

House Bill 1204

By: Representative Stephens of the 164th

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, computation, and exemptions regarding income taxes, so as to
3 provide for an additional income tax credit for job creation for a limited period of time; to
4 provide for definitions, procedures, conditions, and limitations; to provide for powers, duties,
5 and authority of the state revenue commissioner; to provide an effective date; to repeal
6 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
10 imposition, rate, computation, and exemptions regarding income taxes, is amended by adding
11 a new Code section to read as follows:

12 "48-7-39.1.

13 (a) As used in this Code section, the term:

14 (1) 'Business enterprise' means any business or the headquarters of any such business in
15 this state.

16 (2) 'Eligible new full-time employee job' means a permanent rather than part-time job
17 consisting of not less than 35 hours per week and paying an annual wage of not less than
18 \$20,000.00 per year in the tax year in which the credit under this Code section is first
19 claimed and allowed; provided, however, that if such salary is less than \$20,000.00 in the
20 immediately following year, such job shall be deemed to be an eligible full-time job if the
21 remaining requirements of this paragraph continue to be met.

22 (3) 'Existing business enterprise' means any business or the headquarters of any such
23 business which has operated for the immediately preceding three years a facility in this
24 state.

25 (b) Business enterprises shall be allowed a tax credit for taxes imposed under this article
26 for each eligible new full-time employee job created on or after January 1, 2010, and prior

27 to January 1, 2012, beginning with the second taxable year following the taxable year in
 28 which the new full-time employee job is created and for the immediately succeeding
 29 taxable year. For each eligible full-time employee job, such tax credit shall be in an
 30 amount equal to 2 percent of the wages of the eligible new full-time employee or \$700.00
 31 per eligible new full-time employee job, whichever is less. Credit shall not be allowed
 32 during a year if the qualifying job is discontinued and the taxpayer shall forfeit the right to
 33 the credit claimed for that taxable year. For that year, a taxpayer that forfeits such right is
 34 therefore liable for all past taxes imposed by this article for that taxable year that were
 35 foregone by the state as a result of the credits provided by this Code section; provided,
 36 however, that Code Section 48-2-40 shall not apply to any such forfeiture.

37 (c) Any credit claimed under this Code section but not used in any taxable year may be
 38 carried forward for ten years from the close of the taxable year in which the qualified jobs
 39 were established, subject to forfeiture as provided in subsection (b) of this Code section.

40 (d) Any credit claimed under this Code section but not used in any taxable year may be
 41 carried forward for ten years from the close of the taxable year in which the qualified jobs
 42 were established, subject to forfeiture as provided in subsection (b) of this Code section,
 43 but the credit established by this Code section taken in any one taxable year shall be limited
 44 to an amount not greater than 50 percent of the taxpayer's state income tax liability which
 45 is attributable to income derived from operations in this state for that taxable year.

46 (e) Notwithstanding Code Section 48-2-35, any tax credit claimed under this Code section
 47 shall be claimed within three years of the earlier of the date the original tax return was filed
 48 or the date such return was due as prescribed in subsection (a) of Code Section 48-7-56,
 49 including any approved extensions."

50 **SECTION 2.**

51 This Act shall become effective upon its approval by the Governor or upon its becoming law
 52 without such approval.

53 **SECTION 3.**

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