

House Bill 194

By: Representatives Martin of the 47<sup>th</sup>, Burkhalter of the 50<sup>th</sup>, Amerson of the 9<sup>th</sup>, Royal of the 171<sup>st</sup>, Ashe of the 56<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to the imposition, rate, and computation of income tax, so as to provide for income  
3 tax credits with respect to teleworking for a limited period of time; to provide for definitions;  
4 to provide for conditions, limitations, and exclusions; to provide for powers, duties, and  
5 authority of the state revenue commissioner with respect to the foregoing; to provide an  
6 effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the  
10 imposition, rate, and computation of income tax, is amended by adding a new Code section  
11 immediately following Code Section 48-7-29.8, to be designated Code Section 48-7-29.9,  
12 to read as follows:

13 "48-7-29.9.

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

15 (1) 'Eligible telework expenses' means expenses incurred during the taxable year  
16 pursuant to a telework agreement, up to a limit of \$1,500.00 for each participating  
17 employee, to enable a participating employee to begin to telework. Such expenses shall  
18 include, but not be limited to, expenses paid or incurred to purchase computers, computer  
19 related hardware and software, modems, data processing equipment, telecommunications  
20 equipment, high-speed Internet connectivity equipment, computer security software and  
21 devices, and all related delivery, installation, and maintenance fees. Such expenses shall  
22 not include replacement costs for computers, computer related hardware and software,  
23 modems, data processing equipment, telecommunications equipment, or computer  
24 security software and devices at the principal place of business when that equipment is  
25 relocated to the telework site. Such expenses may be incurred only once per employee.

1 Such expenses may be incurred directly by the employer on behalf of the participating  
2 employee or directly by the participating employee.

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

4 (3) 'Participating employee' means an employee who has entered into a telework  
5 agreement with his or her employer. This term shall not include an individual who is  
6 self-employed or an individual who ordinarily spends a majority of his or her workday  
7 at a location other than the employer's principal place of business.

8 (4) 'Telework' means to perform normal and regular work functions on a workday that  
9 ordinarily would be performed at the employer's principal place of business at a different  
10 location, thereby eliminating or substantially reducing the physical commute to and from  
11 that employer's principal place of business. This term shall not include home based  
12 businesses, extensions of the workday, or work performed on a weekend or holiday.

13 (5) 'Telework agreement' means an agreement signed by the employer and the  
14 participating employee that defines the terms of a telework arrangement, including the  
15 number of days per year the participating employee will telework and any restrictions on  
16 the place from which the participating employee will telework.

17 (6) 'Telework assessment' means an optional assessment leading to the development of  
18 policies and procedures necessary to implement a formal telework program, including but  
19 not limited to a workforce profile, a telework program business case and plan, a detailed  
20 accounting of the purpose, goals, and operating procedures of the telework program,  
21 methodologies for measuring telework program activities and success, and a deployment  
22 schedule for increasing telework activity.

23 (b) For taxable years beginning on or after January 1, 2006, and ending on or prior to  
24 December 31, 2008, a taxpayer shall be allowed a state income tax credit against the tax  
25 imposed by this chapter for a percentage of eligible telework expenses incurred in the tax  
26 year. The amount of such credit shall be calculated as follows:

27 (1) The credit shall be equal to 100 percent of the eligible telework expenses incurred  
28 pursuant to a telework agreement requiring the participating employee to telework at least  
29 12 days per month if the employer's principal place of business is located in an area  
30 designated by the United States Environmental Protection Agency as a nonattainment  
31 area under the federal Clear Air Act, 42 U.S.C. Section 7401 et seq.;

32 (2) The credit shall be equal to 75 percent of the eligible telework expenses incurred  
33 pursuant to a telework agreement requiring the participating employee to telework at least  
34 12 days per month; or

35 (3) The credit shall be equal to 25 percent of the eligible telework expenses incurred  
36 pursuant to a telework agreement requiring the participating employee to telework at least  
37 five days per month.

1 (c)(1) In addition to the credit provided by subsection (b) of this Code section, an  
2 employer conducting a telework assessment shall be allowed a credit against the tax  
3 imposed by this article for 100 percent of the cost, up to a maximum credit of \$40,000.00  
4 per employer, of preparing the assessment. The credit provided by this subsection is  
5 intended to include program planning expenses, development and training costs, and  
6 professional consulting fees; the credit shall not include expenses for which a credit is  
7 claimed under any other provision of this article.

8 (2) All telework assessments eligible for a state income tax credit under this subsection  
9 shall meet standards for eligibility promulgated by the commissioner.

10 (d) In no event shall the total amount of any tax credit under this Code section for a taxable  
11 year exceed the taxpayer's income tax liability. No unused tax credit shall be allowed to  
12 be carried forward to apply to the taxpayer's succeeding years' tax liability. No such tax  
13 credit shall be allowed the taxpayer against prior years' tax liability.

14 (e)(1) On or before October 1 of each year, an employer may submit an application to  
15 the commissioner for approval of the tax credit for a taxable year that begins in the next  
16 calendar year. Such applications must certify that the employer would not have incurred  
17 the eligible telework expenses mentioned therein but for the availability of the tax credit.  
18 The commissioner shall review such application and, subject to the limitations provided  
19 for in paragraph (2) of this subsection, shall approve such application upon determining  
20 that it meets the requirements of this Code section.

21 (2) In no event shall the total amount of tax credits approved by the commissioner under  
22 this Code section in a taxable year exceed:

23 (A) \$2,000,000.00 in 2006;

24 (B) \$5,000,000.00 in 2007; and

25 (C) \$7,000,000.00 in 2008;

26 (f) On or before January 1, 2008, the commissioner shall conduct an assessment of  
27 telework programs conducted under this Code section and shall report to the General  
28 Assembly any finding regarding performance measures developed by the commissioner,  
29 problems encountered, and recommendations for further implementation of this Code  
30 section or amending this Code section.

31 (g) The commissioner shall promulgate any rules and regulations necessary to implement  
32 and administer this Code section."

## 33 SECTION 2.

34 This Act shall become effective on January 1, 2006.

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**SECTION 3.**

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