

Senate Resolution 400

By: Senators Chapman of the 3rd, Brown of the 26th, Shafer of the 48th, Hudgens of the 47th, Goggans of the 7th and others

ADOPTED SENATE

A RESOLUTION

1 Proposing an amendment to the Constitution of the State of Georgia so as to provide for a
2 program of state income tax credits for charitable contributions to nonprofit organizations
3 providing health or social services which reduce the need for government services; to provide
4 for submission of this amendment for ratification or rejection; and for other purposes.

5 **BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:**

6 **SECTION 1.**

7 Article VII of the Constitution is amended by adding a new Section V to read as follows:

8 **"SECTION V.**

9 **STATE TAX CREDITS**

10 Paragraph I. *Tax credits for community services contributions.* (a) The program
11 provided for in this Paragraph shall be known as the Community Base Giving Tax Credits
12 Program.

13 (b) It is the purpose of this Paragraph to encourage private support for nonprofit
14 organizations that provide community services that reduce the need for government
15 services.

16 (c) As used in this Paragraph, the term:

17 (1) 'Health or social services' means services rendered for the purpose of treating or
18 preventing sickness, disease, or injury or services rendered for the purpose of aiding
19 needy and vulnerable children and adults in ways that strengthen families and encourage
20 personal responsibility but specifically does not include primary or secondary education.

21 (2) 'Nonprofit organization' means one qualified as such under the revenue and taxation
22 laws of the State of Georgia.

23 (3) 'Qualified program' means a program operated by a nonprofit organization which
24 has applied for and received from the state revenue commissioner or such other officer
25 as may be designated by law a certification that the program directly decreases the need

1 for governmental services by providing health or social services which would otherwise
2 be provided by state or local government.

3 (d) Subject to the provisions of this Paragraph and law, an individual or corporate
4 taxpayer who or which makes to a nonprofit organization a charitable contribution
5 designated solely for use by a qualified program shall be entitled to a credit against state
6 income tax otherwise due for the taxable year in which the contribution is made. The
7 maximum creditable contribution by any taxpayer to any one nonprofit organization shall
8 be \$10,000.00 per taxable year, but subject to such limit a taxpayer may make creditable
9 contributions to more than one nonprofit organization in the same taxable year. The amount
10 of such tax credit shall be 105 percent of the amount of each creditable contribution. As a
11 condition of eligibility for such credit the taxpayer shall include in Georgia taxable net
12 income any part of the creditable contribution which would otherwise be deductible from
13 gross income in determining Georgia taxable net income.

14 (e) There shall be an annual cap on the total amount of tax credits which may be claimed
15 during any state fiscal year under this Paragraph. The annual cap for each state fiscal year
16 shall be fixed in the appropriations Act for that fiscal year, but such annual cap shall not
17 be less than \$100 million. Such cap shall be implemented through a system provided by
18 general law.

19 (f) The implementation of this Paragraph shall be prescribed in detail by general law or
20 in the absence of such law by rules and regulations adopted by the state revenue
21 commissioner and approved by the Governor. General law may modify the
22 implementation of this Paragraph, including redefinition of the terms defined in this
23 Paragraph, changing the terms of credit eligibility, and adjustment of the percentage of
24 contribution to be allowed as a credit; but it shall be a primary obligation of the state to
25 make available at least \$100 million of tax credits for the general purpose and in the
26 general manner described in this Paragraph in each state fiscal year for which a state
27 income tax is in effect.

28 (g) The first state fiscal year with respect to which this Paragraph shall apply shall be the
29 fiscal year beginning July 1, 2009, and ending June 30, 2010."

30 SECTION 2.

31 The above proposed amendment to the Constitution shall be published and submitted as
32 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
33 above proposed amendment shall have written or printed thereon the following:

1 " YES Shall the Constitution of Georgia be amended so as to provide for a program
2 of state income tax credits for charitable contributions to nonprofit
3 NO organizations providing health or social services which reduce the need for
4 government services?"

5 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

6 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
7 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
8 become a part of the Constitution of this state.