

House Bill 492

By: Representatives Richardson of the 26<sup>th</sup>, O`Neal of the 117<sup>th</sup>, Royal of the 140<sup>th</sup>, Parrish of the 102<sup>nd</sup> and Burkhalter of the 36<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-7-40.17 of the Official Code of Georgia Annotated, relating to  
2 the income tax credit regarding establishing or relocating headquarters, so as to change a  
3 definition; to change certain procedures, conditions, and limitations; to provide an effective  
4 date; to provide for applicability; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Code Section 48-7-40.17 of the Official Code of Georgia Annotated, relating to the income  
8 tax credit regarding establishing or relocating headquarters, is amended by striking  
9 subsections (a) and (b) and inserting in their place new subsections (a) and (b), respectively,  
10 to read as follows:

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

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

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

16 (A) Is located at a headquarters;

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

18 (C) Pays at or above:

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

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

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

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

26 (D) Has no predetermined end date.

1 (3) 'Headquarters' means the principal central administrative office of a taxpayer or a  
 2 subsidiary of the taxpayer.

3 (4) 'Tier' means a tier as designated pursuant to Code Section 48-7-40, as amended.

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

6 (1) Within one year of the first date on which it withholds wages for employees at such  
 7 headquarters ~~pursuant to the provisions of Code Section 48-7-101 employs at least 100~~  
 8 ~~persons in new full-time jobs at such headquarters~~ or the headquarters of a subsidiary,  
 9 defined as the taxpayer's 'affiliated group' within the meaning of Section 1504(a) of the  
 10 Internal Revenue Code of 1986, as amended, pursuant to the provisions of Code Section  
 11 48-7-101, employs at least 50 persons in new full-time jobs at such headquarters;

12 (2) Within one year of the first date on which it withholds wages for employees at such  
 13 headquarters pursuant to the provisions of Code Section 48-7-101 incurs within the state  
 14 a minimum of \$1 million in construction, renovation, leasing, or other costs related to  
 15 such establishment or relocation; and

16 (3) Elects not to receive the tax credits provided for by Code Sections 48-7-40,  
 17 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.7, 48-7-40.8, and 48-7-40.9 for such  
 18 jobs or such investment

19 shall be allowed a credit for taxes imposed under this article equal to \$2,500.00 annually  
 20 per eligible new full-time job, or \$5,000.00 if the average wage of the new full-time jobs  
 21 created is 200 percent or more of the average wage of the county in which such jobs are  
 22 located per eligible new full-time job; provided, however, that where the amount of such  
 23 credit exceeds a taxpayer's liability for such taxes in a taxable year, the excess may be  
 24 taken as a credit against such taxpayer's quarterly or monthly payment under Code Section  
 25 48-7-103 but not to exceed in any one taxable year \$2,500.00 annually per eligible new  
 26 full-time job, or \$5,000.00 if the average wage of the new full-time jobs created is 200  
 27 percent or more of the average wage of the county in which such jobs are located for each  
 28 new full-time job when aggregated with the credit applied against taxes under this article.  
 29 Each employee whose employer receives credit against such taxpayer's quarterly or  
 30 monthly payment under Code Section 48-7-103 shall receive credit against his or her  
 31 income tax liability under Code Section 48-7-20 for the corresponding taxable year for the  
 32 full amount which would be credited against such liability prior to the application of the  
 33 credit provided for in this subsection. Credits against quarterly or monthly payments under  
 34 Code Section 48-7-103 and credits against liability under Code Section 48-7-20 established  
 35 by this subsection shall not constitute income to the taxpayer. For each new full-time job  
 36 created, the ~~The~~ credit established by this subsection may be taken for the first taxable year  
 37 in which the new full-time job is created and for the four immediately succeeding taxable

1 years, and the taxpayer shall thereafter be ineligible for such credit; provided, however, that  
2 such new full-time jobs must be created within seven years from the close of the taxable  
3 year in which the taxpayer first becomes eligible for such credit. Credit shall not be  
4 allowed during a year if the net employment increase falls below the ~~100~~ 50 new full-time  
5 jobs required. Any credit received for years prior to the year in which the net employment  
6 increase falls below the ~~100~~ 50 new full-time jobs required shall not be affected. The  
7 commissioner shall adjust the credit allowed each year for net new employment  
8 fluctuations above the ~~100~~ 50 new full-time jobs required."

9 **SECTION 2.**

10 This Act shall become effective upon its approval by the Governor or upon its becoming law  
11 without such approval and shall be applicable to all taxable years beginning on or after  
12 January 1, 2003.

13 **SECTION 3.**

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