

The Senate Rules Committee offered the following substitute to HB 1157:

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 change certain provisions regarding income tax credits for employers  
3 providing approved retraining programs; to provide for definitions; to provide for procedures,  
4 conditions, and limitations; to provide for powers, duties, and authority of the state revenue  
5 commissioner; to change certain provisions regarding the limited duration sales and use tax  
6 exemption for jet fuel sold to or used by certain qualifying airlines; to provide an effective  
7 date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
11 amended by striking Code Section 48-7-40.5, relating to tax credits for employers providing  
12 approved retraining programs, and inserting in its place a new Code Section 48-7-40.5 to  
13 read as follows:

14 "48-7-40.5.

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

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

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

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

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

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

5 (3) 'Employee' means any employee resident in this state who is employed for at least  
6 25 hours a week, who has been continuously employed by the employer for at least 16  
7 consecutive weeks.

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

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

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

16 (7) 'Qualifying airline' means any employer which is authorized by the Federal Aviation  
17 Administration or appropriate agency of the United States to operate as an air carrier  
18 under an air carrier operating certificate and which provides regularly scheduled flights  
19 for the transportation of passengers or cargo for hire.

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

26 (c)(1) Except as provided in paragraph (2) of this subsection, any Any tax credit claimed  
27 under this Code section for any taxable year beginning on or after January 1, 1998, but  
28 not used for any such taxable year may be carried forward for ten years from the close  
29 of the taxable year in which the tax credit was granted. The tax credit granted to any  
30 employer pursuant to this Code section shall not exceed 50 percent of the amount of the  
31 taxpayer's income tax liability for the taxable year as computed without regard to this  
32 Code section.

33 (2) With respect to a qualifying airline any tax credit claimed under this Code section for  
34 any taxable year beginning on or after January 1, 1998, but not used for any such taxable  
35 year may be carried forward for 15 years from the close of the taxable year in which the  
36 tax credit was granted. The tax credit granted to any qualifying airline pursuant to this

1 Code section shall not exceed 50 percent of the amount of the taxpayer's income tax  
 2 liability for the taxable year as computed without regard to this Code section.

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

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

20 (f) The commissioner shall promulgate such rules and regulations as are necessary to  
 21 implement and administer this Code section."

## 22 SECTION 2.

23 Said title is further amended in Code Section 48-8-3, relating to exemptions from sales and  
 24 use taxation, by striking paragraph (33.1) and inserting in its place a new paragraph (33.1)  
 25 to read as follows:

26 "(33.1)(A) The sale or use of jet fuel to or by a qualifying airline, to the extent provided  
 27 in subparagraphs (B) and (C) of this paragraph.

28 (B)(i)(I) For each fiscal year beginning after June 30, 2005, and ending prior to July  
 29 1, 2006, each qualifying airline shall pay the first \$15 million of state sales and use  
 30 tax, plus applicable local sales and use tax, levied or imposed by this chapter on the  
 31 purchase or use of jet fuel. Thereafter, the purchase of jet fuel by a qualifying  
 32 airline during the fiscal year shall be exempt from state and local sales and use tax  
 33 except as provided in division (ii) of this subparagraph.

34 (i)(II) For each fiscal year beginning after June 30, 2006, each qualifying airline  
 35 shall pay the first \$10 million of state sales and use tax, plus applicable local sales  
 36 and use tax, levied or imposed by this chapter on the purchase or use of jet fuel.

