

House Bill 670

By: Representative Sims of the 169th

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 an
3 income tax credit with respect to wood residuals; to provide for conditions and limitations;
4 to provide for powers, duties, and authority of the state revenue commissioner and the
5 commissioner of natural resources with respect to the foregoing; to provide an effective date;
6 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 to read as follows:

12 "48-7-29.13.

13 (a) As used in this Code section, the term 'wood residuals' means wood residuals that are
14 supplied to a business establishment retaining a solid waste permit for the purposes of
15 recycling so that such material may be used to create energy or be used for marketable
16 reuse.

17 (b) A taxpayer who hauls or transports wood residuals shall be allowed a credit against the
18 tax imposed by this chapter in an amount not to exceed the actual amount certified by the
19 Department of Natural Resources to the taxpayer. Such certification shall be based upon
20 vouchers provided to the taxpayer by the solid waste disposal permittee to whom the wood
21 residuals are provided. The Department of Natural Resources shall calculate and attribute
22 a dollar value to such wood residuals.

23 (c) In no event shall the total amount of the tax credit under this Code section for a taxable
24 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
25 taxpayer against succeeding years' tax liability. No such credit shall be allowed the
26 taxpayer against prior years' tax liability.

(d) Any tax credits under this Code section earned by a taxpayer and previously claimed but not used by such taxpayer against its income tax may be transferred or sold in whole or in part by such taxpayer to another Georgia taxpayer, subject to the following conditions:

(1) The transferor shall submit to the department a written notification of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax credits. The notification shall include such transferor's tax credit balance prior to transfer, the remaining balance after transfer, all tax identification numbers for each transferee, the date of transfer, the amount transferred, and any other information required by the department;

(2) Failure to comply with this subsection shall result in the disallowance of the tax credit until the taxpayer is in full compliance;

(3) In no event shall the amount of the tax credit under this subsection claimed and allowed for a taxable year exceed the transferee's income tax liability. Any unused credit may be carried forward to subsequent taxable years provided that the transfer or sale of this tax credit does not extend the time in which such tax credit can be used. The carry-forward period for tax credit that is transferred or sold shall begin on the date on which the tax credit was originally earned; and

(4) A transferee shall have only such rights to claim and use the tax credit that were available to the transferor at the time of the transfer. To the extent that such transferor did not have rights to claim or use the tax credit at the time of the transfer, the department shall either disallow the tax credit claimed by the transferee or recapture the tax credit from the transferee. The transferee's recourse is against the transferor.

(e) The state revenue commissioner and the commissioner of natural resources shall be authorized to promulgate any rules and regulations necessary to implement and administer the provisions of this Code section."

SECTION 2.

28 This Act shall become effective on January 1, 2008, and shall be applicable to all taxable
29 years beginning on or after that date.

SECTION 3.

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