by the corporation's records kept in accordance  
27 with the standard classification of accounts prescribed by the Interstate Commerce  
28 Commission when the standard classification of accounts includes in net income rents from  
29 all sources; and when the standard classification does not include all rents, then such rents  
30 shall be included in net income in the proportion that the total gross operating revenues  
31 from business done wholly within the state plus the equal mileage proportion within the  
32 state of all gross operating revenues from interstate business of the company, wherever  
33 done, bear to the total gross operating revenues from all business done by the company. If  
34 any such corporation keeps its records of operating revenues and operating expenses on a  
35 state basis in accordance with the standard classification of accounts prescribed by the  
36 Interstate Commerce Commission and in a manner which includes in net income for the

1 state the effect of all intrastate and interstate business applicable to the state, the state  
2 records may be used by the taxpayer under the supervision of the commissioner in  
3 reporting the net taxable income within the state.

4 (b) All other corporations engaged in the business of operating a railroad, express service,  
5 telephone or telegraph business, or other form of public service, whether or not the  
6 corporation is required to make reports to the Interstate Commerce Commission, shall keep  
7 records according to the standard classifications of accounting of the Interstate Commerce  
8 Commission. The net income of the corporation including, but not limited to, dividend  
9 income that can legally be taxed by the state (exclusive of tax-exempt securities and  
10 without any deduction for federal and state income taxes) shall be determined in  
11 accordance with such records. If any such corporation keeps its records of operating  
12 revenues and operating expenses on a state basis in accordance with the standard  
13 classification of accounts prescribed by the Interstate Commerce Commission and in a  
14 manner which includes in net income for the state the effect of all intrastate and interstate  
15 business applicable to the state, the state records may, with the consent of the  
16 commissioner, be used by the taxpayer in reporting the net taxable income within the state.

17 48-7-11.

18 (a) The net income shall be computed upon the basis of the taxpayer's annual accounting  
19 period in accordance with the method of accounting regularly employed in keeping the  
20 books of the taxpayer. If no such method of accounting has been so employed or if the  
21 method employed does not clearly reflect the income, the computation shall be made in  
22 accordance with the method which, in the opinion of the commissioner, clearly reflects the  
23 income. If the taxpayer's annual accounting period is other than a fiscal year or if the  
24 taxpayer has no annual accounting period or does not keep books, the net income shall be  
25 computed on the basis of the calendar year. A taxpayer utilizing a fiscal year may return  
26 such taxpayer's net income under this chapter on the basis of such taxpayer's fiscal year  
27 with the approval of the commissioner and subject to such rules and regulations as the  
28 commissioner may establish.

29 (b) With the approval of the commissioner and under such regulations as the commissioner  
30 may prescribe, a taxpayer may change his or her taxable year from fiscal year to calendar  
31 year or otherwise. In the case of any such change, the net income shall be computed upon  
32 the basis of the new taxable year when approval is obtained from the commissioner at least  
33 30 days prior to the close of the proposed taxable year.

34 (c) The amount of all items of gross income shall be included in the gross income for the  
35 taxable year in which received by the taxpayer unless, under methods of accounting

1 permitted by this Code section, any amounts of gross income are to be properly accounted  
2 for as of a different period.

3 (d) The deductions and credits provided for in this chapter shall be taken for the taxable  
4 year in which 'paid or accrued' or 'paid or incurred' depending upon the method of  
5 accounting on the basis of which the net income is computed unless, in order to clearly  
6 reflect the income, the deductions or credits should be taken as of a different period.

7 (e) Whenever in the opinion of the commissioner it is necessary in order to determine  
8 clearly the income of any taxpayer, inventories shall be taken by the taxpayer on the basis  
9 prescribed by the commissioner. Each such basis shall conform as nearly as possible to the  
10 best accounting practice in the particular trade or business which most clearly reflects the  
11 income.

12 (f) If a return has been filed within the three years immediately preceding the date of the  
13 taxpayer's death, income and expenses of a taxpayer who dies during the taxable year shall  
14 be computed on the same method of accounting, whether cash or accrual, as was used by  
15 the taxpayer in the preparation of the last income tax return filed by the taxpayer with the  
16 commissioner. If no return has been filed within the three-year period, the return of a  
17 deceased taxpayer shall be prepared on the cash method unless the commissioner certifies  
18 that the cash method, because of particular circumstances, is not reasonable to either the  
19 state or the heirs, legatees, or devisees interested in the taxpayer's estate. If the  
20 commissioner certifies that the cash method is unreasonable, the commissioner may order  
21 the preparation of the return on the accrual method.

22 48-7-12.

23 If any corporation employs in its books of account a detailed allocation of receipts and  
24 expenditures which reflects more clearly than the processes or formulas prescribed by this  
25 chapter the income attributable to the trade or business within this state, application for  
26 permission to base its return upon the books of account shall be considered by the  
27 commissioner. The application shall be made at least 60 days prior to the last day on which  
28 the taxpayer's return is to be filed and shall be accompanied by a full and complete  
29 explanation of the method employed.

30 48-7-13.

31 If any corporation shows by any method of allocation other than the processes or formulas  
32 prescribed by this chapter that another method reflects more clearly the income attributable  
33 to the trade or business within this state, application for permission to base its return upon  
34 the other method shall be considered by the commissioner. The application shall be  
35 accompanied by a statement setting forth in detail with full explanations the method the

1 taxpayer believes will more clearly reflect its income from business within the state. If the  
2 commissioner concludes that the method of allocation and apportionment submitted by the  
3 taxpayer is in fact inapplicable and inequitable, the commissioner shall reject the  
4 application and shall so notify the taxpayer. Failure to receive the commissioner's notice  
5 shall not operate to relieve the taxpayer from liability for not filing the return on its due  
6 date utilizing the allocation and apportionment method prescribed by this chapter.

7 48-7-14.

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

9 (1) 'Member of a minority' means an individual who is a member of a race which  
10 comprises less than 50 percent of the total population of the state.

11 (2) 'Minority subcontractor' means any business which is owned by:

12 (A) An individual who is a member of a minority;

13 (B) A partnership in which a majority of the ownership interest is owned by one or  
14 more members of a minority; or

15 (C) A corporation organized under the laws of this state in which a majority of the  
16 common stock is owned by one or more members of a minority.

17 (3) 'State contract' means a contract for the purchase by the state of goods, property, or  
18 services or for the construction of any building or structure for the state, which contract  
19 is executed by any department, board, bureau, commission, or agency of state  
20 government, by any state authority, or by any officer, official, employee, or agent of any  
21 of the foregoing.

22 (b) In computing Georgia taxable net income of a corporation, there shall be subtracted  
23 from federal taxable income or federal adjusted gross income 10 percent of the amount of  
24 qualified payments to minority subcontractors. A payment to a minority subcontractor shall  
25 be a qualified payment if:

26 (1) The payment is for goods, personal property, or services furnished by the minority  
27 subcontractor to the taxpayer and delivered by the taxpayer to the state in furtherance of  
28 a state contract to which the taxpayer is a party; and the payment does not exceed the  
29 value of the goods, property, or services to the taxpayer;

30 (2) The payment is made during the taxable year for which the subtraction from federal  
31 taxable income or federal adjusted gross income is claimed; and

32 (3) The payment is made to a subcontractor who at the time of the payment is certified  
33 as a minority contractor pursuant to subsection (d) of this Code section.

34 (c) The total amount which may be subtracted under this Code section from federal taxable  
35 income or federal adjusted gross income of any taxpayer shall be limited to \$100,000.00  
36 per taxable year.

1 (d) The commissioner of administrative services shall certify individuals, partnerships, and  
2 corporations which are within the definition of the term 'minority subcontractor' specified  
3 in subsection (a) of this Code section. The department may disclose to the commissioner  
4 of administrative services the income tax returns of taxpayers applying for certification as  
5 minority subcontractors. The commissioner of administrative services shall maintain and  
6 periodically revise a list of certified minority subcontractors and shall make such list  
7 available to the department and to the general public.

8 48-7-15.

9 (a) As used in this Code section, the term 'business enterprise' means any business or the  
10 headquarters of any such business which is engaged in manufacturing, warehousing and  
11 distribution, processing, telecommunications, tourism, and research and development  
12 industries. Such term shall not include retail businesses.

13 (b)(1) Not later than December 31 of each year, using the most current data available  
14 from the Department of Labor and the United States Department of Commerce, the  
15 commissioner of community affairs shall rank and designate as less developed areas all  
16 159 counties in this state using a combination of the following equally weighted factors:

17 (A) Highest unemployment rate for the most recent 36 month period;

18 (B) Lowest per capita income for the most recent 36 month period; and

19 (C) Highest percentage of residents whose incomes are below the poverty level  
20 according to the most recent data available.

21 (2) Counties ranked and designated as the first through seventy-first least developed  
22 counties shall be classified as tier 1, counties ranked and designated as the  
23 seventy-second through one hundred sixth least developed counties shall be classified as  
24 tier 2, counties ranked and designated as the one hundred seventh through one hundred  
25 forty-first least developed counties shall be classified as tier 3, and counties ranked and  
26 designated as the one hundred forty-second through one hundred fifty-ninth least  
27 developed counties shall be classified as tier 4.

28 (c) The commissioner of community affairs shall be authorized to include in the tier 2  
29 designation provided for in subsection (b) of this Code section any tier 3 county which, in  
30 the opinion of the commissioner of community affairs, undergoes a sudden and severe  
31 period of economic distress caused by the closing of one or more business enterprises  
32 located in such county. No designation made pursuant to this subsection shall operate to  
33 displace or remove any other county previously designated as a tier 2 county.

34 (c.1) The commissioner of community affairs shall be authorized to include in the tier 1  
35 designation provided for in subsection (b) of this Code section any tier 2 county which, in  
36 the opinion of the commissioner of community affairs, undergoes a sudden and severe

1 period of economic distress caused by the closing of one or more business enterprises  
2 located in such county. No designation made pursuant to this subsection shall operate to  
3 displace or remove any other county previously designated as a tier 1 county.

4 (d) For business enterprises which plan a significant expansion in their labor forces, the  
5 commissioner of community affairs shall prescribe redesignation procedures to ensure that  
6 the business enterprises can claim credits in future years without regard to whether or not  
7 a particular county is reclassified in a different tier.

8 (e) Business enterprises in counties designated by the commissioner of community affairs  
9 as tier 1 counties shall be allowed a tax credit for taxes imposed under this article equal to  
10 \$3,500.00 annually per eligible new full-time employee job; provided, however, that where  
11 the amount of such credit exceeds a business enterprise's liability for such taxes in a  
12 taxable year, the excess may be taken as a credit against such business enterprise's  
13 quarterly or monthly payment but not to exceed in any one taxable year \$3,500.00 for each  
14 new full-time employee job when aggregated with the credit applied against taxes under  
15 this article. Business enterprises in counties designated by the commissioner of community  
16 affairs as tier 2 counties shall be allowed a job tax credit for taxes imposed under this  
17 article equal to \$2,500.00 annually, business enterprises in counties designated by the  
18 commissioner of community affairs as tier 3 counties shall be allowed a job tax credit for  
19 taxes imposed under this article equal to \$1,250.00 annually, and business enterprises in  
20 counties designated by the commissioner of community affairs as tier 4 counties shall be  
21 allowed a job tax credit for taxes imposed under this article equal to \$750.00 annually for  
22 each new full-time employee job for five years beginning with years two through six after  
23 the creation of the job. The number of new full-time jobs shall be determined by  
24 comparing the monthly average number of full-time employees subject to Georgia income  
25 tax withholding for the taxable year with the corresponding period of the prior taxable year.  
26 In tier 1 counties, those business enterprises that increase employment by five or more shall  
27 be eligible for the credit. In tier 2 counties, only those business enterprises that increase  
28 employment by ten or more shall be eligible for the credit. In tier 3 counties, only those  
29 business enterprises that increase employment by 15 or more shall be eligible for the credit.  
30 In tier 4 counties, only those business enterprises that increase employment by 25 or more  
31 shall be eligible for the credit. In tier 1 counties, the average wage of the new jobs created  
32 must be above the average wage of the county where the new jobs are located to qualify  
33 as reported in the most recently available annual issue of the Georgia Employment and  
34 Wages Averages Report of the Department of Labor. In tier 2 counties, the average wage  
35 of the new jobs created must be 5 percent above the average wage of the county where the  
36 new jobs are located to qualify as reported in the most recently available annual issue of  
37 the Georgia Employment and Wages Averages Report of the Department of Labor. In tier

1 3 counties, the average wage of the new jobs created must be 10 percent above the average  
2 wage of the county where the new jobs are located to qualify as reported in the most  
3 recently available annual issue of the Georgia Employment and Wages Averages Report  
4 of the Department of Labor. In tier 4 counties, the average wage of the new jobs created  
5 must be 15 percent above the average wage of the county where the new jobs are located  
6 to qualify as reported in the most recently available annual issue of the Georgia  
7 Employment and Wages Averages Report of the Department of Labor. To qualify for a  
8 credit under this subsection, the employer must make health insurance coverage available  
9 to the employee filling the new full-time job; provided, however, that nothing in this  
10 subsection shall be construed to require the employer to pay for all or any part of health  
11 insurance coverage for such an employee in order to claim the credit provided for in this  
12 subsection if such employer does not pay for all or any part of health insurance coverage  
13 for other employees. Credit shall not be allowed during a year if the net employment  
14 increase falls below the number required in such tier. Any credit received for years prior  
15 to the year in which the net employment increase falls below the number required in such  
16 tier shall not be affected. The state revenue commissioner shall adjust the credit allowed  
17 each year for net new employment fluctuations above the minimum level of the number  
18 required in such tier.

19 (f) Tax credits for five years for the taxes imposed under this article shall be awarded for  
20 additional new full-time jobs created by business enterprises qualified under subsection (b),  
21 (c), or (c.1) of this Code section. Additional new full-time jobs shall be determined by  
22 subtracting the highest total employment of the business enterprise during years two  
23 through six, or whatever portion of years two through six which has been completed, from  
24 the total increased employment. The state revenue commissioner shall adjust the credit  
25 allowed in the event of employment fluctuations during the additional five years of credit.

26 (g) The sale, merger, acquisition, or bankruptcy of any business enterprise shall not create  
27 new eligibility in any succeeding business entity, but any unused job tax credit may be  
28 transferred and continued by any transferee of the business enterprise. The commissioner  
29 of community affairs shall determine whether or not qualifying net increases or decreases  
30 have occurred and may require reports, promulgate regulations, and hold hearings as  
31 needed for substantiation and qualification.

32 (h) Any credit claimed under this Code section but not used in any taxable year may be  
33 carried forward for ten years from the close of the taxable year in which the qualified jobs  
34 were established, but in tiers 3 and 4 the credit established by this Code section taken in  
35 any one taxable year shall be limited to an amount not greater than 50 percent of the  
36 taxpayer's state income tax liability which is attributable to income derived from  
37 operations in this state for that taxable year. In tier 1 and 2 counties, the credit allowed

1 under this Code section against taxes imposed under this article in any taxable year shall  
2 be limited to an amount not greater than 100 percent of the taxpayer's state income tax  
3 liability attributable to income derived from operations in this state for such taxable year.

4 (i) Notwithstanding any provision of this Code section to the contrary, in counties  
5 recognized and designated as the first through fortieth least developed counties in the tier  
6 1 designation, job tax credits shall be allowed as provided in this Code section, in addition  
7 to business enterprises, to any business of any nature.

8 (j) The commissioner may require such reports, promulgate such regulations, and gather  
9 such relevant data necessary and advisable for the evaluation of the job tax credits  
10 established by this Code section.

11 48-7-16.

12 (a) As used in this Code section, the term 'business enterprise' means any business or the  
13 headquarters of any such business which is engaged in manufacturing, warehousing and  
14 distribution, processing, telecommunications, tourism, and research and development  
15 industries. Such term shall not include retail businesses.

16 (b) Not later than December 31 of each year, using the most current data available from  
17 the Department of Labor and the United States Department of Commerce, the  
18 commissioner of community affairs shall rank and designate as less developed areas the  
19 areas which are comprised of ten or more contiguous census tracts in this state using a  
20 combination of the following equally weighted factors:

21 (1) Highest unemployment rate for the most recent 36 month period;

22 (2) Lowest per capita income for the most recent 36 month period; and

23 (3) Highest percentage of residents whose income is below the poverty level according  
24 to the most recent data available.

25 (c) The commissioner of community affairs shall be authorized to include in the  
26 designation provided for in subsection (b) of this Code section:

27 (1) Any area comprised of ten or more contiguous census tracts which, in the opinion of  
28 the commissioner of community affairs, undergoes a sudden and severe period of  
29 economic distress caused by the closing of one or more business enterprises located in  
30 such area; or

31 (2) Any area comprised of one or more contiguous census tracts which, in the opinion  
32 of the commissioner of community affairs, is or will be adversely impacted by the loss  
33 of one or more jobs, businesses, or residences as a result of an airport expansion,  
34 including noise buy-outs, or the closing of a business enterprise which, in the opinion of  
35 the commissioner of community affairs, results or will result in a sudden and severe  
36 period of economic distress.

1 No designation made pursuant to this subsection shall operate to displace or remove any  
2 other area previously designated as a less developed area.

3 (d) For business enterprises which plan a significant expansion in their labor forces, the  
4 commissioner of community affairs shall prescribe redesignation procedures to ensure that  
5 the business enterprises can claim credits in future years without regard to whether or not  
6 a particular area is removed from the list of less developed areas.

7 (e) Business enterprises in areas designated by the commissioner of community affairs as  
8 less developed areas shall be allowed a job tax credit for taxes imposed under this article  
9 equal to \$3,500.00 annually per eligible new full-time employee job for five years  
10 beginning with years two through six after the creation of such job; provided, however, that  
11 where the amount of such credit exceeds 50 percent of a business enterprise's liability for  
12 such taxes in a taxable year, the excess may be taken as a credit against such business  
13 enterprise's quarterly or monthly payment but not to exceed in any one taxable year  
14 \$3,500.00 for each new full-time employee job when aggregated with the credit applied  
15 against taxes under this article. The number of new full-time jobs shall be determined by  
16 comparing the monthly average number of full-time employees subject to Georgia income  
17 tax withholding for the taxable year with the corresponding period of the prior taxable year.  
18 Only those business enterprises that increase employment by five or more in a less  
19 developed area shall be eligible for the credit. In addition, not less than 30 percent of such  
20 new full-time jobs must be held by a resident of the less developed area for which the credit  
21 is sought or another such designated less developed area. Credit shall not be allowed  
22 during a year if the net employment increase falls below five. Any credit received for years  
23 prior to the year in which the net employment increase falls below five shall not be  
24 affected. The state revenue commissioner shall adjust the credit allowed each year for net  
25 new employment fluctuations above the minimum level of five.

26 (f) Tax credits for five years for the taxes imposed under this article shall be awarded for  
27 additional new full-time jobs created by business enterprises qualified under subsection (b)  
28 or (c) of this Code section. Additional new full-time jobs shall be determined by  
29 subtracting the highest total employment of the business enterprise during years two  
30 through six, or whatever portion of years two through six which has been completed, from  
31 the total increased employment. The state revenue commissioner shall adjust the credit  
32 allowed in the event of employment fluctuations during the additional five years of credit.

33 (g) The sale, merger, acquisition, or bankruptcy of any business enterprise shall not create  
34 new eligibility in any succeeding business entity, but any unused job tax credit may be  
35 transferred and continued by any transferee of the business enterprise. The commissioner  
36 of community affairs shall determine whether or not qualifying net increases or decreases

1 have occurred and may require reports, promulgate regulations, and hold hearings as  
2 needed for substantiation and qualification.

3 (h) Any credit claimed under this Code section but not used in any taxable year may be  
4 carried forward for ten years from the close of the taxable year in which the qualified jobs  
5 were established, but the credit established by this Code section taken in any one taxable  
6 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
7 income tax liability which is attributable to income derived from operations in this state for  
8 that taxable year.

9 48-7-17.

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

11 (1) 'Product' means a marketable product or component of a product which has an  
12 economic value to the wholesale or retail consumer and is ready to be used without  
13 further alteration of its form or a product or material which is marketed as a prepared  
14 material or is a component in the manufacturing and assembly of other finished products.

15 (2) 'Qualified investment property' means all real and personal property purchased or  
16 acquired by a taxpayer for use in the construction of an additional manufacturing or  
17 telecommunications facility to be located in this state or the expansion of an existing  
18 manufacturing or telecommunications facility located in this state, including, but not  
19 limited to, amounts expended on land acquisition, improvements, buildings, building  
20 improvements, and machinery and equipment to be used in the manufacturing or  
21 telecommunications facility. The department shall promulgate rules defining eligible  
22 manufacturing facilities, telecommunications facilities, and qualified investment property  
23 pursuant to this paragraph.

24 (3) 'Recovered materials' means those materials, including but not limited to such  
25 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
26 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
27 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
28 reuse, or recycling, whether or not requiring subsequent separation and processing.

29 (4) 'Recycling' means any process by which materials which would otherwise become  
30 solid waste are collected, separated, or processed and reused or returned to use in the  
31 form of raw materials or products.

32 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
33 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
34 recovered materials into finished products which are composed of at least 25 percent  
35 recovered materials, such term including, but not being limited to, power generation and  
36 pollution control machinery and equipment.

1 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
2 to land, buildings, building improvements, and any recycling machinery and equipment  
3 used in the recycling process resulting in the manufacture of finished products from  
4 recovered materials, provided that up to 10 percent of any building that is a component  
5 of a recycling facility may be used for office space to house support staff for the recycling  
6 operation.

7 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
8 an existing manufacturing or telecommunications facility or manufacturing or  
9 telecommunications support facility in this state in a tier 1 county designated pursuant to  
10 Code Section 48-7-15, there shall be allowed a credit against the tax imposed under this  
11 chapter in an amount equal to 5 percent of the cost of all qualified investment property  
12 purchased or acquired by the taxpayer in such year, subject to the conditions and  
13 limitations set forth in this Code section. In the event such qualified investment property  
14 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
15 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
16 or equipment, a pollution control or prevention facility, or the conversion from defense to  
17 domestic production, the amount of such credit shall be equal to 8 percent.

18 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
19 following conditions and limitations:

20 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
21 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
22 with the tax year immediately following the tax year in which the qualified investment  
23 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
24 the taxpayer. For every year in which a taxpayer claims the credit, the taxpayer shall  
25 attach a schedule to the taxpayer's Georgia income tax return which will set forth the  
26 following information, as a minimum:

27 (A) A description of the project;

28 (B) The amount of qualified investment property acquired during the taxable year;

29 (C) The amount of tax credit claimed for the taxable year;

30 (D) The amount of qualified investment property acquired in prior taxable years;

31 (E) Any tax credit utilized by the taxpayer in prior taxable years;

32 (F) The amount of tax credit carried over from prior years;

33 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and

34 (H) The amount of tax credit to be carried over to subsequent tax years;

35 (2) Any credit claimed under this Code section but not used in any taxable year may be  
36 carried forward for ten years from the close of the taxable year in which the qualified  
37 investment property was acquired, provided that such qualified investment property

1 remains in service. The credit established by this Code section taken in any one taxable  
2 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
3 income tax liability which is attributable to income derived from operations in this state  
4 for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall  
5 not create new eligibility in any succeeding taxpayer, but any unused credit may be  
6 transferred and continued by any transferee of the taxpayer;

7 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
8 this Code section, the taxpayer shall include in the description of the project required by  
9 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
10 the project includes the acquisition of qualified investment property having an aggregate  
11 cost in excess of \$50,000.00;

12 (4) Any lease for a period of five years or longer of any real or personal property used  
13 in a new or expanded manufacturing or telecommunications facility which would  
14 otherwise constitute qualified investment property shall be treated as the purchase or  
15 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
16 value of the leased property as qualified investment property in the taxable year in which  
17 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
18 subsection have been met; and

19 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
20 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
21 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
22 such assets for the purpose of depreciation.

23 (d)(1) Except as otherwise provided in paragraph (2) of this subsection, no taxpayer shall  
24 be authorized to claim on a tax return for a given project the credit provided for in this  
25 Code section if such taxpayer claims on such tax return any of the credits authorized  
26 under Code Section 48-7-15 or 48-7-16.

27 (2) For taxable years beginning on or after January 1, 1995, and ending on or prior to  
28 December 31, 1998, a taxpayer shall be authorized to claim on a tax return for a given  
29 project the credit provided for in this Code section and to claim, if otherwise qualified  
30 under Code Section 48-7-15, the tax credit applicable to tier 1 counties under Code  
31 Section 48-7-15, subject to the following limitations:

32 (A) Not less than 250 new full-time employee jobs must be created in the first taxable  
33 year and maintained through the end of the third taxable year in which the taxpayer  
34 claims both credits as authorized under this paragraph; and

35 (B) An otherwise qualified taxpayer shall not be entitled to receive the additional tax  
36 credit authorized under Code Section 36-62-5.1 in any taxable year in which that  
37 taxpayer claims both of the tax credits as authorized under this paragraph.

1 48-7-18.

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

3 (1) 'Product' means a marketable product or component of a product which has an  
4 economic value to the wholesale or retail consumer and is ready to be used without  
5 further alteration of its form or a product or material which is marketed as a prepared  
6 material or is a component in the manufacturing and assembly of other finished products.

7 (2) 'Qualified investment property' means all real and personal property purchased or  
8 acquired by a taxpayer for use in the construction of an additional manufacturing or  
9 telecommunications facility to be located in this state or the expansion of an existing  
10 manufacturing or telecommunications facility located in this state, including, but not  
11 limited to, amounts expended on land acquisition, improvements, buildings, building  
12 improvements, and machinery and equipment to be used in the manufacturing or  
13 telecommunications facility. The department shall promulgate rules defining eligible  
14 manufacturing facilities, telecommunications facilities, and qualified investment property  
15 pursuant to this paragraph.

16 (3) 'Recovered materials' means those materials, including but not limited to such  
17 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
18 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
19 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
20 reuse, or recycling, whether or not requiring subsequent separation and processing.

21 (4) 'Recycling' means any process by which materials which would otherwise become  
22 solid waste are collected, separated, or processed and reused or returned to use in the  
23 form of raw materials or products.

24 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
25 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
26 recovered materials into products which are composed of at least 25 percent recovered  
27 materials, such term including, but not being limited to, power generation and pollution  
28 control machinery and equipment.

29 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
30 to land, buildings, building improvements, and any recycling machinery and equipment  
31 used in the recycling process resulting in the manufacture of products from recovered  
32 materials, provided that up to 10 percent of any building that is a component of a  
33 recycling facility may be used for office space to house support staff for the recycling  
34 operation.

35 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
36 an existing manufacturing or telecommunications facility or manufacturing or  
37 telecommunications support facility in this state in a tier 2 county designated pursuant to

1 Code Section 48-7-15, there shall be allowed a credit against the tax imposed under this  
2 chapter in an amount equal to 3 percent of the cost of all qualified investment property  
3 purchased or acquired by the taxpayer in such year, subject to the conditions and  
4 limitations set forth in this Code section. In the event such qualified investment property  
5 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
6 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
7 or equipment, a pollution control or prevention facility, or the conversion from defense to  
8 domestic production, the amount of such credit shall be equal to 5 percent.

9 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
10 following conditions and limitations:

11 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
12 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
13 with the tax year immediately following the tax year in which the qualified investment  
14 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
15 the taxpayer. For every year in which a taxpayer claims the credit, the taxpayer shall  
16 attach a schedule to the taxpayer's Georgia income tax return which will set forth the  
17 following information, as a minimum:

18 (A) A description of the project;

19 (B) The amount of qualified investment property acquired during the taxable year;

20 (C) The amount of tax credit claimed for the taxable year;

21 (D) The amount of qualified investment property acquired in prior taxable years;

22 (E) Any tax credit utilized by the taxpayer in prior taxable years;

23 (F) The amount of tax credit carried over from prior years;

24 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and

25 (H) The amount of tax credit to be carried over to subsequent tax years;

26 (2) Any credit claimed under this Code section but not used in any taxable year may be  
27 carried forward for ten years from the close of the taxable year in which the qualified  
28 investment property was acquired, provided that such qualified investment property  
29 remains in service. The credit established by this Code section taken in any one taxable  
30 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
31 income tax liability which is attributable to income derived from operations in this state  
32 for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall  
33 not create new eligibility in any succeeding taxpayer, but any unused credit may be  
34 transferred and continued by any transferee of the taxpayer;

35 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
36 this Code section, the taxpayer shall include in the description of the project required by  
37 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that

1 the project includes the acquisition of qualified investment property having an aggregate  
2 cost in excess of \$50,000.00;

3 (4) Any lease for a period of five years or longer of any real or personal property used  
4 in a new or expanded manufacturing or telecommunications facility which would  
5 otherwise constitute qualified investment property shall be treated as the purchase or  
6 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
7 value of the leased property as qualified investment property in the taxable year in which  
8 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
9 subsection have been met; and

10 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
11 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
12 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
13 such assets for the purpose of depreciation.

14 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
15 provided for in this Code section if such taxpayer claims on such tax return any of the  
16 credits authorized under Code Section 48-7-15 or 48-7-16.

17 48-7-19.

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

19 (1) 'Product' means a marketable product or component of a product which has an  
20 economic value to the wholesale or retail consumer and is ready to be used without  
21 further alteration of its form or a product or material which is marketed as a prepared  
22 material or is a component in the manufacturing and assembly of other finished products.

23 (2) 'Qualified investment property' means all real and personal property purchased or  
24 acquired by a taxpayer for use in the construction of an additional manufacturing or  
25 telecommunications facility to be located in this state or the expansion of an existing  
26 manufacturing or telecommunications facility located in this state, including, but not  
27 limited to, amounts expended on land acquisition, improvements, buildings, building  
28 improvements, and machinery and equipment to be used in the manufacturing or  
29 telecommunications facility. The department shall promulgate rules defining eligible  
30 manufacturing facilities, telecommunications facilities, and qualified investment property  
31 pursuant to this paragraph.

32 (3) 'Recovered materials' means those materials, including but not limited to such  
33 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
34 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
35 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
36 reuse, or recycling, whether or not requiring subsequent separation and processing.

1 (4) 'Recycling' means any process by which materials which would otherwise become  
2 solid waste are collected, separated, or processed and reused or returned to use in the  
3 form of raw materials or products.

4 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
5 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
6 recovered materials into products which are composed of at least 25 percent recovered  
7 materials, such term including, but not being limited to, power generation and pollution  
8 control machinery and equipment.

9 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
10 to land, buildings, building improvements, and any recycling machinery and equipment  
11 used in the recycling process resulting in the manufacture of products from recovered  
12 materials, provided that up to 10 percent of any building that is a component of a  
13 recycling facility may be used for office space to house support staff for the recycling  
14 operation.

15 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
16 an existing manufacturing or telecommunications facility or manufacturing or  
17 telecommunications support facility in this state in a tier 3 or a tier 4 county designated  
18 pursuant to Code Section 48-7-15, there shall be allowed a credit against the tax imposed  
19 under this chapter in an amount equal to 1 percent of the cost of all qualified investment  
20 property purchased or acquired by the taxpayer in such year, subject to the conditions and  
21 limitations set forth in this Code section. In the event such qualified investment property  
22 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
23 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
24 or equipment, a pollution control or prevention facility, or the conversion from defense to  
25 domestic production, the amount of such credit shall be equal to 3 percent.

26 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
27 following conditions and limitations:

28 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
29 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
30 with the tax year immediately following the tax year in which the qualified investment  
31 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
32 the taxpayer. For every year in which a taxpayer claims the credit, the taxpayer shall  
33 attach a schedule to the taxpayer's Georgia income tax return which will set forth the  
34 following information, as a minimum:

35 (A) A description of the project;

36 (B) The amount of qualified investment property acquired during the taxable year;

37 (C) The amount of tax credit claimed for the taxable year;

1 (D) The amount of qualified investment property acquired in prior taxable years;

2 (E) Any tax credit utilized by the taxpayer in prior taxable years;

3 (F) The amount of tax credit carried over from prior years;

4 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and

5 (H) The amount of tax credit to be carried over to subsequent tax years;

6 (2) Any credit claimed under this Code section but not used in any taxable year may be  
7 carried forward for ten years from the close of the taxable year in which the qualified  
8 investment property was acquired, provided that such qualified investment property  
9 remains in service. The credit established by this Code section taken in any one taxable  
10 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
11 income tax liability which is attributable to income derived from operations in this state  
12 for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall  
13 not create new eligibility in any succeeding taxpayer, but any unused credit may be  
14 transferred and continued by any transferee of the taxpayer;

15 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
16 this Code section, the taxpayer shall include in the description of the project required by  
17 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
18 the project includes the acquisition of qualified investment property having an aggregate  
19 cost in excess of \$50,000.00;

20 (4) Any lease for a period of five years or longer of any real or personal property used  
21 in a new or expanded manufacturing or telecommunications facility which would  
22 otherwise constitute qualified investment property shall be treated as the purchase or  
23 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
24 value of the leased property as qualified investment property in the taxable year in which  
25 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
26 subsection have been met; and

27 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
28 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
29 acquired by the taxpayer nor shall the credit have any effect on the taxpayer's basis in  
30 such assets for the purpose of depreciation.

31 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
32 provided for in this Code section if such taxpayer claims on such tax return any of the  
33 credits authorized under Code Section 48-7-15 or 48-7-16.

34 48-7-20.

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

1 (1) 'Approved retraining' means employer provided or employer sponsored retraining  
2 that meets the following conditions:

3 (A) It enhances the functional skills of employees otherwise unable to function  
4 effectively on the job due to skill deficiencies or who would otherwise be displaced  
5 because such skill deficiencies would inhibit their utilization of new technology;

6 (B) It is approved and certified by the Department of Technical and Adult Education;  
7 and

8 (C) The employer does not require the employee to make any payment for the  
9 retraining, either directly or indirectly through use of forfeiture of leave time, vacation  
10 time, or other compensable time.

11 (2) 'Cost of retraining' means direct instructional costs as defined by the Department of  
12 Technical and Adult Education including instructor salaries, materials, supplies, and  
13 textbooks but specifically excluding costs associated with renting or otherwise securing  
14 space.

15 (3) 'Employee' means any employee resident in this state who is employed for at least  
16 25 hours a week, who has been continuously employed by the employer for at least 16  
17 consecutive weeks.

18 (4) 'Employer' means any employer upon whom an income tax is imposed by this  
19 chapter.

20 (5) 'Employer provided' refers to approved retraining offered on the premises of the  
21 employer or on premises approved by the Department of Technical and Adult Education  
22 by instructors hired by or employed by an employer.

23 (6) 'Employer sponsored' refers to a contractual arrangement with a school, university,  
24 college, or other instructional facility which offers approved retraining that is paid for by  
25 the employer.

26 (b) A tax credit shall be granted to an employer who provides or sponsors an approved  
27 retraining program. The amount of the tax credit shall be equal to one-half of the costs of  
28 retraining per full-time employee, or \$500.00 per full-time employee, whichever is less, for  
29 each employee who has successfully completed an approved retraining program. No  
30 employer may receive a credit if the employer requires that the employee reimburse or pay  
31 the employer for the cost of retraining.

32 (c) Any tax credit claimed under this Code section for any taxable year beginning on or  
33 after January 1, 1998, but not used for any such taxable year may be carried forward for  
34 ten years from the close of the taxable year in which the tax credit was granted. The tax  
35 credit granted to any employer pursuant to this Code section shall not exceed 50 percent  
36 of the amount of the taxpayer's income tax liability for the taxable year as computed  
37 without regard to this Code section.

1 (d) To be eligible to claim the credit granted under this Code section, the employer must  
2 certify to the department the name of the employee, the course work successfully  
3 completed by such employee, the name of the provider of the approved retraining, and such  
4 other information as may be required by the department to ensure that credits are only  
5 granted to employers who provide or sponsor approved retraining pursuant to this Code  
6 section and that such credits are only granted to employers with respect to employees who  
7 successfully complete such approved retraining. The department shall adopt rules and  
8 regulations and forms to implement this credit program. The department is expressly  
9 authorized and directed to work with the Department of Technical and Adult Education to  
10 ensure the proper granting of credits pursuant to this Code section.

11 (e) The Department of Technical and Adult Education is expressly authorized and directed  
12 to establish such standards as it deems necessary and convenient in approving employer  
13 provided and employer sponsored retraining programs. In establishing such standards, the  
14 Department of Technical and Adult Education shall establish required hours of classroom  
15 instruction, required courses, certification of teachers or instructors, progressive levels of  
16 instruction, and standardized measures of employee evaluation to determine successful  
17 completion of a course of study.

18 48-7-21.

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

20 (1) 'Cost of operation' means reasonable direct operational costs incurred by an employer  
21 as a result of providing employer provided or employer sponsored child care facilities;  
22 provided, however, that the term cost of operation shall exclude the cost of any property  
23 that is qualified child care property.

24 (2) 'Employer' means any employer upon whom an income tax is imposed by this article.

25 (3) 'Employer provided' refers to child care offered on the premises of the employer.

26 (4) 'Employer sponsored' refers to a contractual arrangement with a child care facility  
27 that is paid for by the employer.

28 (5) 'Premises of the employer' refers to any location within the State of Georgia and  
29 located on the workplace premises of the employer providing the child care or one of the  
30 employers providing the child care in the event that the child care property is owned  
31 jointly or severally by the taxpayer and one or more employers; provided, however, that  
32 if such workplace premises are impracticable or otherwise unsuitable for the on-site  
33 location of such child care facility, as determined by the commissioner, such facility may  
34 be located within a reasonable distance of the premises of the employer.

35 (6) 'Qualified child care property' means all real property and tangible personal property  
36 purchased or acquired on or after July 1, 1999, or which property is first placed in service

1 on or after July 1, 1999, for use exclusively in the construction, expansion, improvement,  
2 or operation of an employer provided child care facility, but only if:

3 (A) The facility is licensed or commissioned by the Department of Human Resources  
4 pursuant to Code Section 49-5-12;

5 (B) At least 95 percent of the children who use the facility are children of employees  
6 of:

7 (i) The taxpayer and other employers in the event that the child care property is  
8 owned jointly or severally by the taxpayer and one or more employers; or

9 (ii) A corporation that is a member of the taxpayer's 'affiliated group' within the  
10 meaning of Section 1504(a) of the Internal Revenue Code; and

11 (C) The taxpayer has not previously claimed any tax credit for the cost of operation for  
12 such qualified child care property placed in service prior to taxable years beginning on  
13 or after January 1, 2000.

14 Qualified child care property includes, but is not limited to, amounts expended on land  
15 acquisition, improvements, buildings, and building improvements and furniture, fixtures,  
16 and equipment.

17 (7) 'Recapture amount' means, with respect to property as to which a recapture event has  
18 occurred, an amount equal to the applicable recapture percentage of the aggregate credits  
19 claimed under subsection (d) of this Code section for all taxable years preceding the  
20 recapture year, whether or not such credits were used.

21 (8) 'Recapture event' refers to any disposition of qualified child care property by the  
22 taxpayer, or any other event or circumstance under which property ceases to be qualified  
23 child care property with respect to the taxpayer, except for:

24 (A) Any transfer by reason of death;

25 (B) Any transfer between spouses or incident to divorce;

26 (C) Any transaction to which Section 381(a) of the Internal Revenue Code applies;

27 (D) Any change in the form of conducting the taxpayer's trade or business so long as  
28 the property is retained in such trade or business as qualified child care property and the  
29 taxpayer retains a substantial interest in such trade or business; or

30 (E) Any accident or casualty.

31 (9) 'Recapture percentage' refers to the applicable percentage set forth in the following  
32 table:

<u>If the recapture event occurs within—</u>	<u>The recapture percentage is:</u>
Five full years after the qualified child care	
property is placed in service . . . . .	100

1 The sixth full year after the qualified child care  
 2 property is placed in service . . . . . 90

3 The seventh full year after the qualified child care  
 4 property is placed in service . . . . . 80

5 The eighth full year after the qualified child care  
 6 property is placed in service . . . . . 70

7 The ninth full year after the qualified child care  
 8 property is placed in service . . . . . 60

9 The tenth full year after the qualified child care  
 10 property is placed in service . . . . . 50

11 The eleventh full year after the qualified child care  
 12 property is placed in service . . . . . 40

13 The twelfth full year after the qualified child care  
 14 property is placed in service . . . . . 30

15 The thirteenth full year after the qualified child  
 16 care property is placed in service . . . . . 20

17 The fourteenth full year after the qualified child  
 18 care property is placed in service . . . . . 10

19 Any period after the close of the fourteenth full  
 20 year after the qualified child care property is  
 21 placed in service . . . . . 0

22 (10) 'Recapture year' means the taxable year in which a recapture event occurs with  
 23 respect to qualified child care property.

24 (b) A tax credit against the tax imposed under this article shall be granted to an employer  
 25 who provides or sponsors child care for employees. The amount of the tax credit shall be  
 26 equal to 75 percent of the cost of operation to the employer less any amounts paid for by  
 27 employees during a taxable year.

1 (c) The tax credit allowed under subsection (b) of this Code section shall be subject to the  
2 following conditions and limitations:

3 (1) Such credit shall not exceed 50 percent of the amount of the taxpayer's income tax  
4 liability for the taxable year as computed without regard to any other credits;

5 (2) Any such credit claimed but not used in any taxable year may be carried forward for  
6 five years from the close of the taxable year in which the cost of operation was incurred;  
7 and

8 (3) The employer shall certify to the department the names of the employees, the name  
9 of the child care provider, and such other information as may be required by the  
10 department to ensure that credits are granted only to employers who provide or sponsor  
11 approved child care pursuant to this Code section.

12 (d) In addition to the tax credit provided under subsection (b) of this Code section, a  
13 taxpayer shall be allowed a credit against the tax imposed under this article for the taxable  
14 year in which the taxpayer first places in service qualified child care property and for each  
15 of the ensuing nine taxable years following such taxable year. The aggregate amount of  
16 the credit shall equal 100 percent of the cost of all qualified child care property purchased  
17 or acquired by the taxpayer and first placed in service during a taxable year, and such credit  
18 may be claimed at a rate of 10 percent per year over a period of ten taxable years.

19 (e) The tax credit allowable under subsection (d) of this Code section shall be subject to  
20 the following conditions and limitations:

21 (1) Any such credit claimed in any taxable year but not used in such taxable year may  
22 be carried forward for three years from the close of such taxable year. The sale, merger,  
23 acquisition, or bankruptcy of any taxpayer shall not create new eligibility for the credit  
24 in any succeeding taxpayer;

25 (2) In no event shall the amount of any such tax credit, including any carryover of such  
26 credit from a prior taxable year, exceed 50 percent of the taxpayer's income tax liability  
27 as determined without regard to any other credits; and

28 (3) For every year in which a taxpayer claims such credit, the taxpayer shall attach a  
29 schedule to the taxpayer's Georgia income tax return setting forth the following  
30 information with respect to such tax credit:

31 (A) A description of the child care facility;

32 (B) The amount of qualified child care property acquired during the taxable year and  
33 the cost of such property;

34 (C) The amount of tax credit claimed for the taxable year;

35 (D) The amount of qualified child care property acquired in prior taxable years and the  
36 cost of such property;

37 (E) Any tax credit utilized by the taxpayer in prior taxable years;

1 (F) The amount of tax credit carried over from prior years;

2 (G) The amount of tax credit utilized by the taxpayer in the current taxable year;

3 (H) The amount of tax credit to be carried forward to subsequent tax years; and

4 (I) A description of any recapture event occurring during the taxable year, a  
5 calculation of the resulting reduction in tax credits allowable for the recapture year and  
6 future taxable years, and a calculation of the resulting increase in tax for the recapture  
7 year.

8 (f) If a recapture event occurs with respect to qualified child care property:

9 (1) The credit otherwise allowable under subsection (d) of this Code section with respect  
10 to such property for the recapture year and all subsequent taxable years shall be reduced  
11 by the applicable recapture percentage; and

12 (2) All credits previously claimed with respect to such property under subsection (d) of  
13 this Code section shall be recaptured as follows:

14 (A) Any carryover attributable to such credits under paragraph (1) of subsection (e) of  
15 this Code section shall be reduced, but not below zero, by the recapture amount;

16 (B) The tax credit otherwise allowable under subsection (d) of this Code section for the  
17 recapture year, if any, as reduced under paragraph (1) of this subsection, shall be further  
18 reduced, but not below zero, by the excess of the recapture amount over the amount  
19 taken into account under subparagraph (A) of this paragraph; and

20 (C) The tax imposed under this article for the recapture year shall be increased by the  
21 excess of the recapture amount over the amounts taken into account under  
22 subparagraphs (A) and (B) of this paragraph, as applicable.

23 (g) The commissioner shall promulgate any rules and regulations necessary to implement  
24 and administer this Code section.

25 48-7-22.

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

27 (1) 'Approved basic skills education' means employer provided or employer sponsored  
28 education that meets the following conditions:

29 (A) It enhances reading, writing, or mathematical skills up to and including the  
30 twelfth-grade level for employees who are otherwise unable to function effectively on  
31 the job due to deficiencies in those areas or who would otherwise be displaced because  
32 such skill deficiencies would inhibit their training for new technology;

33 (B) It is approved and certified by the Department of Technical and Adult Education;  
34 and

1 (C) The employer does not require the employee to make any payment for the  
2 education, either directly or indirectly through use of forfeiture of leave time, vacation  
3 time, or other compensable time.

4 (2) 'Cost of education' means direct instructional costs as defined by the Department of  
5 Technical and Adult Education including instructor salaries, materials, supplies, and  
6 textbooks but specifically excluding costs associated with renting or otherwise securing  
7 space.

8 (3) 'Employee' means any employee resident in this state who is employed for at least  
9 24 hours a week and who has been continuously employed by the employer for at least  
10 16 consecutive weeks.

11 (4) 'Employer' means any employer upon whom an income tax is imposed by this  
12 chapter.

13 (5) 'Employer provided' refers to approved basic skills education offered on the premises  
14 of the employer or on premises approved by the Department of Technical and Adult  
15 Education by instructors hired by or employed by an employer.

16 (6) 'Employer sponsored' refers to a contractual arrangement with a school, university,  
17 college, or other instructional facility which offers approved basic skills education that  
18 is paid for by the employer.

19 (b) A tax credit shall be granted to an employer who provides or sponsors an approved  
20 basic skills education program. The amount of the tax credit shall be equal to one-third of  
21 the costs of education per full-time equivalent student, or \$150.00 per full-time equivalent  
22 student, whichever is less, for each employee who has successfully completed an approved  
23 basic skills education program. No employer may receive a credit if the employer requires  
24 that the employee reimburse or pay the employer for the cost of education.

25 (c) The tax credit granted to any employer pursuant to this Code section shall not exceed  
26 the amount of the taxpayer's income tax liability for the taxable year as computed without  
27 regard to this Code section.

28 (d) To be eligible to claim the credit granted under this Code section, the employer must  
29 certify to the department the name of the employee, the course work successfully  
30 completed by such employee, the name of the approved basic skills education provider, and  
31 such other information as may be required by the department to ensure that credits are only  
32 granted to employers who provide or sponsor approved basic skills education pursuant to  
33 this Code section and that such credits are only granted to employers with respect to  
34 employees who successfully complete such approved basic skills education. The  
35 department shall adopt rules and regulations and forms to implement this credit program.  
36 The department is expressly authorized and directed to work with the Department of

1 Technical and Adult Education to ensure the proper granting of credits pursuant to this  
2 Code section.

3 (e) The Department of Technical and Adult Education is expressly authorized and directed  
4 to establish such standards as it deems necessary and convenient in approving employer  
5 provided and employer sponsored basic skills education programs. In establishing such  
6 standards, the Department of Technical and Adult Education shall establish required hours  
7 of classroom instruction, required courses, certification of teachers or instructors, and  
8 progressive levels of instruction and standardized measures of employee evaluation to  
9 determine successful completion of a course of study.

10 48-7-23.

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

12 (1) 'Machinery and equipment' means all tangible personal property used, directly or  
13 indirectly, to move, sort, store, prepare, convert, process, fabricate, or manufacture  
14 products.

15 (2) 'Product' means a marketable product or component of a product which has an  
16 economic value to the wholesale or retail consumer and is ready to be used without  
17 further alteration of its form or a product or material which is marketed as a prepared  
18 material or is a component in the manufacturing and assembly of other finished products.

19 (3) 'Qualified investment property' means all real and personal property purchased or  
20 acquired by a taxpayer for use in the construction of an additional manufacturing or  
21 telecommunications facility to be located in this state or the expansion of an existing  
22 manufacturing or telecommunications facility located in this state, including, but not  
23 limited to, amounts expended on land acquisition, improvements, buildings, building  
24 improvements, and machinery and equipment to be used exclusively in the manufacturing  
25 or telecommunications facility. The department shall promulgate rules defining eligible  
26 manufacturing facilities, telecommunications facilities, and qualified investment property  
27 pursuant to this paragraph.

28 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
29 an existing manufacturing or telecommunications facility or manufacturing or  
30 telecommunications support facility and which first places in service during a taxable year  
31 qualified investment property in this state in a tier 1 county designated pursuant to Code  
32 Section 48-7-15, there shall be allowed an optional credit against the tax imposed under  
33 this chapter for the ensuing ten taxable years following the taxable year the qualified  
34 investment property was first placed in service, provided that such qualified investment  
35 property remains in service. Such optional credit shall be at the irrevocable election of the  
36 taxpayer and shall be in lieu of the credit under Code Section 48-7-17. No taxpayer who

1 claims the credit under Code Section 48-7-17 for any taxable year for a given project shall  
2 be eligible to receive the credit under this Code section with respect to the same project for  
3 any taxable year. The aggregate amount of the credit allowed under this Code section shall  
4 equal 10 percent of the cost of all qualified investment property purchased or acquired by  
5 the taxpayer and first placed in service during a taxable year. The annual amount of such  
6 credit shall be computed as follows:

7 (1) The taxable year in which such qualified investment property is first placed in service  
8 shall be the base year for purposes of calculating the credit provided for by this Code  
9 section;

10 (2) The amount of tax owed by the taxpayer for the base year and for each of the two  
11 immediately preceding taxable years shall be determined without regard to any credits  
12 and shall be added together and divided by three. The resulting figure shall be the base  
13 year average; and

14 (3) The credit available to the taxpayer to apply against the tax liability of any year  
15 following the base year but no later than the tenth year shall be the lesser of the following  
16 amounts:

17 (A) Ninety percent of the excess of the tax of the applicable year determined without  
18 regard to any credits over the base year average; or

19 (B) The excess of the aggregate amount of the credit allowed for the qualified  
20 investment property over the sum of the amounts of credit already used in the years  
21 following the base year.

22 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
23 following conditions and limitations:

24 (1) In order to qualify as a basis for the credit, the qualified investment property must be  
25 first placed in service no sooner than January 1, 1996. The credit may only be taken with  
26 respect to qualified investment property having an aggregate cost in excess of \$5 million.  
27 For every year in which a taxpayer claims the credit, the taxpayer shall attach a schedule  
28 to the taxpayer's Georgia income tax return which will set forth the following  
29 information, as a minimum:

30 (A) A description of the project;

31 (B) The amount of qualified investment property placed in service during the taxable  
32 year;

33 (C) The base year average calculated under paragraph (2) of subsection (b) of this  
34 Code section;

35 (D) The tax owed by the taxpayer for the current taxable year determined without  
36 regard to any credits;

37 (E) The amount of the unused credit available at the end of the prior tax year;

1 (F) The amount of tax credit utilized by the taxpayer in the current taxable year; and

2 (G) The amount of tax credit remaining for subsequent tax years;

3 (2) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
4 this Code section, the taxpayer shall include in the description of the project required by  
5 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
6 the project includes the placing in service of qualified investment property having an  
7 aggregate cost in excess of \$5 million;

8 (3) Any lease for a period of five years or longer of any real or personal property used  
9 in a new or expanded manufacturing or telecommunications facility which would  
10 otherwise constitute qualified investment property shall be treated as the purchase or  
11 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
12 value of the leased property as qualified investment property in the taxable year in which  
13 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
14 subsection have been met; and

15 (4) The utilization of the credit granted in subsection (b) of this Code section shall have  
16 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
17 acquired by the taxpayer nor shall the credit have any effect on the taxpayer's basis in  
18 such assets for the purpose of depreciation.

19 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
20 provided for in this Code section if such taxpayer claims on such tax return any of the  
21 credits authorized under Code Section 48-7-15 or 48-7-16.

22 48-7-24.

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

24 (1) 'Machinery and equipment' means all tangible personal property used, directly or  
25 indirectly, to move, sort, store, prepare, convert, process, fabricate, or manufacture  
26 products.

27 (2) 'Product' means a marketable product or component of a product which has an  
28 economic value to the wholesale or retail consumer and is ready to be used without  
29 further alteration of its form or a product or material which is marketed as a prepared  
30 material or is a component in the manufacturing and assembly of other finished products.

31 (3) 'Qualified investment property' means all real and personal property purchased or  
32 acquired by a taxpayer for use in the construction of an additional manufacturing or  
33 telecommunications facility to be located in this state or the expansion of an existing  
34 manufacturing or telecommunications facility located in this state, including, but not  
35 limited to, amounts expended on land acquisition, improvements, buildings, building  
36 improvements, and machinery and equipment to be used exclusively in the manufacturing

1 or telecommunications facility. The department shall promulgate rules defining eligible  
2 manufacturing facilities, telecommunications facilities, and qualified investment property  
3 pursuant to this paragraph.

4 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
5 an existing manufacturing or telecommunications facility or manufacturing or  
6 telecommunications support facility and which first places in service during a taxable year  
7 qualified investment property in this state in a tier 2 county designated pursuant to Code  
8 Section 48-7-15, there shall be allowed an optional credit against the tax imposed under  
9 this chapter for the ensuing ten taxable years following the taxable year the qualified  
10 investment property was first placed in service, provided that such qualified investment  
11 property remains in service. Such optional credit shall be at the irrevocable election of the  
12 taxpayer and shall be in lieu of the credit under Code Section 48-7-18. No taxpayer who  
13 claims the credit under Code Section 48-7-18 for any taxable year for a given project shall  
14 be eligible to receive the credit under this Code section with respect to the same project for  
15 any taxable year. The aggregate amount of the credit allowed under this Code section shall  
16 equal 8 percent of the cost of all qualified investment property purchased or acquired by  
17 the taxpayer and first placed in service during a taxable year. The annual amount of such  
18 credit shall be computed as follows:

19 (1) The taxable year in which such qualified investment property is first placed in service  
20 shall be the base year for purposes of calculating the credit provided for by this Code  
21 section;

22 (2) The amount of tax owed by the taxpayer for the base year and for each of the two  
23 immediately preceding taxable years shall be determined without regard to any credits  
24 and shall be added together and divided by three. The resulting figure shall be the base  
25 year average; and

26 (3) The credit available to the taxpayer to apply against the tax liability of any year  
27 following the base year but no later than the tenth year shall be the lesser of the following  
28 amounts:

29 (A) Ninety percent of the excess of the tax of the applicable year determined without  
30 regard to any credits over the base year average; or

31 (B) The excess of the aggregate amount of the credit allowed for the qualified  
32 investment property over the sum of the amounts of credit already used in the years  
33 following the base year.

34 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
35 following conditions and limitations:

36 (1) In order to qualify as a basis for the credit, the qualified investment property must be  
37 first placed in service no sooner than January 1, 1996. The credit may only be taken with

1 respect to qualified investment property having an aggregate cost in excess of \$10  
2 million. For every year in which a taxpayer claims the credit, the taxpayer shall attach  
3 a schedule to the taxpayer's Georgia income tax return which will set forth the following  
4 information, as a minimum:

5 (A) A description of the project;

6 (B) The amount of qualified investment property placed in service during the taxable  
7 year;

8 (C) The base year average calculated under paragraph (2) of subsection (b) of this  
9 Code section;

10 (D) The tax owed by the taxpayer for the current taxable year determined without  
11 regard to any credits;

12 (E) The amount of the unused credit available at the end of the prior tax year;

13 (F) The amount of tax credit utilized by the taxpayer in the current taxable year; and

14 (G) The amount of tax credit remaining for subsequent tax years;

15 (2) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
16 this Code section, the taxpayer shall include in the description of the project required by  
17 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
18 the project includes the placing in service of qualified investment property having an  
19 aggregate cost in excess of \$10 million;

20 (3) Any lease for a period of five years or longer of any real or personal property used  
21 in a new or expanded manufacturing or telecommunications facility which would  
22 otherwise constitute qualified investment property shall be treated as the purchase or  
23 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
24 value of the leased property as qualified investment property in the taxable year in which  
25 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
26 subsection have been met; and

27 (4) The utilization of the credit granted in subsection (b) of this Code section shall have  
28 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
29 acquired by the taxpayer nor shall the credit have any effect on the taxpayer's basis in  
30 such assets for the purpose of depreciation.

31 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
32 provided for in this Code section if such taxpayer claims on such tax return any of the  
33 credits authorized under Code Section 48-7-15 or 48-7-16.

34 48-7-25.

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

1 (1) 'Machinery and equipment' means all tangible personal property used, directly or  
2 indirectly, to move, sort, store, prepare, convert, process, fabricate, or manufacture  
3 products.

4 (2) 'Product' means a marketable product or component of a product which has an  
5 economic value to the wholesale or retail consumer and is ready to be used without  
6 further alteration of its form or a product or material which is marketed as a prepared  
7 material or is a component in the manufacturing and assembly of other finished products.

8 (3) 'Qualified investment property' means all real and personal property purchased or  
9 acquired by a taxpayer for use in the construction of an additional manufacturing or  
10 telecommunications facility to be located in this state or the expansion of an existing  
11 manufacturing or telecommunications facility located in this state, including, but not  
12 limited to, amounts expended on land acquisition, improvements, buildings, building  
13 improvements, and machinery and equipment to be used exclusively in the manufacturing  
14 or telecommunications facility. The department shall promulgate rules defining eligible  
15 manufacturing facilities, telecommunications facilities, and qualified investment property  
16 pursuant to this paragraph.

17 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
18 an existing manufacturing or telecommunications facility or manufacturing or  
19 telecommunications support facility and which first places in service during a taxable year  
20 qualified investment property in this state in a tier 3 or a tier 4 county designated pursuant  
21 to Code Section 48-7-15, there shall be allowed an optional credit against the tax imposed  
22 under this chapter for the ensuing ten taxable years following the taxable year the qualified  
23 investment property was first placed in service, provided that such qualified investment  
24 property remains in service. Such optional credit shall be at the irrevocable election of the  
25 taxpayer and shall be in lieu of the credit under Code Section 48-7-19. No taxpayer who  
26 claims the credit under Code Section 48-7-19 for any taxable year for a given project shall  
27 be eligible to receive the credit under this Code section with respect to the same project for  
28 any taxable year. The aggregate amount of the credit allowed under this Code section shall  
29 equal 6 percent of the cost of all qualified investment property purchased or acquired by  
30 the taxpayer and first placed in service during a taxable year. The annual amount of such  
31 credit shall be computed as follows:

32 (1) The taxable year in which such qualified investment property is first placed in service  
33 shall be the base year for purposes of calculating the credit provided for by this Code  
34 section;

35 (2) The amount of tax owed by the taxpayer for the base year and for each of the two  
36 immediately preceding taxable years shall be determined without regard to any credits

1 and shall be added together and divided by three. The resulting figure shall be the base  
2 year average; and

3 (3) The credit available to the taxpayer to apply against the tax liability of any year  
4 following the base year but no later than the tenth year shall be the lesser of the following  
5 amounts:

6 (A) Ninety percent of the excess of the tax of the applicable year determined without  
7 regard to any credits over the base year average; or

8 (B) The excess of the aggregate amount of the credit allowed for the qualified  
9 investment property over the sum of the amounts of credit already used in the years  
10 following the base year.

11 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
12 following conditions and limitations:

13 (1) In order to qualify as a basis for the credit, the qualified investment property must be  
14 first placed in service no sooner than January 1, 1996. The credit may only be taken with  
15 respect to qualified investment property having an aggregate cost in excess of \$20  
16 million. For every year in which a taxpayer claims the credit, the taxpayer shall attach  
17 a schedule to the taxpayer's Georgia income tax return which will set forth the following  
18 information, as a minimum:

19 (A) A description of the project;

20 (B) The amount of qualified investment property placed in service during the taxable  
21 year;

22 (C) The base year average calculated under paragraph (2) of subsection (b) of this  
23 Code section;

24 (D) The tax owed by the taxpayer for the current taxable year determined without  
25 regard to any credits;

26 (E) The amount of unused tax credit available at the end of the prior tax year;

27 (F) The amount of tax credit utilized by the taxpayer in the current taxable year; and

28 (G) The amount of tax credit remaining for subsequent tax years;

29 (2) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
30 this Code section, the taxpayer shall include in the description of the project required by  
31 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
32 the project includes the placing in service of qualified investment property having an  
33 aggregate cost in excess of \$20 million;

34 (3) Any lease for a period of five years or longer of any real or personal property used  
35 in a new or expanded manufacturing or telecommunications facility which would  
36 otherwise constitute qualified investment property shall be treated as the purchase or  
37 acquisition of qualified investment property by the lessee. The taxpayer may treat the full

1 value of the leased property as qualified investment property in the taxable year in which  
2 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
3 subsection have been met; and

4 (4) The utilization of the credit granted in subsection (b) of this Code section shall have  
5 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
6 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
7 such assets for the purpose of depreciation.

8 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
9 provided for in this Code section if such taxpayer claims on such tax return any of the  
10 credits authorized under Code Section 48-7-15 or 48-7-16.

11 48-7-26.

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

13 (1) 'Machinery and equipment' means all tangible personal property used directly in a  
14 minimum 10 percent reduction in permit by relinquishment or transfer of annual  
15 permitted water usage from existing permitted ground-water sources.

16 (2) 'Qualified water conservation investment' means all spending by a taxpayer for use  
17 in this state for the modification of existing manufacturing processes, for the construction  
18 of a new water conservation facility, or for the expansion of an existing water  
19 conservation facility provided that such modification, construction, or expansion results  
20 in a minimum 10 percent reduction in permit by relinquishment or transfer of annual  
21 permitted water usage from existing permitted ground-water sources and has been  
22 certified pursuant to rules and regulations promulgated by the Department of Natural  
23 Resources as necessary to promote its ground-water management efforts for areas with  
24 a multiyear record of consumption at, near, or above sustainable use signaled by declines  
25 in ground-water pressure, threats of salt-water intrusion, need to develop alternate sources  
26 to accommodate economic growth and development, or any other indication of growing  
27 inadequacy of the existing resource.

28 (3) 'Water conservation' means a minimum 10 percent reduction in permit by  
29 relinquishment or transfer of annual permitted water usage from existing permitted  
30 ground-water sources due to increased efficiencies or recycling of water which results in  
31 reduced ground-water usage, or a change from a ground-water source to a surface-water  
32 source or an alternate source.

33 (4) 'Water conservation facility' means any facility, buildings, and machinery and  
34 equipment used in the water conservation process resulting in a minimum 10 percent  
35 reduction in permit by relinquishment or transfer of annual permitted water usage from  
36 existing ground-water sources, provided that up to 10 percent of any building that is a

1 component of a water conservation facility may be used for office space to house support  
2 staff for the operation.

3 (b) Any taxpayer who financially participates in qualified water conservation investment  
4 in this state shall be allowed a credit against the tax imposed under this chapter in the  
5 taxable year following that in which the modified manufacturing process or the new or  
6 expanded water conservation facility has been placed in service and in which the taxpayer  
7 has initiated a minimum 10 percent reduction in permit by relinquishment or transfer of  
8 annual permitted water usage from existing permitted ground-water sources. This credit  
9 shall have a maximum carry forward of ten years, provided that such property remains in  
10 service, that the reduction in permit is maintained, and that the property continues to be  
11 used by the taxpayer. The amount of the credit allowed under this Code section shall be  
12 a percentage of the taxpayer's qualified water conservation investment. For projects of  
13 \$50,000.00 to \$499,999.00, the credit for such taxpayer shall be 10 percent; for projects of  
14 \$500,000.00 to \$799,999.00, the credit shall be 8 percent; for projects of \$800,000.00 to  
15 \$999,999.00, the credit shall be 6 percent; and for projects of \$1 million or more, the credit  
16 shall be 5 percent. The amount of the credit which may be used in any tax year shall not  
17 exceed 50 percent of that year's tax liability as determined without regard to any other  
18 credits.

19 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
20 following conditions and limitations:

21 (1) In order to qualify as a basis for the credit, the modified manufacturing process or the  
22 new or expanded water conservation facility must not be placed in service before January  
23 1, 1997. The credit may be only taken with respect to qualified water conservation  
24 investment in a project costing \$50,000.00 or more. For every year in which the taxpayer  
25 claims the credit, the taxpayer shall attach a schedule to the taxpayer's income tax return  
26 setting forth as a minimum the following information:

27 (A) The amounts, dates, and nature of the qualified water conservation investments  
28 which have allowed a modified manufacturing process or a new or expanded water  
29 conservation facility to be placed in service in the prior taxable year;

30 (B) The amount and date of reduction in permitted ground-water usage occurring as  
31 a result of this investment;

32 (C) The amount of tax credit claimed for these investments for the current taxable year;

33 (D) The amounts of qualified water conservation investment reported for tax years  
34 preceding the prior taxable year;

35 (E) The amounts of tax credit which have been utilized in prior taxable years;

36 (F) The amounts of tax credit which has been carried over from prior years;

1 (G) The amounts of tax credit allowed under this Code section being utilized by the  
2 taxpayer in the current taxable year; and

3 (H) The amounts of tax credit to be carried over to subsequent years;

4 (2) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
5 this Code section, the taxpayer shall include in the description of the project required by  
6 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
7 the project completed with the qualified water conservation investment had an aggregate  
8 cost of \$50,000.00 or more. The taxpayer shall also include a copy of the certification  
9 by the Department of Natural Resources under paragraph (2) of subsection (a) of this  
10 Code section;

11 (3) Any lease for a period of five years or longer of any real or personal property  
12 resulting from qualified water conservation investment shall be treated as qualified water  
13 conservation investment by the lessee. The taxpayer may treat the full value of the leased  
14 property as qualified water conservation investment in the taxable year in which the lease  
15 becomes binding on the lessor and the taxpayer if all other conditions of this subsection  
16 have been met;

17 (4) The utilization of the credit granted in this Code section shall have no effect on the  
18 taxpayer's ability to claim depreciation for tax purposes on assets acquired by the  
19 taxpayer, nor shall the credit have any effect on the taxpayer's basis in such assets for the  
20 purpose of depreciation; and

21 (5) If, after receiving approval for the water conservation credit, the annual permit for  
22 water usage from the same ground-water source is increased, any unused credits will  
23 expire immediately.

24 48-7-27.

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

26 (1) 'Qualified water conservation facility' means any facility including buildings,  
27 machinery, and equipment used in the water conservation process provided:

28 (A) The use of the facility results in reduced ground-water usage or utilizes a  
29 surface-water source; and

30 (B) The use of the facility has been certified by the Department of Natural Resources  
31 as necessary to promote its ground-water management efforts for areas with a multiyear  
32 record of consumption at, near, or above sustainable use signaled by declines in  
33 ground-water pressure, threats of salt-water intrusion, need to develop alternate sources  
34 to accommodate economic growth and development, or any other indication of growing  
35 inadequacy of the existing resource.

1 (2) 'Shift from ground-water usage' means a minimum 10 percent transfer of annual  
2 permitted ground-water usage from ground-water sources due to the purchase of water  
3 from a qualified water conservation facility.

4 (b) In the case of a taxpayer which first shifts from ground-water usage during a taxable  
5 year, there shall be allowed an annual credit against the tax imposed under this chapter  
6 starting in the fourth taxable year following the taxable year in which the the shift from  
7 ground-water usage occurs. The amount of the credit shall be computed as follows:

8 (1) The amount of the credit allowed under this Code section shall be \$.0001 per gallon  
9 of the total gallons of relinquished and transferred annual ground-water permit issued  
10 after July 1, 1996; and

11 (2) The amount of the credit which may be used in any tax year shall not exceed 50  
12 percent of that year's tax liability as determined without regard to other credits.

13 (c) The credit granted under this Code section shall be subject to the following conditions  
14 and limitations:

15 (1) For every year in which the taxpayer claims the credit, the taxpayer shall attach a  
16 schedule to the taxpayer's income tax return setting forth as a minimum the following  
17 information:

18 (A) The ground-water usage permitted the taxpayer in the first permit issued after July  
19 1, 1996;

20 (B) The ground-water usage permitted the taxpayer in the tax year four years earlier  
21 than the current tax year;

22 (C) The ground-water usage permitted the taxpayer in the current year; and

23 (D) The credit utilized by the taxpayer in the current year;

24 (2) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
25 this Code section, the taxpayer shall include a copy of the certification by the Department  
26 of Natural Resources under paragraph (2) of subsection (a) of this Code section; and

27 (3) If, after receiving approval for the water conservation credit, the annual permit for  
28 water usage from the same ground-water source is increased, eligibility to use such  
29 credits shall expire immediately.

30 48-7-28.

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

32 (1) 'Base amount' means the product of a business enterprise's Georgia taxable net  
33 income in the current taxable year and the average of the ratios of its aggregate qualified  
34 research expenses to Georgia taxable net income for the preceding three taxable years or  
35 0.300, whichever is less.

1 (2) 'Business enterprise' means any business or the headquarters of any such business  
2 which is engaged in manufacturing, warehousing and distribution, processing,  
3 telecommunications, tourism, and research and development industries. Such term shall  
4 not include retail businesses.

5 (3) 'Qualified research expenses' means qualified research expenses for any business  
6 enterprise as that term is defined in Section 41 of the Internal Revenue Code of 1986, as  
7 amended, except that all wages paid and all purchases of services and supplies must be  
8 for research conducted within the State of Georgia.

9 (b) A tax credit is allowed a business enterprise which has qualified research expenses in  
10 Georgia in a taxable year exceeding a base amount, provided that the business enterprise  
11 for the same taxable year claims and is allowed a research credit under Section 41 of the  
12 Internal Revenue Code of 1986, as amended.

13 (c) The tax credit provided in subsection (b) of this Code section shall be 10 percent of the  
14 excess over the base amount referred to in said subsection.

15 (d) Any unused credit claimed under this Code section may be carried forward ten years  
16 from the close of the taxable year in which the qualified research expenses were made. The  
17 credit taken in any one taxable year shall not exceed 50 percent of the business enterprise's  
18 remaining Georgia net income tax liability after all other credits have been applied.

19 48-7-28.1.

20 (a) As used in this Code section, the term 'business enterprise' means any business or the  
21 headquarters of any such business which is engaged in manufacturing, warehousing and  
22 distribution, processing, telecommunications, tourism, and research and development  
23 industries. Such term shall not include retail businesses.

24 (b) A tax credit is allowed a business enterprise having a Georgia net taxable income in  
25 the current taxable year which is 20 percent or more above that of the preceding taxable  
26 year, if such business enterprise's Georgia net taxable income in each of the two taxable  
27 years preceding the current taxable year also was 20 percent or more above each respective  
28 preceding taxable year.

29 (c) The tax credit provided in subsection (b) of this Code section shall be the excess over  
30 20 percent of the percentage growth in the business enterprise's Georgia net taxable income  
31 in the current taxable year, provided that the tax credit shall not exceed 50 percent of the  
32 business enterprise's Georgia net income tax liability after all other credits have been  
33 applied for the current taxable year and shall not be allowed if the total Georgia income tax  
34 liability before application of the credit exceeds \$1.5 million.

35 (d) The tax credit provided in subsection (b) of this Code section may not be carried  
36 backward or forward.

1 48-7-28.2.

2 Notwithstanding any provision to the contrary of Code Sections 48-7-15 and 48-7-16,  
3 business enterprises may make a one-time election to calculate new full-time jobs on a  
4 calendar year rather than a taxable year basis for all jobs created during calendar year 1994  
5 and thereafter as compared against the preceding calendar year. Such one-time election  
6 may be made by claiming job tax credits in connection with any 1995 state income tax  
7 return or amended return that is filed after April 29, 1997. Such election will not change  
8 the taxable year of the business enterprise.

9 48-7-28.3.

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

11 (1) 'Base year port traffic' means the total amount of net tons, containers, or twenty-foot  
12 equivalent units (TEU's), of product actually transported by way of a waterborne ship or  
13 vehicle through a port facility during the period from January 1, 1997, through December  
14 31, 1997; provided, however, that in the event the total amount actually transported  
15 during such period was not at least 75 net tons, five containers, or ten twenty-foot  
16 equivalent units (TEU's), then 'base year port traffic' means 75 net tons, five containers,  
17 or ten twenty-foot equivalent units (TEU's).

18 (2) 'Business enterprise' means any business or the headquarters of any such business  
19 which is engaged in manufacturing, warehousing and distribution, processing,  
20 telecommunications, tourism, and research and development industries but shall not  
21 include retail businesses.

22 (3) 'Port facility' means any privately owned or publicly owned facility located within  
23 this state through which product is transported by way of a waterborne ship or vehicle to  
24 or from destinations outside this state.

25 (4) 'Port traffic' means the total amount of net tons, containers, or twenty-foot equivalent  
26 units (TEU's) of product transported by way of a waterborne ship or vehicle through a  
27 port facility.

28 (5) 'Product' means a marketable product or component of a product which has an  
29 economic value to the wholesale or retail consumer and is ready to be used without  
30 further alteration of its form or a product or material which is marketed as a prepared  
31 material or is a component in the manufacturing and assembly of other finished products.

32 (6) 'Qualified investment property' means all real and personal property purchased or  
33 acquired by a taxpayer for use in the construction of an additional manufacturing or  
34 telecommunications facility to be located in this state or in the expansion of an existing  
35 manufacturing or telecommunications facility located in this state, including, but not  
36 limited to, moneys expended on land acquisition, improvements, buildings, building

1 improvements, and machinery and equipment to be used in the manufacturing or  
2 telecommunications facility. The department shall promulgate rules defining eligible  
3 manufacturing facilities, telecommunications facilities, and qualified investment property  
4 pursuant to this Code section.

5 (b)(1) In the case of any business enterprise which has increased its port traffic of  
6 products during the previous 12 month period by more than 10 percent above its base  
7 year port traffic and is qualified to claim a job tax credit under Code Section 48-7-40 for  
8 jobs added at any time between January 1, 1998, and July 1, 2002, there shall be allowed  
9 an additional \$500.00 job tax credit against the tax imposed under this article.

10 (2) The tax credit described in this subsection shall be allowed subject to the conditions  
11 and limitations set forth in Code Section 48-7-40 and shall be in addition to the credit  
12 allowed under Code Section 48-7-40; provided, however, such credit shall not be allowed  
13 during a year if the port traffic does not remain above the minimum level established in  
14 this Code section.

15 (c) In the case of any business enterprise which has increased its port traffic of products  
16 during the previous 12 month period by more than 10 percent above its base year port  
17 traffic and is qualified to claim a tax credit under Code Section 48-7-17, 48-7-18, 48-7-19,  
18 48-7-23, 48-7-24, or 48-7-25 upon qualified investment property added at any time  
19 between January 1, 1998, and July 1, 2002, there shall be allowed a credit against the tax  
20 imposed under this article in an amount equal to the applicable percentage amount  
21 otherwise allowed under Code Section 48-7-17 or 48-7-23 to business enterprises for the  
22 cost of such property. The tax credit described in this subsection shall be allowed subject  
23 to the conditions and limitations set forth in Code Section 48-7-17 or 48-7-23, as  
24 applicable, except that such property may be placed in service in any county without regard  
25 to its tier designation. Such credit shall also be in lieu of and not in addition to the credit  
26 authorized under Code Sections 48-7-17, 48-7-18, 48-7-19, 48-7-23, 48-7-24, and 48-7-25.

27 (d) No business enterprise shall be authorized to claim the credits provided for in both  
28 subsections (b) and (c) of this Code section on a tax return for any taxable year unless such  
29 business enterprise has increased its port traffic of products during the previous 12 month  
30 period by more than 20 percent above its base year port traffic, has increased employment  
31 by 400 or more no sooner than January 1, 1998, and has purchased or acquired qualified  
32 investment property having an aggregate cost in excess of \$20 million no sooner than  
33 January 1, 1998.

34 (e) The credit granted under this Code section shall be subject to the following conditions  
35 and limitations:

36 (1) For every year in which a taxpayer claims the credit, the taxpayer shall attach a  
37 schedule to the taxpayer's state income tax return which shall set forth the following

1 information, as a minimum, in addition to the information required under Code Sections  
2 48-7-15 and 48-7-17 or 48-7-23:

3 (A) A description of how the base year port traffic and the increase in port traffic was  
4 determined;

5 (B) The amount of the base year port traffic;

6 (C) The amount of the increase in port traffic for the taxable year, including  
7 information which demonstrates an increase in port traffic in excess of the minimum  
8 amount required to claim the tax credit under this Code section;

9 (D) Any tax credit utilized by the taxpayer in prior years;

10 (E) The amount of tax credit carried over from prior years;

11 (F) The amount of tax credit utilized by the taxpayer in the current taxable year; and

12 (G) The amount of tax credit to be carried over to subsequent tax years.

13 (2)(A) Any tax credit claimed under subsection (b) of this Code section but not used  
14 in any taxable year may be carried forward for ten years from the close of the taxable  
15 year in which the qualified jobs were established, provided that the increase in port  
16 traffic remains above the minimum levels established in Code Section 48-7-40 and this  
17 Code section, respectively.

18 (B) Any tax credit claimed under subsection (c) of this Code section in lieu of Code  
19 Section 48-7-17, 48-7-18, or 48-7-19 but not used in any taxable year may be carried  
20 forward for ten years from the close of the taxable year in which the qualified  
21 investment property was acquired, provided that the increase in port traffic remains  
22 above the minimum level established in this Code section and the qualified investment  
23 property remains in service.

24 (3)(A) Any tax credit claimed under subsection (c) of this Code section in lieu of Code  
25 Section 48-7-23, 48-7-24, or 48-7-25 shall be allowed for the ensuing ten taxable years  
26 following the taxable year the qualified investment property was first placed in service,  
27 provided that the increase in port traffic remains above the minimum level established  
28 in this Code section and the qualified investment property remains in service.

29 (B) The tax credit established by this Code section in lieu of Code Section 48-7-15,  
30 48-7-17, 48-7-18, or 48-7-19 and taken in any one taxable year shall be limited to an  
31 amount not greater than 50 percent of the taxpayer's state income tax liability which is  
32 attributable to income derived from operations in this state for that taxable year.

33 (C) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new  
34 eligibility for any succeeding taxpayer, but any unused credit may be transferred and  
35 continued by any transferee of the taxpayer.

1 48-7-28.4.

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

3 (1) 'Alternative fuel' means methanol, denatured ethanol, and other alcohols; mixtures  
4 containing 85 percent or more by volume of methanol, denatured ethanol, and other  
5 alcohols with gasoline or other fuels; natural gas; liquefied petroleum gas; hydrogen; coal  
6 derived liquid fuels; fuels other than alcohol derived from biological materials; and  
7 electricity, including electricity from solar energy.

8 (2) 'Conventionally fueled vehicle' means a motor vehicle which is fueled solely by a  
9 petroleum based fuel such as gasoline or diesel.

10 (3) 'Converted vehicle' means a motor vehicle that is retrofitted so that it is fueled solely  
11 by an alternative fuel and which meets the emission standards set forth for that class of  
12 low-emission vehicles as defined under rules and regulations of the Board of Natural  
13 Resources applicable to clean fueled fleets, as amended, when operating on such  
14 alternative fuel.

15 (4) 'Covered area' means a geographic area designated by the United States  
16 Environmental Protection Agency in the Code of Federal Regulations as an area which  
17 has not attained or maintained the National Ambient Air Quality Standard for ozone in  
18 accordance with the federal Clean Air Act, as amended, or any county adjacent to a  
19 covered area.

20 (5) 'Fleet operator' means a person who operates a fleet of ten or more motor vehicles  
21 and that fleet is operated in a single covered area, even if the fleet motor vehicles are  
22 garaged outside a covered area.

23 (6) 'Low-emission vehicle' means a motor vehicle which is fueled solely by an  
24 alternative fuel and which meets emission standards as defined under rules and  
25 regulations of the Board of Natural Resources applicable to clean fueled fleets, as  
26 amended, when operating on such alternative fuel.

27 (7) 'Motor vehicle' means any self-propelled vehicle designed for transporting persons  
28 or property on a street or highway that is registered by the Motor Vehicle Division of the  
29 Department of Revenue.

30 (b) A tax credit is allowed against the tax imposed under this article to a taxpayer for the  
31 purchase or lease of a new low-emission vehicle that is registered in a covered area. The  
32 amount of the credit shall be \$2,500.00 per new low-emission vehicle.

33 (c) A tax credit is allowed against the tax imposed under this article to a taxpayer for the  
34 conversion of a conventionally fueled vehicle to a converted vehicle that is registered in  
35 a covered area. The amount of the credit shall be equal to the cost of conversion, not to  
36 exceed \$2,500.00 per converted vehicle.

1 (d) A tax credit is allowed against the tax imposed under this article to any business  
2 enterprise for the purchase or lease of each electric vehicle charger that is located in a  
3 covered area. The amount of the credit shall be \$2,500.00 per charger.

4 (e) The credits granted under this Code section shall be subject to the following conditions  
5 and limitations:

6 (1) All claims for any credit provided by subsection (b) of this Code section shall be:

7 (A) Accompanied by a certification issued by the automobile dealership where the new  
8 low-emission vehicle was purchased or leased; and

9 (B) Made only by a taxpayer who is the ultimate purchaser or lessee of a new  
10 low-emission vehicle at retail;

11 (2) In order to qualify for a tax credit in a particular calendar year for the lease of a new  
12 low-emission vehicle under subsection (b) of this Code section, the lease must be in  
13 effect prior to or on the last day of the calendar year in which the credit is claimed;

14 (3) All claims for any credit provided by subsection (c) of this Code section must be  
15 accompanied by a certification issued by the Environmental Protection Division of the  
16 Department of Natural Resources;

17 (4) Motor vehicles subject to the requirements imposed upon fleet operators by the  
18 federal Clean Air Act, 42 U.S.C. Section 7401, et seq., as amended, and applicable  
19 federal regulations are not eligible for any tax credit under this Code section;

20 (5) All claims for any credit provided by subsection (d) of this Code section shall be:

21 (A) Accompanied by a certification issued by the seller where the new electric vehicle  
22 charger was purchased or leased; and

23 (B) Made only by a taxpayer who is the ultimate purchaser or lessee of a new electric  
24 vehicle charger at retail;

25 (6) Any credit claimed under this Code section but not used in any taxable year may be  
26 carried forward for five years from the close of the taxable year in which a new  
27 low-emission vehicle was purchased or leased or a conventionally fueled vehicle was  
28 changed into a converted vehicle, provided that the applicable certification required in  
29 paragraph (1) or (3) of this subsection accompanies any such claim; and

30 (7) In no event shall the amount of any tax credit provided in this Code section exceed  
31 the taxpayer's income tax liability.

32 (f) The state revenue commissioner shall be authorized to adopt rules and regulations to  
33 provide for the administration of any tax credit provided by this Code section.

34 (g) The Board of Natural Resources shall be authorized to adopt rules and regulations to  
35 provide for:

36 (1) The specific standards and requirements for low-emission and converted vehicles and  
37 electric vehicle chargers which shall be consistent with the terms of this Code section;

1 (2) An approved certification form which shall be issued by an automobile dealership  
 2 which certifies the purchase or lease of a new low-emission vehicle that is qualified for  
 3 a tax credit provided by this Code section;

4 (3) The certification of any converted vehicle that is qualified to claim a tax credit  
 5 provided by this Code section; and

6 (4) An approved certification form which shall be issued by the seller which certifies the  
 7 purchase or lease of a new electric vehicle charger that is qualified for a tax credit  
 8 provided by this Code section.

9 48-7-28.5.

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

11 (1) 'Federal housing tax credit' means the federal tax credit as provided in Section 42 of  
 12 the Internal Revenue Code of 1986, as amended.

13 (2) 'Median income' means those incomes that are determined by the federal Department  
 14 of Housing and Urban Development guidelines and adjusted for family size.

15 (3) 'Project' means a housing project that has restricted rents that do not exceed 30  
 16 percent of median income for at least 40 percent of its units occupied by persons or  
 17 families having incomes of 60 percent or less of the median income, or at least 20 percent  
 18 of the units occupied by persons or families having incomes of 50 percent or less of the  
 19 median income.

20 (4) 'Qualified Georgia project' means a qualified low-income building as that term is  
 21 defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located  
 22 in Georgia.

23 (b)(1) A state tax credit against the tax imposed by this article, to be termed the Georgia  
 24 housing tax credit, shall be allowed with respect to each qualified Georgia project placed  
 25 in service after January 1, 2001, in an amount equal to the federal housing tax credit  
 26 allowed with respect to such qualified Georgia project.

27 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a  
 28 portion of any federal housing tax credit taken on a project is required to be recaptured,  
 29 the taxpayer claiming any state tax credit with respect to such project shall also be  
 30 required to recapture a portion of any state tax credit authorized by this Code section.  
 31 The state recapture amount shall be equal to the proportion of the state tax credit  
 32 claimed by the taxpayer that equals the proportion the federal recapture amount bears  
 33 to the original federal housing tax credit amount subject to recapture.

34 (B) In the event that recapture of any Georgia housing tax credit is required, any  
 35 amended return submitted to the commissioner as provided in this Code section shall  
 36 include the proportion of the state tax credit required to be recaptured, the identity of

1 each taxpayer subject to the recapture, and the amount of tax credit previously allocated  
2 to such taxpayer.

3 (3) In no event shall the total amount of the tax credit under this Code section for a  
4 taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be  
5 allowed to be carried forward to apply to the taxpayer's next three succeeding years' tax  
6 liability. No such tax credit shall be allowed the taxpayer against prior years' tax  
7 liability.

8 (4) The tax credit allowed under this Code section, and any recaptured tax credit, shall  
9 be allocated among some or all of the partners, members, or shareholders of the entity  
10 owning the project in any manner agreed to by such persons, whether or not such persons  
11 are allocated or allowed any portion of the federal housing tax credit with respect to the  
12 project.

13 (c) The commissioner shall promulgate any rules and regulations necessary to implement  
14 and administer this Code section.

15 48-7-28.6.

16 (a) There shall be a dollar-for-dollar credit against the state income tax liability of  
17 depository financial institutions which shall be equal to the amount of taxes, if any, paid  
18 by such taxpayers pursuant to Code Section 48-6-93 and Code Section 48-6-95. If the  
19 liability of any such institutions under the taxes authorized by Code Section 48-6-93 and  
20 Code Section 48-6-95 exceeds the income tax liability of such institution for any year, the  
21 amount of any unused credit under this Code section may be credited over a period of five  
22 years from the tax year in which the unused credit arose. If the assets of an institution are  
23 acquired by another institution in a transaction described in Section 381(a) of the Internal  
24 Revenue Code of 1986, the acquiring institution shall succeed to and take into account any  
25 unused credit of the distributor or transferor institution. If a depository financial institution  
26 has elected Subchapter 'S' status pursuant to the conditions specified in subparagraph  
27 (b)(7)(B) of Code Section 48-7-21, the credits authorized by this subsection may be passed  
28 through on a pro rata basis to the institution's shareholders. If the amount of any such pro  
29 rata credit exceeds a shareholder's individual income tax liability, then such unused credit  
30 may be credited over a period of five years from the tax year in which the unused credit  
31 arose. No such credit shall be allowed the taxpayer against prior years' tax liability.

32 (b) The commissioner shall be authorized to promulgate any rules and regulations  
33 necessary to implement and administer the provisions of this Code section.

34 48-7-28.7.

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

1 (1) 'Average wage' means the average wage of the county in which a full-time job is  
 2 located as reported in the most recently available annual issue of the Georgia  
 3 Employment and Wages Averages Report of the Department of Labor.

4 (2) 'Full-time job' means employment for an individual which:

5 (A) Is located at a headquarters;

6 (B) Has a regular work week of 30 hours or more;

7 (C) Pays at or above:

8 (i) In tier 1 counties, the average wage of the county in which it is located;

9 (ii) In tier 2 counties, 105 percent of the average wage of the county in which it is  
 10 located;

11 (iii) In tier 3 counties, 110 percent of the average wage of the county in which it is  
 12 located; and

13 (iv) In tier 4 counties, 115 percent of the average wage of the county in which it is  
 14 located; and

15 (D) Has no predetermined end date.

16 (3) 'Headquarters' means the principal central administrative office of a taxpayer.

17 (4) 'Tier' means a tier as designated pursuant to Code Section 48-7-15, as amended.

18 (b) A taxpayer establishing its headquarters in this state or relocating its headquarters into  
 19 this state which:

20 (1) Within one year of the first date on which it withholds wages for employees at such  
 21 headquarters and employs at least 100 persons in new full-time jobs at such headquarters;

22 (2) Prior to one year from the first date on which it withholds wages for employees at  
 23 such headquarters and incurs within the state a minimum of \$1 million in construction,  
 24 renovation, leasing, or other costs related to such establishment or relocation; and

25 (3) Elects not to receive the tax credits provided for by Code Sections 48-7-15, 48-7-16,  
 26 48-7-17, 48-7-18, 48-7-19, 48-7-23, 48-7-24, and 48-7-25 for such jobs

27 shall be allowed a credit for taxes imposed under this article equal to \$2,500.00 annually  
 28 per eligible new full-time job, or \$5,000.00 if the average wage of the new full-time jobs  
 29 created is 200 percent or more of the average wage of the county in which such jobs are  
 30 located per eligible new full-time job; provided, however, that where the amount of such  
 31 credit exceeds a taxpayer's liability for such taxes in a taxable year, the excess may be  
 32 taken as a credit against such taxpayer's quarterly or monthly payment but not to exceed  
 33 in any one taxable year \$2,500.00 annually per eligible new full-time job, or \$5,000.00 if  
 34 the average wage of the new full-time jobs created is 200 percent or more of the average  
 35 wage of the county in which such jobs are located for each new full-time job when  
 36 aggregated with the credit applied against taxes under this article. Credits against quarterly  
 37 or monthly payments shall not constitute income to the taxpayer. The credit established

1 by this subsection may be taken for the first taxable year in which the taxpayer first  
2 becomes eligible for such credit and for the four immediately succeeding taxable years, and  
3 the taxpayer shall thereafter be ineligible for such credit.

4 (c) Any credit claimed under this Code section but not used in any taxable year may be  
5 carried forward for ten years from the close of the taxable year in which the qualified jobs  
6 were established.

7 (d) The commissioner shall promulgate any rules and regulations necessary to implement  
8 and administer this Code section.

9 48-7-28.8.

10 (a) Any business enterprise, as defined in Code Section 48-7-15, executing an agreement  
11 pursuant to paragraph (1) of subsection (d) of Code Section 48-7-9 shall be allowed,  
12 beginning in the taxable year in which it establishes its headquarters in this state or  
13 relocates its headquarters to this state, a tax credit calculated in the same amounts and  
14 under the same principles as the credit established by Code Section 48-7-28.7. Except as  
15 otherwise provided in this Code section, the credit established by the Code section shall be  
16 subject to the same definitions, limitations, and carry-forward provisions as the credit  
17 established by Code Section 48-7-28.7; provided, however, that the term 'headquarters'  
18 means the principal central administrative office of such business enterprise; and provided  
19 further that for the first taxable year in which it is claimed, all or part of the credit  
20 established by this Code section may be applied against taxes imposed under this article  
21 for the taxable year immediately preceding that taxable year by amendment to a return or  
22 returns for such year.

23 (b) The credit established by this Code section may be claimed by such business enterprise  
24 for new full-time jobs created in taxable years prior to the taxable year in which it  
25 establishes its headquarters in this state or relocates its headquarters to this state, where  
26 such jobs are in excess of those contained in such agreement and are located at such  
27 headquarters. Such jobs shall be deemed for purposes of such credit to have been created  
28 on the first day of the taxable year in which such business enterprise establishes its  
29 headquarters in this state or relocates its headquarters to this state. No credit in excess of  
30 \$25 million may be claimed pursuant to the terms of this subsection.

31 (c) The number of new full-time jobs to which this Code section shall be applicable shall  
32 be determined by comparing the monthly average of full-time jobs subject to Georgia  
33 income tax withholding for the taxable year with the corresponding average for the prior  
34 taxable year.

1 48-7-28.9.

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

3 (1) 'Commercial motor vehicle' means a motor vehicle designed or used to transport  
4 property and having a gross vehicle weight rating of 26,001 or more pounds.

5 (2) 'Diesel particulate emission reduction technology equipment' means any equipment  
6 which meets standards adopted by the Georgia Regional Transportation Authority and  
7 which provides for heat, air conditioning, light, and communications for the driver's  
8 compartment of a commercial motor vehicle which is parked at a truck stop, depot, or  
9 other facility the use of which results in the engine being turned off with a corresponding  
10 reduction of particulate emissions from such vehicle's diesel engine.

11 (b) A tax credit against the tax imposed under this article shall be granted to any person  
12 who installs diesel particulate emission reduction technology equipment at any truck stop,  
13 depot, or other facility. The amount of the tax credit shall be equal to 10 percent of the  
14 total of the cost of the diesel particulate emission reduction technology equipment and the  
15 cost of installation of such equipment. The tax credit provided under this Code section  
16 shall be allowed for the taxable year in which the taxpayer first places the equipment in  
17 use. Any credit which is not used in the year in which the equipment is first placed in use  
18 shall not be carried forward to any future year.

19 (c) For every year for which the taxpayer claims the credit authorized by this Code section,  
20 the taxpayer shall attach a schedule to the taxpayer's Georgia income tax return setting  
21 forth the following information:

22 (1) A description of the diesel particulate emission reduction technology equipment  
23 installed;

24 (2) The location at which such equipment was installed; and

25 (3) The cost of the equipment and the cost of installation of the equipment.

26 (d) The commissioner shall promulgate any rules and regulations necessary to implement  
27 and administer this Code section.

28 48-7-28.10.

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

30 (1) 'Base year exportation volume' means the number of cigarettes manufactured and  
31 exported by a business enterprise during the calendar year 1999.

32 (2) 'Business enterprise' means any business or the headquarters of any business which  
33 is engaged in manufacturing, warehousing and distribution, processing,  
34 telecommunications, tourism, and research and development industries. Such term shall  
35 not include retail businesses.

1 (3) 'Exportation' means the shipment of cigarettes manufactured in the United States to  
 2 a foreign country sufficient to relieve the cigarettes in the shipment of the federal excise  
 3 tax on cigarettes.

4 (b) A business enterprise engaged in the business of manufacturing cigarettes for  
 5 exportation to a foreign country is allowed a credit against the taxes levied by this article.  
 6 The amount of credit allowed under this Code section is determined by comparing the  
 7 exportation volume of the corporation in the year for which the credit is claimed with the  
 8 corporation's base year exportation volume, rounded to the nearest whole percentage. The  
 9 amount of credit allowed is as follows:

10	Current Year's Exportation	Amount of Credit
11	Volume Compared to its	per Thousand
12	Base Year's Exportation Volume	Cigarettes Exported
13	120 percent or more	40¢
14	119 percent - 100 percent	35¢
15	99 percent - 80 percent	30¢
16	79 percent - 60 percent	25¢
17	59 percent - 50 percent	20¢
18	Less than 50 percent	None

19 (c) The credit allowed under this Code section may not exceed the lesser of \$6 million or  
 20 50 percent of the amount of tax imposed by this article for the taxable year reduced by the  
 21 sum of all other credits allowable, except tax payments made by or on behalf of the  
 22 taxpayer. This limitation applies to the cumulative amount of the credit allowed in any tax  
 23 year, including carry forwards claimed by the taxpayer under this Code section for previous  
 24 tax years. Any unused portion of a credit allowed in this Code section may be carried  
 25 forward for the next succeeding five years.

26 (d) A business enterprise that claims the credit under this Code section must include the  
 27 following with its tax return:

- 28 (1) A statement of the base year exportation volume;  
 29 (2) A statement of the exportation volume on which the credit is based; and

1 (3) A list of the business enterprise's export volumes shown on its monthly reports to the  
2 Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the  
3 Treasury for the months in the tax year for which the credit is claimed.

4 48-7-28.11.

5 (a) As used in this Code section, the term 'affiliated entity' means:

6 (1) A corporation that is a member of the taxpayer's 'affiliated group' within the meaning  
7 of Section 1504(a) of the Internal Revenue Code; or

8 (2) An entity affiliated with a corporation, business, partnership, or limited liability  
9 corporation taxpayer, which entity:

10 (A) Owns or leases the land on which a project is constructed;

11 (B) Provides capital for construction of the project; and

12 (C) Is the grantor or owner under a management agreement with a managing company  
13 of the project.

14 (b) In lieu of claiming any Georgia income tax credit for which a taxpayer otherwise is  
15 eligible for the taxable year (such eligibility being determined for this purpose without  
16 regard to any limitation imposed by reason of the taxpayer's precredit income tax liability),  
17 the taxpayer may elect to assign such credit in its entirety to another affiliated entity for  
18 such taxable year by attaching a statement to the taxpayer's return for the taxable year;  
19 provided, however, that no carryover attributable to the unused portion of any previously  
20 claimed or assigned credit may be assigned or reassigned, except as provided in subsection  
21 (d) of this Code section. In the case of any credit that must be claimed in installments in  
22 more than one taxable year, the election under this subsection may be made on an annual  
23 basis with respect to each such installment, provided that the taxpayer shall notify the  
24 commissioner with respect to the assignment of each such installment by filing a separate  
25 copy of the election statement for such installment no later than the time of filing of the  
26 taxpayer's state income tax return for such taxable year. Once made, an election under this  
27 subsection shall be irrevocable.

28 (c) The recipient of a tax credit assigned under subsection (b) of this Code section shall  
29 attach a statement to its return identifying the assignor of the tax credit, in addition to  
30 providing any other information required to be provided by a claimant of the assigned tax  
31 credit.

32 (d) If the assignor and the recipient of a tax credit assigned under subsection (b) of this  
33 Code section cease to be affiliated entities, any carryover attributable to the unused portion  
34 of such credit shall be transferred back to the assignor of the credit. Such assignor shall be  
35 permitted to use any such carryover itself, and also shall be permitted to assign such  
36 carryover to another affiliated entity, as if such carryover were an income tax credit for

1 which the assignor became eligible in the taxable year in which the carryover was  
2 transferred back to the assignor.

3 (e) The assignor and recipient of a tax credit assigned under subsection (b) of this Code  
4 section shall be jointly and severally liable for any tax (plus interest and penalties, if any)  
5 attributable to the disallowance or recapture of the assigned credit.

6 48-7-28.12.

7 (a) As used in this Code section, the term 'federal qualified transportation fringe benefit'  
8 means only the following transportation benefits provided by an employer to any employee  
9 as provided in Section 132(f) of the Internal Revenue Code of 1986, as amended:

10 (1) Transportation in a commuter highway vehicle if such transportation is in connection  
11 with travel between the employee's residence and place of employment;

12 (2) Any transit pass;

13 (3) Qualified parking on or near a location from which the employee commutes to work  
14 by transportation described in paragraph (1) of this subsection, in a commuter highway  
15 vehicle, or by carpool. Qualified parking shall not include parking provided to an  
16 employee on or near the business premises of the employer and shall not include any  
17 parking on or near property used by the employee for residential purposes.

18 (b) A taxpayer shall be allowed a state income tax credit against the tax imposed by this  
19 chapter for any federal qualified transportation fringe benefit provided by the taxpayer to  
20 an employee which benefit is in addition to and not in lieu of compensation otherwise  
21 payable to the employee, in an amount equal to \$25.00 per employee receiving such  
22 benefit; provided, however, that in no event shall the total amount of such tax credit exceed  
23 the annual amount expended by such employer in providing such federal qualified  
24 transportation fringe benefits to such employees.

25 (c) In no event shall the total amount of the tax credit under this Code section for a taxable  
26 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed to  
27 be carried forward to apply to the taxpayer's next three succeeding years' tax liability. No  
28 such tax credit shall be allowed the taxpayer against prior years' tax liability.

29 (d) The commissioner shall promulgate any rules and regulations necessary to implement  
30 and administer this Code section. Such rules and regulations shall include, but not be  
31 limited to, a minimum required usage of ten workdays per month of the federal qualified  
32 transportation fringe benefit provided to the employee in order to obtain the credit  
33 authorized under this Code section.

1 48-7-28.13.

2 (a) A taxpayer who receives disaster assistance during a taxable year from the Georgia  
3 Emergency Management Agency or the Federal Emergency Management Agency shall be  
4 allowed a credit against the tax imposed by Code Section 48-7-20 in an amount equal to  
5 \$500.00 or the actual amount of such disaster assistance, whichever is less. The  
6 commissioner may require adequate supporting documentation showing that the taxpayer  
7 received such assistance.

8 (b) In no event shall the total amount of the tax credit under this Code section for a taxable  
9 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the  
10 taxpayer against succeeding years' tax liability. No such credit shall be allowed the  
11 taxpayer against prior years' tax liability.

12 (c) The commissioner shall be authorized to promulgate any rules and regulations  
13 necessary to implement and administer the provisions of this Code section.

14 48-7-29.

15 Every corporation subject to taxation under this chapter shall make a return stating  
16 specifically the items of its gross income and the deductions and credits allowed by this  
17 chapter. The income of two or more corporations shall not be included in a single return  
18 except with the express consent of the commissioner. When a receiver, trustee in  
19 bankruptcy, or assignee is operating the property or business of a corporation, the receiver,  
20 trustee, or assignee shall make returns for the corporation in the same manner and form as  
21 the corporation is required to make returns. Any tax due on the basis of returns made by  
22 a receiver, trustee, or assignee shall be collected in the same manner as if collected from  
23 the corporation of whose business or property he or she has custody and control.

24 48-7-30.

25 (a) Returns of corporations made on the basis of a calendar year shall be filed on or before  
26 the fifteenth day of March following the close of the calendar year, and returns of  
27 corporations made on the basis of a fiscal year shall be filed on or before the fifteenth day  
28 of the third month following the close of the fiscal year. Returns required for a taxable  
29 year relating to returns of domestic international sales corporations and former domestic  
30 international sales corporations and foreign sales corporations shall be filed on or before  
31 the fifteenth day of the ninth month following the close of the taxable year. The  
32 commissioner may allow further time for filing returns whenever in the commissioner's  
33 judgment good cause exists for the extension. In case a taxpayer is granted an extension  
34 of time to file a return, the commissioner may require a tentative return to be filed on or

1 before the due date of the return for which the extension is granted. A tentative return shall  
2 be made on the usual form, shall be plainly marked 'tentative,' shall state the estimated  
3 amount of the tax believed to be due, and shall be properly signed by the taxpayer.

4 (b) Any taxpayer may file an estimated income tax return within the taxpayer's taxable  
5 year in compliance with rules and regulations promulgated by the commissioner. Estimated  
6 returns shall be plainly marked 'estimated.'

7 (c) In case of failure to file an income tax return on the date prescribed for the filing, such  
8 date to be determined with regard to any extension of time for filing, there shall be added  
9 to the amount of tax required to be shown on the return 5 percent of the amount of the tax  
10 if the failure is for not more than one month with an additional 5 percent for each additional  
11 month or fraction of a month during which the failure to file continues. No penalty shall  
12 be assessed pursuant to this Code section which exceeds in the aggregate 25 percent of the  
13 amount of the tax. No penalty shall be assessed pursuant to this Code section when it is  
14 shown that the failure is due to reasonable cause and not due to willful neglect.

15 (d) For the purposes of this Code section, the amount of tax required to be shown on the  
16 return shall be reduced by the amount of any part of the tax which is paid on or before the  
17 date prescribed for payment of the tax and by the amount of any credit against the tax  
18 which may be claimed on the return.

19 (e) With respect to any return, the amount of the addition under subsection (a) of this Code  
20 section shall be reduced by the amount of the addition under paragraph (1) of subsection  
21 (a) of Code Section 48-7-42 for any month to which an addition to tax applies under both  
22 subsection (a) of this Code section and paragraph (1) of subsection (a) of Code Section  
23 48-7-42.

24 (f) No penalty due to late filing shall be incurred by a taxpayer if the taxpayer attaches to  
25 his or her return a copy of an approved extension of time within which to file the taxpayer's  
26 federal income tax return which has been granted by the Internal Revenue Service and also  
27 files a state return within the period of time specified in the extension. In such instances,  
28 the taxpayer need not apply to the commissioner for an extension of time within which to  
29 file the taxpayer's state return.

30 48-7-31.

31 (a) The following organizations shall be exempt from taxation imposed by Code Section  
32 48-7-7 unless the exemption is denied under subsection (b) or (c) of this Code section:

33 (1) Those organizations described by Section 501(c), 501(d), 501(e), 664, or 401 of the  
34 Internal Revenue Code of 1986. Organizations described in this paragraph shall be  
35 exempt from taxation for state purposes in the same manner and to the same extent as for  
36 federal purposes; and

1 (2) Insurance companies which pay to the state a tax upon premium income.

2 (b)(1) An organization requesting exemption under paragraph (1) of subsection (a) of  
3 this Code section shall file a written application with the commissioner. The  
4 commissioner shall issue a determination letter or ruling to an organization requesting the  
5 exemption and shall either grant or disallow the requested exempt status. Until a  
6 determination letter granting exempt status is issued by the commissioner, no exempt  
7 status shall exist. Those organizations which have an exempt status in effect under  
8 Section 501(c), 501(d), 501(e), 664, or 401 of the Internal Revenue Code of 1986 on  
9 January 1, 1987, shall retain the exempt status unless revoked as provided by law. The  
10 commissioner may issue rules governing the filing of written applications and the  
11 issuance of determination letters.

12 (2)(A) The commissioner may revoke the exempt status of any organization described  
13 in paragraph (1) of subsection (a) of this Code section when:

14 (i) The Internal Revenue Service revokes the exempt status of the organization;

15 (ii) The organization ceases to be organized or operated in the manner in which it was  
16 organized or operated at the time the exempt status was granted;

17 (iii) The organization engages in any prohibited transaction as set forth in the Internal  
18 Revenue Code of 1986; or

19 (iv) There is any material change in the character or purpose of the organization or  
20 in the mode of operation of the organization.

21 (B) Revocation of an exempt status shall revoke the exempt status retroactively to the  
22 time of the occurrence of the disqualifying event or events. All exempt organizations  
23 shall immediately notify the commissioner in writing of the occurrence of any of the  
24 disqualifying events described in subparagraph (A) of this paragraph or of receipt by  
25 the organization of a notice of intent to terminate its exempt status by the Internal  
26 Revenue Service. The statute of limitations governing the assessment of any taxes  
27 determined to be due this state due to the revocation of exempt status shall be tolled as  
28 of the date of the occurrence of the disqualifying event or events described in  
29 subparagraph (A) of this paragraph. The commissioner at any time may require an  
30 organization which is exempt from taxation to file an information return stating the  
31 organization's gross income, receipts, disbursements, accumulation of income, and  
32 other data deemed necessary for the proper administration of this Code section.

33 (c)(1) A tax is imposed on income of an organization exempted pursuant to paragraph  
34 (1) of subsection (a) of this Code section when the income is derived from trade or  
35 business which is not related to exempt purposes of organizations described in paragraph  
36 (1) of subsection (a) of this Code section. This income shall be referred to as unrelated  
37 business income and shall be the income which is defined in Section 512 of the Internal

1 Revenue Code of 1986. The tax imposed on unrelated business income shall be at the rate  
2 provided in Code Section 48-7-7.

3 (2) If an organization is exempt under Section 501(c)(4) of the United States Internal  
4 Revenue Code of 1986, if the organization makes payments of death benefits as a result  
5 of the death of a member of the organization, and if payments have been made by the  
6 organization for at least five years prior to January 1, 1977, the payments shall be  
7 deductible from the unrelated business income tax which might be owed by the  
8 organization. The payment of such death benefits shall not operate to generate a rebate  
9 or a refund. If the amount of death benefits paid within the taxable year exceeds the  
10 unrelated business income tax owed for the same taxable year, the excess may be carried  
11 forward for a period of five years.

12 48-7-32.

13 (a) When the commissioner has reason to believe that any taxpayer conducts his or her  
14 trade or business so as to distort directly or indirectly the taxpayer's true net income or the  
15 net income properly attributable to this state, whether by the arbitrary shifting of income,  
16 through price fixing, charges for service, or otherwise, as a result of which the net income  
17 is arbitrarily assigned to one or another unit in a group of taxpayers conducting business  
18 under a substantially common control, the commissioner may require the facts as the  
19 commissioner deems necessary for the proper computation of the entire net income and the  
20 net income properly attributable to this state. In determining the computation, the  
21 commissioner shall consider the fair profit which would normally arise from the conduct  
22 of the trade or business.

23 (b)(1) The commissioner may determine the amount of taxable income of any one or  
24 more corporations for a calendar or fiscal year when a corporation:

25 (A) Subject to taxation under this chapter conducts its business in such manner as to  
26 benefit either directly or indirectly the members or stockholders of the corporation or  
27 any person interested in the business of the corporation by selling its products or the  
28 goods or commodities in which it deals at less than the fair price which might be  
29 obtained for the goods or commodities;

30 (B) A substantial portion of whose capital stock is directly or indirectly owned by  
31 another corporation acquires and disposes of the products of the corporation so owning  
32 a substantial portion of its stock in such a manner as to create a loss or improper net  
33 income for either of the corporations; or

34 (C) Directly or indirectly owning a substantial portion of the stock of another  
35 corporation acquires and disposes of the products of the corporation of which it so owns

1 a substantial portion of the stock in such a manner as to create a loss or improper net  
2 income for either of the corporations.

3 (2) In the commissioner's determination, the commissioner shall consider the reasonable  
4 profits which, but for the arrangement or understanding, might or could have been  
5 obtained by the corporation or corporations subject to taxation under this chapter from  
6 dealing in such products, goods, or commodities.

7 48-7-33.

8 Whenever in the opinion of the commissioner it is necessary to examine any copy of the  
9 federal income tax returns of any taxpayer in order to audit properly the state returns of the  
10 taxpayer, the commissioner shall have the right to examine the federal returns and all  
11 statements, inventories, and schedules in support of the returns.

12 48-7-34.

13 (a) Except in accordance with proper judicial order or as otherwise provided by law, it is  
14 unlawful for the commissioner, other officer, employee, or agent, or any former officer,  
15 employee, or agent to divulge or make known in any manner the amount of income or any  
16 particulars set forth or disclosed in any report or return required under the law of this state  
17 or any return or return information required by the Internal Revenue Code when the  
18 information or return is received from the Internal Revenue Service or submitted by the  
19 taxpayer as provided by the laws of this state. Nothing contained in this Code section shall  
20 be construed to prohibit the publication of statistics so presented as to prevent the  
21 identification of particular reports or returns and the items thereof, or the inspection by the  
22 Attorney General or other legal representative of the state, or use as evidence, of the report  
23 or return of a taxpayer in the event of any action or proceeding involving any tax liability  
24 of the taxpayer. Reports and returns shall be preserved for three years and thereafter until  
25 the commissioner orders them to be destroyed.

26 (b) The commissioner may permit the commissioner of internal revenue of the United  
27 States, the proper officer of any state imposing an income tax similar to that imposed by  
28 this chapter, or the authorized representative of either such officer to inspect the income  
29 tax returns of any taxpayer, or may furnish to the officer or the officer's authorized  
30 representative an abstract of the return of income of any taxpayer or supply the officer or  
31 the officer's authorized representative with information concerning any item of income  
32 contained in any return or disclosed by the report of any investigation of the income or  
33 return of income of any taxpayer. The permission shall be granted or the information shall  
34 be furnished to the officer or the officer's representative only if:

1 (1) The request is only for state tax information including federal tax information  
2 required by the state to be filed by the taxpayer with the taxpayer's state return;

3 (2) The requested information will be used solely for tax purposes;

4 (3) The requesting state has a confidentiality statute which complies with the  
5 requirements of Section 6103(p)(8) of the Internal Revenue Code; and

6 (4) The statutes of the United States or of such other state, as the case may be, grant  
7 substantially similar privileges to the proper officer of this state charged with the  
8 administration of this chapter.

9 (c) The commissioner may permit the disclosure of inventories, depreciable assets,  
10 accumulated depreciation, and book value of depreciable assets to local tax authorities in  
11 this state to be used solely for ad valorem tax purposes, provided that the furnishing of the  
12 information is not prohibited by Section 6103 of the Internal Revenue Code; and provided,  
13 further, that the furnishing of the information to the local tax authorities shall not be  
14 deemed to change the confidential character of the information, and any persons receiving  
15 the information pursuant to this subsection shall be subject to Code Section 48-7-35,  
16 relating to the sanctions to be imposed for the unauthorized disclosure of confidential  
17 material.

18 (d) This Code section shall not be construed to prohibit persons or groups of persons other  
19 than employees of the department from having access to tax information where necessary  
20 for data processing operations and maintenance of data processing equipment, provided the  
21 persons or groups of persons have obtained prior approval from the commissioner and are  
22 subject to the direct security control of department personnel during all periods of access.  
23 Any person who divulges or makes known any tax information obtained under this  
24 subsection shall be subject to the same civil and criminal penalties as those provided for  
25 divulgence of information by employees of the department.

26 (e) Notwithstanding any other law, this Code section shall remain in full force and effect  
27 unless specific reference is made in such other law to this Code section and to the  
28 disclosure of income tax information contained in any report or return required under this  
29 Code section.

30 48-7-35.

31 (a) It shall be unlawful for any person to violate any provision of Code Section 48-7-34  
32 when the violation involves the divulging of information concerning income taxes.

33 (b) Any person who violates subsection (a) of this Code section shall be guilty of a  
34 misdemeanor.

35 (c) In addition to the penalty provided in subsection (b) of this Code section, if the  
36 offender is an officer or employee of the state, the offender shall be dismissed from office

1 and shall be incapable of holding any public office in this state for a period of five years  
2 after such dismissal.

3 48-7-36.

4 The total amount of tax imposed by this chapter on corporations shall be paid to the  
5 commissioner on or before March 15, following the close of the calendar year. If the return  
6 of a corporation is made on the basis of a fiscal year, the tax shall be paid to the  
7 commissioner on or before the fifteenth day of the third month following the close of the  
8 fiscal year.

9 48-7-37.

10 (a) If any amount of tax imposed by this chapter is not paid on or before the last date  
11 prescribed for payment, interest on the payment at the rate specified in Code Section  
12 48-2-40 shall be paid for the period from the last date prescribed for payment to the date  
13 paid.

14 (b) The last date prescribed for payment of the tax shall be determined without regard to  
15 any:

16 (1) Extension of time for payment; or

17 (2) Notice and demand for payment issued by reason of jeopardy prior to the last date  
18 otherwise prescribed for the payment.

19 (c) If the amount of any tax imposed by this chapter is reduced by reason of a carry back  
20 of a net operating loss, the reduction in tax shall not affect the computation of interest  
21 under this Code section for the period ending with the last day of the taxable year in which  
22 the net operating loss arises.

23 (d) Except as otherwise specifically provided by law:

24 (1) Interest prescribed under this Code section shall be paid upon notice and demand and  
25 shall be assessed, collected, and paid in the same manner as the tax. Any reference to the  
26 tax imposed by this chapter shall be deemed also to refer to interest imposed by this Code  
27 section on the tax;

28 (2) No interest under this Code section shall be imposed on the interest provided by this  
29 Code section;

30 (3) Interest shall be imposed under subsection (a) of this Code section on any assessable  
31 penalty, additional amount, or addition to the tax only if the assessable penalty, additional  
32 amount, or addition to the tax is not paid within ten days from the date of notice and  
33 demand for the payment. Interest shall be imposed only for the period from the date of  
34 the notice and demand to the date of payment; and

1 (4) If notice and demand are made for the payment of any amount and if the amount is  
2 paid within ten days after the date of the notice and demand, interest under this Code  
3 section on the amount so paid shall not be imposed for the period after the date of the  
4 notice and demand.

5 (e) Interest prescribed under this Code section may be assessed and collected at any time  
6 during the period within which the tax to which the interest relates may be collected.

7 48-7-38.

8 (a) Except as otherwise provided in this Code section, the amount of income tax imposed  
9 by this chapter shall be assessed within the time periods specified in Code Section 48-2-49.

10 (b)(1) In the case of income received by a corporation, the tax shall be assessed within  
11 three years after the return is filed, and any proceeding in court without assessment for  
12 the collection of the tax shall begin within 18 months after written request for the  
13 commencement of the proceeding (filed after the return is made) by the corporation. No  
14 such proceeding shall begin after the expiration of three years from the date the return is  
15 filed. This paragraph shall not apply in the case of a corporation unless:

16 (A) The written request notifies the commissioner that the corporation contemplates  
17 dissolution at or before the expiration of the 18 month period;

18 (B) The dissolution is begun in good faith before the expiration of the 18 month period;  
19 and

20 (C) The dissolution is completed.

21 (2) If the taxpayer omits from gross income an amount properly includable in gross  
22 income which exceeds 25 percent of the amount of gross income less business expenses  
23 stated in the return, the tax may be assessed or a proceeding in court for the collection of  
24 the tax may begin without assessment at any time within six years after the return is filed.

25 (3) If the taxpayer omits from gross income an amount properly includable in gross  
26 income as an amount distributed in liquidation of a corporation, the tax may be assessed  
27 or a proceeding in court for the collection of the tax may begin without assessment at any  
28 time within five years after the return is filed.

29 (c) When the assessment of any income tax has been made within the period of limitation  
30 properly applicable to the assessment, the tax may be collected by execution, provided that  
31 the commissioner may transmit such execution electronically. The general provisions for  
32 tax executions as contained in Chapter 3 of this title shall apply to executions pursuant to  
33 this subsection.

34 (d)(1) When a taxpayer's amount of net income for any year under this chapter as  
35 returned to the United States Department of the Treasury is changed or corrected by the  
36 commissioner of internal revenue or other officer of the United States of competent

1 authority, the taxpayer, within 180 days after final determination of the changed or  
2 corrected net income, shall make a return to the commissioner of the changed or  
3 corrected income, and the commissioner shall make assessment or the taxpayer shall  
4 claim a refund based on the change or correction within one year from the date the return  
5 required by this paragraph is filed. If the taxpayer does not make the return reflecting the  
6 changed or corrected net income and the commissioner receives from the United States  
7 government or one of its agents a report reflecting the changed or corrected net income,  
8 the commissioner shall make assessment for taxes due based on the change or correction  
9 within five years from the date the report from the United States government or its agent  
10 is actually received.

11 (2) In the event the taxpayer fails to notify the commissioner of the final determination  
12 of the taxpayer's United States income taxes, the commissioner shall proceed to  
13 determine, upon evidence brought to the commissioner's attention or otherwise acquired,  
14 the corrected income of the taxpayer for the fiscal or calendar year. If additional tax is  
15 determined to be due, the tax shall be assessed and collected. If it is determined that there  
16 has been an overpayment of tax for the year, the taxpayer, by the failure to notify the  
17 commissioner as required in paragraph (1) of this subsection, shall forfeit the taxpayer's  
18 right to any refund due by reason of the change or correction. A taxpayer who so fails to  
19 notify the commissioner, however, shall be entitled to equitable recoupment of 90 percent  
20 of any overpayment so determined against any additional tax liability so determined, the  
21 remaining 10 percent of the overpayment being totally forfeited as a penalty for failure  
22 to make a return as required by paragraph (1) of this subsection.

23 48-7-39.

24 Whenever any corporation has been dissolved or the assets of the corporation for any  
25 reason have passed entirely from the control of the corporation into the possession of its  
26 former stockholders or other persons without the payment of income taxes due the state,  
27 the commissioner shall have the right to bring action against any or all persons possessing  
28 the assets for the collection of any income taxes that may be due the state up to the value  
29 of the assets. If the assets have come into the possession of more than one person, each  
30 person shall have the right to prorate the amount of the tax according to the value of the  
31 assets coming into each person's possession.

32 48-7-40.

33 No action for the purpose of restraining the assessment or collection of any tax under this  
34 chapter shall be maintained in any court.

1 48-7-41.

2 Whenever the commissioner in the commissioner's discretion determines that a person is  
3 not liable for the tax for an entire year because of moving into the state or moving out of  
4 the state, the commissioner may prorate the amount of the tax due the state and also may  
5 require the taxpayer to prorate any exemptions on the basis of the time spent within the  
6 state. The commissioner in the commissioner's reasonable discretion shall be the sole judge  
7 as to when this Code section shall apply.

8 48-7-42.

9 (a)(1) In case of failure to pay:

10 (A) The amount shown as tax on a return on or before the date prescribed for payment  
11 of the tax, such date to be determined with regard to any extension of time for payment,  
12 there shall be added to the amount of tax required to be shown on the return one-half  
13 of 1 percent of the amount of the tax if the failure is for not more than one month and  
14 with an additional one-half of 1 percent for each additional month or fraction of a  
15 month during which the failure continues. For the purposes of this subparagraph, the  
16 amount of tax shown on the return shall be reduced, for the purpose of computing the  
17 addition for any month, by the amount of any part of the tax which is paid on or before  
18 the beginning of the month and by the amount of any credit against the tax which is  
19 claimed on the return;

20 (B) Any amount in respect of any tax required to be shown on a return which is not so  
21 shown within ten days of the date of the notice and demand for the payment, the  
22 amount of tax stated in the notice and demand shall be increased by one-half of 1  
23 percent of the amount of the tax if the failure is for not more than one month and by an  
24 additional one-half of 1 percent for each additional month or fraction of a month during  
25 which the failure continues. For the purposes of this subparagraph, the amount of tax  
26 stated in the notice and demand shall be reduced, for the purpose of computing the  
27 addition for any month, by the amount of any part of the tax which is paid before the  
28 beginning of the month.

29 (2) No penalty shall be assessed pursuant to this subsection which exceeds in the  
30 aggregate 25 percent of the amount of the tax or when it is shown that the failure is due  
31 to reasonable cause and not due to willful neglect.

32 (b) With respect to any return, the maximum amount of the addition permitted under  
33 subparagraph (a)(1)(B) of this Code section shall be reduced by the amount of the addition  
34 under subsection (c) of Code Section 48-7-30 which is attributable to the tax for which the  
35 notice and demand are made and which is not paid within ten days of such notice and  
36 demand.

1 (c) If the amount required to be shown as tax on a return is less than the amount shown as  
 2 tax on the return, subparagraph (a)(1)(A) of this Code section shall be applied by  
 3 substituting the lower amount.

4 (d) For purposes of subsections (e) and (f) of this Code section, the term 'underpayment'  
 5 means a deficiency as defined in Code Section 48-7-2.

6 (e) If any part of any underpayment of tax required to be shown on a return is due to a  
 7 negligent or intentional disregard of rules and regulations, but without intent to defraud,  
 8 an amount equal to 5 percent of the underpayment shall be added to the tax.

9 (f) If any part of any underpayment of tax required to be shown on a return is due to fraud,  
 10 an amount equal to 50 percent of the underpayment shall be added to the tax. This amount  
 11 shall be in lieu of any amount determined under subsection (e) of this Code section. If any  
 12 penalty is assessed under this subsection for an underpayment of tax which is required to  
 13 be shown on a return, no penalty under Code Section 48-7-30 or subsection (a) of this Code  
 14 section shall be assessed with respect to the same underpayment.

15 48-7-43.

16 (a) As used in this Code section, the term 'estimated tax' means the amount which the  
 17 corporation estimates as the amount of income tax imposed by Code Section 48-7-7 less  
 18 the amount which the corporation estimates as the sum of credits allowable by law against  
 19 the tax.

20 (b) In general, every domestic and foreign corporation subject to taxation under Code  
 21 Section 48-7-7 shall pay estimated tax for the taxable year if its net income for the taxable  
 22 year as defined in Code Section 48-7-9 can reasonably be expected to exceed \$25,000.00.

23 48-7-44.

24 If the requirements of Code Section 48-7-43 are first met as shown in the left-hand column  
 25 of the following table, then the estimated tax shall be due as shown in the remaining  
 26 columns:

27 The following percentages of the estimated tax shall be  
 28 paid on the fifteenth day of the:

29	fourth	sixth	ninth	twelfth
30	month of the	month of the	month of the	month of the
31	<u>taxable year</u>	<u>taxable year</u>	<u>taxable year</u>	<u>taxable year</u>

32 Before the first day of the  
 33 fourth month of the taxable  
 34 year

25	25	25	25
----	----	----	----

1	After the last day of the			
2	third month and before the			
3	first day of the sixth month			
4	of the taxable year	33 1/3	33 1/3	33 1/3
5	After the last day of the			
6	fifth month and before the			
7	first day of the ninth month			
8	of the taxable year		50	50
9	After the last day of the			
10	eighth month and before			
11	the first day of the twelfth			
12	month of the taxable year			100
13	48-7-45.			
14	(a) The amount of estimated tax paid under this chapter for any taxable year shall be			
15	allowed as a credit to the taxpayer against the taxpayer's income tax liability under Code			
16	Section 48-7-7 for the taxable year.			
17	(b) To the extent that the estimated tax credit, together with other credits allowed by law,			
18	is in excess of the taxpayer's income tax liability for a taxable year as shown on an income			
19	tax return filed by the taxpayer for that year, the overpayment shall be considered as taxes			
20	erroneously paid and shall be credited or refunded as provided in this subsection. The			
21	overpayment shall be credited to the taxpayer's estimated income tax liability for the			
22	succeeding taxable year unless the taxpayer claims a refund for the overpayment. The			
23	commissioner may consider any final return showing an overpayment as a claim for refund			
24	per se. An overpayment shall bear no interest if credit is given for the overpayment.			
25	Amounts refunded as overpayments shall bear interest at the rate of 9 percent per annum			
26	but only after 90 days from the filing date of the final return showing the overpayment or			
27	90 days from the due date of the final return, whichever is later.			
28	48-7-46.			
29	The commissioner may disregard a fractional part of a dollar in the allowance of any			
30	amount as a credit or refund or in the assessment or collection of any amount as a			
31	deficiency or underpayment.			

1 48-7-47.

2 In the administration and enforcement of this chapter with respect to a taxpayer whose  
3 income may be subject to the current income tax payment laws of two or more tax  
4 jurisdictions, including this state, the commissioner may make reciprocal arrangements  
5 with the tax authorities of the other jurisdictions for the relief of the taxpayer from the  
6 multiple burden imposed by the operation of several current income tax payment laws."

7 **PART III**

8 **SECTION 1.**

9 Code Section 2-7-154 of the Official Code of Georgia Annotated, relating to the powers of  
10 the Commissioner of Agriculture with respect to boll weevil eradication, is amended by  
11 striking in its entirety subparagraph (A) of paragraph (8) and inserting in lieu thereof a new  
12 subparagraph (A) to read as follows:

13 "(A) The Commissioner shall adopt rules and regulations defining the criteria to be  
14 used in determining financial hardship; provided, however, that no exemption shall be  
15 granted to any cotton grower who, after the amount of assessments and penalties  
16 otherwise due has been subtracted from his or her federal taxable net income, as defined  
17 in ~~Code Section 48-7-27~~ the United States Internal Revenue Code of 1986, has a net  
18 income exceeding \$15,000.00 for the year in which he or she seeks an exemption;".

19 **SECTION 2.**

20 Chapter 3 of Title 12 of the Official Code of Georgia Annotated, relating to parks, historic  
21 areas, memorials, and recreation, is amended by striking in its entirety Article 8, relating to  
22 nongame wildlife conservation and wildlife habitat acquisition programs, and inserting in  
23 lieu thereof the following:

24 "ARTICLE 8

25 12-3-600 through 12-3-602.

26 Reserved."

27 **SECTION 3.**

28 Code Section 16-12-22.1 of the Official Code of Georgia Annotated, relating to raffles  
29 operated by nonprofit, tax-exempt organizations, is amended by striking subsection (f) and  
30 inserting in its place a new subsection (f) to read as follows:



(4) The applicant has pursued restitution rights against any person who committed the crime unless the board or director determines that such action would not be feasible.

The board, upon finding that any claimant or award recipient has not fully cooperated with all law enforcement agencies, may deny, reduce, or withdraw any award.

(b) Any award made pursuant to this chapter may be in an amount not exceeding actual expenses, including indebtedness reasonably incurred for medical expenses, loss of wages, funeral expenses, mental health counseling, or support for dependents of a deceased victim necessary as a direct result of the injury or hardship upon which the claim is based.

(c)(1) Notwithstanding any other provisions of this chapter, no award made under the provisions of this chapter shall exceed \$1,000.00 in the aggregate; provided, however, with respect to any claim filed with the board as a result of a crime occurring on or after July 1, 1994, no award made under the provisions of this chapter payable to a victim and to all other claimants sustaining economic loss because of injury to or death of such victim shall exceed \$5,000.00 in the aggregate; provided, however, with respect to any claim filed with the board as a result of a crime occurring on or after July 1, 1995, no award made under the provisions of this chapter payable to a victim and to all other claimants sustaining economic loss because of injury to or death of such victim shall exceed \$10,000.00 in the aggregate.

(2) No award under this chapter for the following losses shall exceed the maximum amount authorized:

<u>Category</u>	<u>Maximum Award</u>
Lost Wages	\$ 5,000.00
Funeral Expenses	3,000.00
Financial Hardship or Loss of Support	5,000.00
Medical	5,000.00
Counseling	2,500.00

(d) In determining the amount of an award, the director and board shall determine whether because of his or her conduct the victim of such crime contributed to the infliction of his or her injury or financial hardship, and the director and board may reduce the amount of the award or reject the claim altogether in accordance with such determination.

1 (e) The director and board may reject an application for an award when the claimant has  
2 failed to cooperate in the verification of the information contained in the application.

3 (f) Any award made pursuant to this chapter may be reduced by or set off by the amount  
4 of any payments received or to be received as a result of the injury:

5 (1) From or on behalf of the person who committed the crime; or

6 (2) From any other private or public source, including an award of workers'  
7 compensation pursuant to the laws of this state,

8 provided that private sources shall not include contributions received from family members  
9 or persons or private organizations making charitable donations to a victim.

10 (g) No award made pursuant to this chapter is subject to garnishment, execution, or  
11 attachment other than for expenses resulting from the injury which is the basis for the  
12 claim.

13 ~~(h) An award made pursuant to this chapter shall not constitute a payment which is treated  
14 as ordinary income under either the provisions of Chapter 7 of Title 48 or, to the extent  
15 lawful, under the United States Internal Revenue Code.~~

16 ~~(i)(h)~~ Notwithstanding any other provisions of this chapter to the contrary, no awards from  
17 state funds shall be paid prior to July 1, 1989.

18 ~~(j)(i)~~ In any case where a crime results in death, the spouse, children, parents, or siblings  
19 of such deceased victim may be considered eligible for an award for the cost of  
20 psychological counseling which is deemed necessary as a direct result of said criminal  
21 incident. The maximum award for said counseling expenses shall not exceed \$2,500.00  
22 in the aggregate."

## 23 SECTION 6.

24 Code Section 19-11-9 of the Official Code of Georgia Annotated, relating to the location of  
25 absent parents by the Department of Human Resources, is amended by striking subsection  
26 (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

27 "(c) In order to carry out the responsibilities imposed under this article, the department  
28 may request information and assistance from any governmental department, board,  
29 commission, bureau, or agency in locating the absent parents of children for whom the  
30 department has assignment of child support rights. The commissioner of human resources  
31 or his or her duly authorized representative shall be entitled to have access to all pertinent  
32 information which is within the custody of any governmental department, board,  
33 commission, bureau, or agency ~~including, but not limited to, income tax information  
34 contained in any report or return required under Articles 1 through 6 of Chapter 7 of Title  
35 48 by the Department of Revenue, including information from federal income tax returns  
36 required to be included as a part of any state report or return, which information but for this~~

Code section would not be subject to disclosure pursuant to Code Section 48-7-60 and which is relative to such parents' location, income, or property, provided that any tax information secured from the federal government by the Department of Revenue, pursuant to the express provisions of Section 6103 of the Internal Revenue Code, may not be disclosed by that department pursuant to this subsection. Any person receiving any tax information or tax returns under the authority granted in this subsection shall be considered either an officer or employee as those terms are used in subsection (a) of Code Section 48-7-60; and, as such an officer or employee, any person receiving any tax information or returns under the authority of this Code section shall be subject to Code Section 48-7-61, relating to the sanctions to be imposed for the unauthorized disclosure of confidential material."

#### SECTION 7.

Chapter 4 of Title 22 of the Official Code of Georgia Annotated, relating to relocation assistance, is amended by striking Code Section 22-4-13, relating to status of relocation assistance payments, and inserting in its place a new Code Section 22-4-13 to read as follows:

"22-4-13.

No payment received by a displaced person under this chapter shall be considered as income or resources for the purpose of determining the eligibility or extent of eligibility of any person for assistance under any state law or for the purposes of the state's ~~personal income tax law~~, corporation tax law, or other tax laws. These payments shall not be considered as income or resources of any recipient of public assistance, and the payment shall not be deducted from the amount of aid to which the recipient would otherwise be entitled."

#### SECTION 8.

Code Section 26-2-21 of the Official Code of Georgia Annotated, relating to definitions regarding adulteration and misbranding of food, is amended by striking subparagraph (A) of paragraph (5) and inserting in its place a new subparagraph (A) to read as follows:

"(A) Is sponsored by a political subdivision of this state or by an organization exempt from taxes under paragraph (1) of subsection (a) of Code Section ~~48-7-25~~ 48-7-31 or under Section 501(d) or paragraphs (1) through (8) or paragraph (10) of Section 501(c) of the Internal Revenue Code, as that code is defined in Code Section 48-1-2;".

**SECTION 9.**

Code Section 26-2-370 of the Official Code of Georgia Annotated, relating to definitions regarding food service establishments, is amended by striking subparagraph (A) of paragraph (1) and inserting in its place a new subparagraph (A) to read as follows:

"(A) Is sponsored by a political subdivision of this state or by an organization exempt from taxes under paragraph (1) of subsection (a) of Code Section ~~48-7-25~~ 48-7-31 or under Section 501(d) or paragraphs (1) through (8) or paragraph (10) of Section 501(c) of the Internal Revenue Code, as that code is defined in Code Section 48-1-2;".

**SECTION 10.**

Code Section 26-2-390 of the Official Code of Georgia Annotated, relating to definitions regarding nonprofit food sales and food service, is amended by striking paragraph (2) and inserting in its place a new paragraph (2) to read as follows:

"(2) 'Organization' means an organization exempt from taxes under paragraph (1) of subsection (a) of Code Section ~~48-7-25~~ 48-7-31 or under Section 501(d) or paragraphs (1) through (8) or paragraph (10) of Section 501(c) of the Internal Revenue Code, as that code is defined in Code Section 48-1-2."

**SECTION 11.**

Code Section 36-62-5.1 of the Official Code of Georgia Annotated, relating to joint development authorities, is amended by striking subsection (e) in its entirety and inserting in lieu thereof a new subsection (e) to read as follows:

"(e) A joint authority created by two or more contiguous counties pursuant to this Code section must be an active, bona fide joint authority; must have a board of directors; must meet at least quarterly; and must develop an operational business plan. A county may belong to only one such joint authority. A business enterprise as defined under subsection (a) of Code Section ~~48-7-40~~ 48-7-15 located within the jurisdiction of a joint authority established by two or more contiguous counties will qualify for an additional \$500.00 tax credit for each new full-time employee position created. The \$500.00 job tax credit authorized by this subsection shall be subject to all the conditions and limitations specified under Code Section ~~48-7-40~~ 48-7-15, as amended."

**SECTION 12.**

Chapter 9 of Title 37 of the Official Code of Georgia Annotated, relating to payment of expenses for support, treatment, and care of patients in state institutions generally, is amended by striking in its entirety paragraph (3) of Code Section 37-9-2, relating to

1 definitions applicable under said chapter, and inserting in lieu thereof a new paragraph (3)  
 2 to read as follows:

3 "~~(3) 'Income'~~ ~~'Income,' except for patients who are residents of other states,~~ means that  
 4 amount determined by adding to the ~~gross federal taxable~~ income as ~~now or hereafter~~  
 5 defined in ~~the United States Internal Revenue Code of 1986~~ Georgia income tax laws,  
 6 ~~minus deductions and personal exemptions as authorized by such income tax laws,~~ the  
 7 items listed in this paragraph, if such items are not already included in ~~gross federal~~  
 8 taxable income as defined above. ~~For a patient who is a resident of another state, 'income'~~  
 9 ~~means the same as above except no deductions will be made for any deductions or~~  
 10 ~~personal exemptions as authorized by Georgia income tax laws.~~ The following items are  
 11 to be added, respectively:

12 (A) Any amounts received by or on behalf of the person liable for cost of care from  
 13 accident insurance or workers' compensation for total or partial incapacity to work, plus  
 14 the amount of any damages received by or on behalf of the person liable for cost of  
 15 care, whether by suit or agreement, on account of such injuries or sickness;

16 (B) The net income from property acquired by gift, bequest, devise, or descent;

17 (C) Interest upon obligations of the United States government or of this state or of a  
 18 political subdivision thereof;

19 (D) The net income from individual holdings of stock in banks and trust companies  
 20 incorporated under the banking laws of this state or of the United States;

21 (E) Retirement income, social security benefits, veterans' benefits, and any other  
 22 benefits that could be applied for the support of the patient; and

23 (F) The net income from any other assets, including but not limited to personal  
 24 property, real property, or mixed property, and any other property or estate wherever  
 25 located and in whatever form, inclusive of any assets sold or transferred within a period  
 26 of 90 days prior to the date services were first rendered to the patient by a hospital."

### 27 **SECTION 13.**

28 Chapter 9 of Title 37 of the Official Code of Georgia Annotated, relating to payment of  
 29 expenses for support, treatment, and care of patients in state institutions generally, is  
 30 amended by striking in its entirety subparagraph (F) of paragraph (5) of Code Section 37-9-2,  
 31 relating to definitions applicable under said chapter, and inserting in lieu thereof a new  
 32 subparagraph (F) to read as follows:

33 "(F) A stepparent or any other person residing with and providing support of a patient  
 34 under 18 years of age who has not been legally adopted by such individual, with  
 35 maximum liability limited to the amount such stepparent or other individual is  
 36 authorized by ~~Georgia~~ federal income tax laws under the United States Internal



1 ~~enforce the provisions of this chapter. Any tax information secured from the federal~~  
 2 ~~government by the Department of Revenue pursuant to express provisions of Section 6103~~  
 3 ~~of the Internal Revenue Code may not be disclosed by the Department of Revenue pursuant~~  
 4 ~~to this subsection. Any person receiving any tax information or tax returns under the~~  
 5 ~~authority of this subsection shall be considered either an officer or employee as those terms~~  
 6 ~~are used in subsection (a) of Code Section 48-7-60; and as such an officer or employee, any~~  
 7 ~~person receiving any tax information or returns under the authority of this subsection shall~~  
 8 ~~be subject to Code Section 48-7-61.~~

9 ~~(d)~~(c) Any evidence, records, or other information obtained by the department or its duly  
 10 authorized agents pursuant to the authority of this Code section shall be confidential and  
 11 shall be used by the department or its agents only for the purposes of enforcing this chapter  
 12 and shall not be released for any purpose other than a hearing provided for by this chapter.  
 13 ~~(e)~~(d) The department shall develop procedures to ensure that persons with no other  
 14 documentation or evidence may sign an affidavit attesting to their indigent financial status."

#### 15 SECTION 15.

16 Code Section 43-8A-21 of the Official Code of Georgia Annotated, relating to powers and  
 17 duties of the State Boxing Commission, is amended by striking subsection (h) and inserting  
 18 in its place a new subsection (h) to read as follows:

19 "(h) The commission shall be authorized to engage in activities which promote amateur  
 20 boxing in this state and to contract with any nonprofit organization which is exempted from  
 21 the taxation of income pursuant to Code Section ~~48-7-25~~ 48-7-31 for the provision of  
 22 services related to the promotion of amateur boxing in this state."

#### 23 SECTION 16.

24 Article 1 of Chapter 13 of Title 44 of the Official Code of Georgia Annotated, relating to  
 25 constitutional exemptions from levy and sale of property, is amended by striking in its  
 26 entirety Code Section 44-13-1.1, relating to the definition of the term "dependent," and  
 27 inserting in lieu thereof a new Code Section 44-13-1.1 to read as follows:

28 "44-13-1.1.

29 As used in this article, the term 'dependent' means a person whom the debtor may claim as  
 30 a dependent for federal income tax purposes pursuant to ~~Code Section 48-7-26~~ the United  
 31 States Internal Revenue Code of 1986."

#### 32 SECTION 17.

33 Article 1 of Chapter 13 of Title 44 of the Official Code of Georgia Annotated, relating to  
 34 constitutional exemptions from levy and sale of property, is amended by striking in its

1 entirety Code Section 44-13-20, relating to reversion of property set apart for spouse,  
 2 children, or dependents, and inserting in lieu thereof a new Code Section 44-13-20 to read  
 3 as follows:

4 "44-13-20.

5 Property set apart pursuant to Code Section 44-13-2 for a spouse, for a spouse and minor  
 6 children, for minor children alone, or for dependents of a debtor (1) upon the death of the  
 7 spouse or the spouse's remarriage, when set apart to the spouse alone, (2) upon the  
 8 attaining of the age of majority by the minor children or their marriage during minority,  
 9 when set apart for the minor children, (3) upon the death or remarriage of the spouse and  
 10 the attaining of the age of majority by the minor children or the marriage of the minor  
 11 children, when set apart to the spouse and minor children, and (4) upon a former dependent  
 12 person's no longer being eligible to be claimed by the debtor as a dependent for federal  
 13 income tax purposes pursuant to ~~Code Section 48-7-26~~ the United States Internal Revenue  
 14 Code of 1986, shall revert to the estate from which it was set apart unless it was sold or  
 15 reinvested pursuant to this article, in which case this Code section shall apply to and follow  
 16 all the reinvestments unless the fee simple has been sold as provided in this article."

#### 17 **SECTION 18.**

18 Code Section 44-13-100 of the Official Code of Georgia Annotated, relating to exemptions  
 19 for purposes of bankruptcy and intestate insolvent estates, is amended by striking  
 20 subparagraph (a)(2.1)(B) and inserting in its place a new subparagraph (a)(2.1)(B) to read  
 21 as follows:

22 "(B) Which is: (i) maintained by a nonprofit corporation which is qualified as an  
 23 exempt organization under Code Section ~~48-7-25~~ 48-7-31 for its officers or employees  
 24 or both; and (ii) financially supported in whole or in part by funds of the nonprofit  
 25 corporation;"

#### 26 **SECTION 19.**

27 Code Section 45-20-51 of the Official Code of Georgia Annotated, relating to definitions  
 28 regarding certain voluntary deductions, is amended by striking subparagraph (B) of  
 29 paragraph (2) and inserting in its place a new subparagraph (B) to read as follows:

30 "(B) Exempt from taxation under Code Section ~~48-7-25~~ 48-7-31;"

#### 31 **SECTION 20.**

32 Article 2 of Chapter 2 of Title 48 of the Official Code of Georgia Annotated, relating to the  
 33 administration of the Department of Revenue and certain tax laws, is amended by striking

1 in its entirety Code Section 48-2-56, relating to liens for taxes and their priority, and inserting  
 2 in lieu thereof a new Code Section 48-2-56 to read as follows:

3 "48-2-56.

4 (a) Except as otherwise provided in this Code section, liens for all taxes due the state or  
 5 any county or municipality in the state shall arise as of the time the taxes become due and  
 6 unpaid and all tax liens shall cover all property in which the taxpayer has any interest from  
 7 the date the lien arises until such taxes are paid.

8 (b) Except as otherwise provided in this Code section, liens for taxes are superior to all  
 9 other liens and shall be paid before any other debt, lien, or claim of any kind. Liens for  
 10 taxes shall rank among themselves as follows:

11 (1) Taxes due the state;

12 (2) Taxes due counties of the state;

13 (3) Taxes due school and other special tax districts of the state; and

14 (4) Taxes due municipal corporations of the state.

15 (c) The lien for taxes imposed by Article 1 of Chapter 9 of this title, relating to motor fuel  
 16 taxes, shall not have priority as against:

17 (1) Any bona fide mortgagee, holder, or transferee of a deed to secure debt; or

18 (2) Any pledgee, judgment creditor, or purchaser of or from persons liable for the tax  
 19 imposed by Article 1 of Chapter 9 of this title

20 where the rights of such mortgagee, holder, or transferee of a deed to secure debt, pledgee,  
 21 judgment creditor, or purchaser have attached prior to the time notice of the lien has been  
 22 filed by the commissioner in the office of the superior court of the county in which the  
 23 principal place of business is located or in the county where property of the person liable  
 24 for payment of the motor fuel tax is located.

25 (d)(1) Liens for any ad valorem taxes shall cover the property of taxpayers liable to tax  
 26 from the time fixed by law for valuation of the property in each year until such taxes are  
 27 paid and shall cover the property of tax collectors or tax commissioners and their sureties  
 28 from the time of giving bond until all the taxes for which they are responsible are paid.

29 (2) The lien for any ad valorem tax shall not be superior to the title and operation of a  
 30 security deed when the tax represents an assessment upon property of the taxpayer other  
 31 than property specifically covered by the title and operation of the security deed.

32 (3) When real property located within this state is transferred between the date on which  
 33 any ad valorem tax lien on the property vests and the date on which the tax evidenced by  
 34 the tax lien becomes due and payable, the ad valorem tax lien on the transferred property  
 35 shall not extend to cover any other real property of the transferor.

36 (e) The lien for taxes imposed by the provisions of ~~Article 2~~ of Chapter 7 of this title,  
 37 relating to certain income taxes, shall:

1 (1) Arise and cover all property of the taxpayer as of the time a tax execution for these  
2 taxes is entered upon the general execution docket; and

3 (2) Not be superior to the lien of a prior recorded instrument securing a bona fide debt.  
4 Before the lien provided for in this subsection shall attach to real property it shall be  
5 recorded in the county where the real property is located.

6 ~~(f) The lien for taxes imposed by the provisions of Article 5 of Chapter 7 of this title,  
7 relating to withholding taxes, shall:~~

8 ~~(1) Arise and attach to all property of the defaulting employer or other person required  
9 to deduct and withhold on the date of the assessment of the taxes by operation of law or  
10 by action of the commissioner;~~

11 ~~(2) Not be superior to the lien of a prior recorded instrument securing a bona fide debt;  
12 and~~

13 ~~(3) Not be superior to the lien of a subsequent bona fide purchaser or lender for value  
14 recorded prior to the time the execution for the tax has been entered on the general  
15 execution docket in the office of the superior court of the county in which the property  
16 affected is located.~~

17 ~~Before the lien provided for in this subsection shall attach to real property it shall be  
18 recorded in the county where the real property is located.~~

19 ~~(g)~~(f)(1) The lien of a specific or occupation tax shall not be superior to the title and  
20 operation of a security deed recorded prior to the time the execution for the tax has been  
21 entered on the general execution docket in the office of the clerk of the superior court of  
22 the county in which the affected property is located.

23 (2) As used in this subsection, the term 'specific or occupation tax' means all state,  
24 county, and municipal taxes and all state licenses and fees except:

25 (A) The taxes imposed by Article 1 of Chapter 9 of this title;

26 (B) Ad valorem taxes; and

27 (C) The taxes imposed by ~~Article 2~~ of Chapter 7 of this title; and

28 ~~(D) The taxes imposed by Article 5 of Chapter 7 of this title.~~

29 The term includes, but is not limited to, sales and use taxes, corporate net worth taxes,  
30 estate taxes, real-estate transfer taxes, taxes on financial institutions, alcohol and tobacco  
31 taxes, road taxes on motor carriers, excise taxes, license fees, tax liabilities of corporate  
32 officers and business successors, and tax collections of a person who is a dealer under  
33 Chapter 8 of this title relating to sales and use taxation.

34 ~~(h)~~(g) Liens for taxes existing prior to July 1, 1983, shall not be changed by this Code  
35 section. On and after July 1, 1983, this Code section shall govern the time of creation of  
36 all tax liens and the priority of all tax liens."

**SECTION 21.**

Code Section 48-5-41 of the Official Code of Georgia Annotated, relating to property exempt from taxation, is amended by striking subparagraphs (a)(12)(A) and (a)(13)(A) and inserting in their place new subparagraphs (a)(12)(A) and (a)(13)(A) to read as follows:

"(12)(A) Property of a nonprofit home for the aged used in connection with its operation when the home for the aged has no stockholders and no income or profit which is distributed to or for the benefit of any private person and when the home is qualified as an exempt organization under the United States Internal Revenue Code, Section 501(c)(3), as amended, and Code Section ~~48-7-25~~ 48-7-31, and is subject to the laws of this state regulating nonprofit and charitable corporations;"

"(13)(A) All property of any nonprofit home for the mentally disabled used in connection with its operation when the home for the mentally disabled has no stockholders and no income or profit which is distributed to or for the benefit of any private person and when the home is qualified as an exempt organization under the United States Internal Revenue Code of 1954, Section 501(c)(3), as amended, and Code Section ~~48-7-25~~ 48-7-31, and is subject to the laws of this state regulating nonprofit and charitable corporations."

**SECTION 22.**

Code Section 48-6-93 of the Official Code of Georgia Annotated, relating to the local business license tax for depository financial institutions, is amended by striking subsection (e) in its entirety and inserting in lieu thereof a new subsection (e) to read as follows:

"(e) Any tax paid by a depository financial institution pursuant to this Code section shall be credited dollar for dollar against any state income tax liability of such institution for the tax year during which any business or occupation tax authorized by this Code section is paid. Such credit shall be subject to the provisions of subsection (b) of Code Section ~~48-7-29.4~~ 48-7-7."

**SECTION 23.**

Code Section 48-11-14 of the Official Code of Georgia Annotated, relating to registration, reports, and tax payments of persons acquiring cigars and cigarettes subject to tax under Code Section 48-11-13, is amended by striking subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

"(d) Except as otherwise provided in this Code section, the sanctions and penalties set forth in Code Sections 48-11-15, 48-11-17, 48-11-18, and 48-11-20 through 48-11-24 and in Code Sections ~~48-7-2~~ 48-7-3, 48-10-16, and 48-13-38 shall be imposed where applicable for any violations of this chapter by consumers."

**SECTION 24.**

Chapter 1 of Title 49 of the Official Code of Georgia Annotated, relating to general provisions applicable to social services, is amended by striking in its entirety Code Section 49-1-9, relating to the "Home Delivered Meals, Transportation Services for the Elderly, and Preschool Children with Special Needs Fund," which reads as follows:

"49-1-9.

(a) The General Assembly finds that it is in the best interest of the state to provide for programs for home delivered meals, transportation services for the elderly, and preschool children with special needs, including but not limited to disabled children, troubled children, school readiness programs, and other similar needs for the benefit of the citizens of Georgia. In addition to and as a supplement to traditional financing mechanisms for such programs, it is the policy of this state to enable and encourage citizens voluntarily to support such programs.

(b) To support programs for home delivered meals, transportation services for the elderly, and preschool children with special needs which programs have been established or approved by the department, the department may, without limitation, promote and solicit voluntary contributions through the income tax return contribution mechanism established in subsection (f) of this Code section, through offers to match contributions by any person with moneys appropriated or contributed to the department for such programs, or through any fund raising or other promotional techniques deemed appropriate by the department.

(c) There is established a special fund to be known as the 'Home Delivered Meals, Transportation Services for the Elderly, and Preschool Children with Special Needs Fund.' This fund shall consist of all moneys contributed under subsection (b) of this Code section, all moneys transferred to the department under subsection (f) of this Code section, and any other moneys contributed to this fund or to the home delivered meals, transportation services for the elderly, or preschool children with special needs programs of the department and all interest thereon. All balances in the fund shall be deposited in an interest-bearing account identifying the fund and shall be carried forward each year so that no part thereof may be deposited in the general treasury. The fund shall be administered and the moneys held in the fund shall be expended by the department through the Office of Aging in furtherance of home delivered meals and transportation services to the elderly programs and by the department in furtherance of preschool children with special needs programs.

(d) Following the transmittal of contributions to the department for deposit in the fund pursuant to subsection (f) of this Code section, the expenditure of moneys in the fund shall be allocated as follows:

1 (1) Fifty percent of the contributions to the fund shall be used for home delivered meals  
2 and transportation services to the elderly programs; and

3 (2) Fifty percent of the contributions to the fund shall be used for preschool children with  
4 special needs programs.

5 (e) Contributions to the fund shall be deemed supplemental to and shall in no way supplant  
6 funding that would otherwise be appropriated for these purposes. Contributions shall only  
7 be used for benefits and services and shall not be used for personnel or administrative  
8 positions. The department shall prepare, by February 1 of each year, an accounting of the  
9 funds received and expended from the fund and a review and evaluation of all expended  
10 moneys of the fund. The report shall be made available to the Governor, the Lieutenant  
11 Governor, the Speaker of the House of Representatives, to the members of the Board of  
12 Human Resources, and, upon request, to members of the public.

13 (f)(1) Unless an earlier date is deemed feasible and established by the Governor, each  
14 Georgia income tax return form for taxable years beginning on or after January 1, 1993,  
15 shall contain appropriate language, to be determined by the state revenue commissioner,  
16 offering the taxpayer the opportunity to contribute to the Home Delivered Meals,  
17 Transportation Services for the Elderly, and Preschool Children with Special Needs Fund  
18 established in subsection (c) of this Code section by either donating all or any part of any  
19 tax refund due, by authorizing a reduction in the refund check otherwise payable, or by  
20 contributing any amount over and above any amount of tax owed by adding that amount  
21 to the taxpayer's payment. The instructions accompanying the income tax return form  
22 shall contain a description of the purposes for which this fund was established and the  
23 intended use of moneys received from the contributions. Each taxpayer required to file a  
24 state income tax return who desires to contribute to such fund may designate such  
25 contribution as provided in this Code section on the appropriate income tax return form.

26 (2) The Department of Revenue shall determine annually the total amount so contributed,  
27 shall withhold therefrom a reasonable amount for administering this voluntary  
28 contribution program, and shall transmit the balance to the department for deposit in the  
29 fund established in subsection (c) of this Code section; provided, however, the amount  
30 retained for administrative costs, including implementation costs, shall not exceed  
31 \$50,000.00 per year. If, in any tax year, the administrative costs of the Department of  
32 Revenue for collecting contributions pursuant to this Code section exceed the sum of  
33 such contributions, the administrative costs which the Department of Revenue is  
34 authorized to withhold from such contributions shall not exceed the sum of such  
35 contributions."

