

## House Bill 851 (COMMITTEE SUBSTITUTE)

By: Representatives Peake of the 137<sup>th</sup>, Martin of the 47<sup>th</sup>, Royal of the 171<sup>st</sup>, Stephens of the 164<sup>th</sup>, Parrish of the 156<sup>th</sup>, 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 one time under certain circumstances; to  
5 provide that proceeds received by the taxpayer for the assignment or sale of tax credits shall  
6 be exempt from taxation as income; to provide for an effective date and applicability; to  
7 repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 style="text-align:center">**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 the  
14 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 style="text-align:center">**SECTION 2.**

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

23 "(c)(1) In no event shall credits for a historic home ~~or certified structure~~ exceed  
24 ~~\$5,000.00~~ \$100,000.00 in any 120 month period.

1 (2) In no event shall credits for a certified structure exceed \$300,000.00 in any 120  
2 month period."

### 3 SECTION 3.

4 Said Code section is further amended by adding a new subsection to read as follows:

5 "(c.1) Any tax credits under this Code section earned by a taxpayer and previously claimed  
6 but not used by such taxpayer against its income tax may be transferred or sold in whole  
7 or in part one time only by such taxpayer to another Georgia taxpayer, subject to the  
8 following conditions:

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

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

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

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

### 28 SECTION 4.

29 Said Code section is further amended by adding a new subsection to read as follows:

30 "(h.1) Any proceeds received by the taxpayer from the transfer or sale of the tax credits  
31 under subsection (c.1) of this Code section shall not constitute income for purposes of  
32 determining the taxpayer's taxable net income under this chapter."

### 33 SECTION 5.

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

