

House Bill 670

By: Representative Sims of the 169<sup>th</sup>

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.

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

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

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

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

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

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

27 **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.

30 **SECTION 3.**

31 All laws and parts of laws in conflict with this Act are repealed.