

House Bill 1212

By: Representatives Heard of the 75<sup>th</sup> and McBee of the 74<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-7-40.12 of the Official Code of Georgia Annotated, relating to  
2 the state income tax credit for qualified research expenses, so as to change the manner of  
3 calculating the base amount with respect to such credit; to provide an effective date; to  
4 provide for applicability; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Code Section 48-7-40.12 of the Official Code of Georgia Annotated, relating to the state  
8 income tax credit for qualified research expenses, is amended by striking paragraph (1) of  
9 subsection (a) and inserting in its place a new paragraph (1) to read as follows:  
10 "(1) 'Base amount' means the product of a business enterprise's Georgia taxable net  
11 income in the current taxable year and the average of the ratios of its aggregate qualified  
12 research expenses to Georgia taxable net income for the preceding three taxable years or  
13 0.300, whichever is less; provided, however, that if such business enterprise has no  
14 Georgia taxable net income or a net operating loss in any of such preceding three taxable  
15 years, then an amount of zero, rather than a negative amount, shall be used for that year  
16 for purposes of calculating the average Georgia taxable net income."

17 **SECTION 2.**

18 This Act shall become effective upon its approval by the Governor or upon its becoming law  
19 without such approval and shall be applicable to all taxable years beginning on or after  
20 January 1, 2004.

21 **SECTION 3.**

22 All laws and parts of laws in conflict with this Act are repealed.