

House Bill 851

By: Representatives Peake of the 137th, Martin of the 47th, Royal of the 171st, Stephens of the 164th, Parrish of the 156th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-7-29.8 of the Official Code of Georgia Annotated, relating to
2 income tax credits for the certified rehabilitation of historic structures, so as to change the
3 method of calculation of the tax credit; to remove the cap on the amount of credits; to
4 authorize the transfer or assignment of tax credits under certain circumstances; to provide
5 that proceeds received by the taxpayer for the assignment or sale of tax credits shall be
6 exempt from taxation as income; to provide for an effective date and applicability; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 48-7-29.8 of the Official Code of Georgia Annotated, relating to income tax
11 credits for the certified rehabilitation of historic structures, is amended by revising subsection
12 (b) as follows:

13 "(b) A taxpayer shall be allowed a tax credit against the tax imposed by this chapter for
14 the taxable year in which the certified rehabilitation is completed:

15 (1) In the case of a historic home, equal to ~~10~~ 25 percent of qualified rehabilitation
16 expenditures, except that, in the case of a historic home located within a target area, an
17 additional credit equal to 5 percent of qualified rehabilitation expenditures shall be
18 allowed; and

19 (2) In the case of any other certified structure, equal to ~~20~~ 25 percent of qualified
20 rehabilitation expenditures."

21 **SECTION 2.**

22 Said Code section is further amended by revising subsection (c) as follows:

23 "~~(c) In no event shall credits for a historic home or certified structure exceed \$5,000.00 in~~
24 ~~any 120 month period. Provided that the taxpayer has not claimed the credit in whole or~~
25 ~~in part, taxpayers eligible for the tax credit may assign, transfer, or convey the credit in~~

1 whole or in part by sale or otherwise to any individual or entity. Such transfer or
 2 conveyance may include, but is not limited to, condominium owners if the certified historic
 3 structure is converted into condominiums. The assignor shall perfect the transfer by
 4 notifying the Department of Revenue in writing within 30 calendar days following the
 5 effective date of the transfer and shall provide any information as may be required by the
 6 department to administer and carry out the provisions of this Code section."

7 SECTION 3.

8 Said Code section is further amended by revising subsection (h) as follows:

9 "(h)(1) If an owner other than a nonprofit corporation sells a historic home within three
 10 years of receiving the credit, the seller shall recapture the credit to the Department of
 11 Revenue as follows:

12 (A) If the property is sold within one year of receiving the credit, the recapture amount
 13 will equal the lesser of the credit or the net profit of the sale;

14 (B) If the property is sold within two years of receiving the credit, the recapture
 15 amount will equal the lesser of two-thirds of the credit or the net profit of the sale; or

16 (C) If the property is sold within three years of receiving the credit, the recapture
 17 amount will equal the lesser of one-third of the credit or the net profit of the sale.

18 (2) The recapture provisions of this subsection shall not apply to a sale resulting from the
 19 death of the owner.

20 (3) For purposes of this chapter, any proceeds received by the taxpayer for the
 21 assignment or sale of the tax credits allowed pursuant to this Code section shall be
 22 exempt from taxation as income."

23 SECTION 4.

24 Said Code section is further amended by revising subsection (i) as follows:

25 "(i) The tax credit allowed under this Code section, and any recaptured tax credit, shall be
 26 allocated among some or all of the partners, members, or shareholders of the entity owning
 27 the project or any entity to which the tax credit has been transferred under subsection (c)
 28 of this Code section in any manner agreed to by such persons, whether or not such persons
 29 are allocated or allowed any portion of any other tax credit with respect to the project."

30 SECTION 5.

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

- 1 **SECTION 6.**
- 2 All laws and parts of laws in conflict with this Act are repealed.