

House Bill 831

By: Representative Setzler of the 35th

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 imposition, rate, and computation of state income taxes, so as to provide for an
3 income tax credit with respect to qualified donations for construction of or capital
4 improvements for charter schools; to provide for a short title; to provide for procedures,
5 conditions, and limitations; to provide for powers, duties, and authority of the state revenue
6 commissioner and the State Board of Education with respect to the foregoing; to provide an
7 effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
11 imposition, rate, and computation of state income taxes, is amended by adding a new Code
12 section to read as follows:

13 "48-7-29.13.

14 (a) This Code section shall be known and may be cited as the 'Public Charter School
15 Capital Financing Act.'

16 (b) As used in this Code section, the term:

17 (1) 'Charter school' means a charter school as defined in paragraph (3) of Code Section
18 20-2-2062.

19 (2) 'Public charter school authorizer' means:

20 (A) The elected governing authority of a county or municipality;

21 (B) The board of education of a county or independent school district;

22 (C) An institution of the University System of Georgia; or

23 (D) The State Board of Education

24 which authorizes a charter school pursuant to Article 31 of Chapter 2 of Title 20.

25 (3) 'Qualified charter school organization' means a charitable organization in this state
26 that is exempt from federal income taxation under Section 501(c)(3) of the Internal

1 Revenue Code which is approved by a public charter school authorizer to provide funds
2 for the construction of or capital improvements for charter schools in this state.

3 (4) 'Qualified charter school expense' means the expenditure of funds by the taxpayer
4 as a donation to a qualified charter school organization that are used to construct or make
5 capital improvements to a charter school. Such expenses shall only be deemed qualified
6 for purposes of this Code section if any charter school constructed with proceeds donated
7 pursuant to this Code section and any capital improvements made to a charter school with
8 proceeds donated pursuant to this Code section shall be owned by the charter school
9 authority.

10 (c) A taxpayer shall be allowed a credit against the tax imposed by this chapter in the
11 lesser of:

12 (1) An amount not to exceed 50 percent of the actual amount expended as qualified
13 charter school expenses during the taxable year; or

14 (2) An amount expended as qualified charter school expenses which does not exceed
15 \$5,000.00 per student up to the number of students that single charter school or the
16 capital improvement was designed to serve.

17 (d) In no event shall the total amount of the tax credit under this Code section for a taxable
18 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
19 taxpayer against the succeeding five years' tax liability. No such credit shall be allowed
20 the taxpayer against prior years' tax liability.

21 (e) The State Board of Education shall adopt policies, guidelines, and standards regarding
22 the construction of charter schools that are constructed in part with donations made to
23 qualified charter school organizations. The state board shall compile an annual report to
24 the Governor with respect to such school construction and the fiscal impact on state
25 revenue of the tax credits provided under this Code section. Such report shall be made
26 available to any member of the General Assembly upon request.

27 (f) The commissioner shall be authorized to promulgate any rules and regulations
28 necessary to implement and administer the provisions of this Code section."

29 SECTION 2.

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

32 SECTION 3.

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