

House Bill 440

By: Representative O`Neal of the 146<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 taxation, so as to revise certain provisions relating to certain business income tax  
3 credits; to provide for definitions; to provide for administration; to provide for related  
4 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for  
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxation,  
9 is amended in Code Section 48-7-40.17, relating to taxpayers establishing or relocating their  
10 headquarters in this state, by revising paragraph (3) of subsection (a) as follows:

11 "(3) 'Headquarters' means the principal central administrative office of a potential  
12 taxpayer or a subsidiary of the potential taxpayer."

13 **SECTION 2.**

14 Said chapter is further amended in Code Section 48-7-40.18, relating to tax credits for certain  
15 businesses headquartered in the state, by revising subsection (c) as follows:

16 "(c) The number of new full-time jobs to which this Code section ~~shall be applicable~~  
17 applies shall be determined by comparing the monthly average of full-time jobs subject to  
18 Georgia income tax withholding for the taxable year with the corresponding average for  
19 the prior taxable year."

20 **SECTION 3.**

21 Said chapter is further amended in Code Section 48-7-40.21, relating to tax credits for  
22 existing business enterprises undergoing a qualified business expansion, by revising  
23 subsection (c) as follows:

1 "(c) Notwithstanding any other provision of law to the contrary, any credit claimed  
2 pursuant to this Code section shall be ~~subject to recapture~~ recaptured if the minimum job  
3 requirement is not met. "

4 **SECTION 4.**

5 Said chapter is further amended in Code Section 48-7-40.22, relating to tax credits for  
6 business enterprises for leased motor vehicles, by revising subsection (c) as follows:

7 "(c) In order to qualify for the tax credit under this Code section, a business enterprise must  
8 certify that each vehicle for which a credit is claimed carries an average daily ridership of  
9 ~~not less than~~ at least four employees for an entire taxable year."

10 **SECTION 5.**

11 Said chapter is further amended in Code Section 48-7-40.24, relating to tax credits for certain  
12 manufacturing enterprises, by revising paragraph (8) of subsection (a) as follows:

13 "(8) 'Qualified investment property' means all real and personal property purchased or  
14 acquired by a taxpayer or potential taxpayer for use in a qualified project, including, but  
15 not limited to, amounts expended on land acquisition, improvements, buildings, building  
16 improvements, and machinery and equipment to be used in the manufacturing facility."

17 **SECTION 6.**

18 Said chapter is further amended in Code Section 48-7-40.25, relating to tax credits for certain  
19 business enterprises with existing manufacturing facilities, by revising paragraph (8) of  
20 subsection (a) as follows:

21 "(8) 'Qualified investment property' means all real and personal property purchased or  
22 acquired by a taxpayer or potential taxpayer for use in a qualified project, including, but  
23 not limited to, amounts expended on land acquisition, improvements, buildings, building  
24 improvements, and machinery and equipment to be used in the manufacturing facility."

25 **SECTION 7.**

26 This Act shall become effective on January 1, 2008, and shall apply with respect to taxable  
27 years beginning on or after that date.

28 **SECTION 8.**

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