

House Bill 993

By: Representative Harbin of the 80<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
2 income taxes, so as to provide certain income tax credits for pharmaceutical companies  
3 locating or expanding facilities within the state; to provide for related matters; to repeal  
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,  
8 is amended by adding a new Code Section 48-7-40.24 to read as follows:

9 "48-7-40.24.

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

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

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

15 (A) Is located at a pharmaceutical company;

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

17 (C) Pays at or above:

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

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

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

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

25 (D) Has no predetermined end date.

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

1 (4) 'Pharmaceutical company' means any business or the headquarters of any such  
2 business which is engaged in the manufacturing, processing, or research and development  
3 of pharmaceutical drugs and medications for the treatment or amelioration of injury,  
4 illness, or disease. Such term shall not include retail businesses.

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

6 (b) A taxpayer that is a pharmaceutical company establishing in or relocating into this state  
7 or a pharmaceutical company in this state on July 1, 2004, which:

8 (1) Within one year of the first date on which it withholds wages for employees in  
9 connection with the establishment or relocation of its facilities in this state or an  
10 expansion of existing facilities in this state pursuant to the provisions of Code Section  
11 48-7-101, employs at least 100 persons in new full-time jobs at such company as a result  
12 of such establishment, relocation, or expansion of such facilities;

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

17 (3) Elects not to receive the tax credits provided for by Code Sections 48-7-40,  
18 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.7, 48-7-40.8, 48-7-40.9, and  
19 48-7-40.17 for such jobs or such investment

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

1 created and for the three immediately succeeding taxable years, and the taxpayer shall  
2 thereafter be ineligible for such credit; provided, however, that such new full-time jobs  
3 must be created within seven years from the close of the taxable year in which the taxpayer  
4 first becomes eligible for such credit. Credit shall not be allowed during a year if the net  
5 employment increase falls below the 100 new full-time jobs required. In the event that the  
6 taxpayer fails to maintain the 100 new full-time jobs for a period of three years after taking  
7 the tax credit provided for in this Code section, all such tax credits previously taken shall  
8 be disallowed and the taxpayer shall be liable in such taxable year for the full value of all  
9 such previous tax credits taken and any credit carried forward shall be void.

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

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

17 (e) The commissioner shall promulgate any rules and regulations necessary to implement  
18 and administer this Code section."

19 **SECTION 2.**

20 This Act shall become effective on July 1, 2004.

21 **SECTION 3.**

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