

House Bill 1241

By: Representatives May of the 111<sup>th</sup>, Smith of the 129<sup>th</sup>, and Hugley of the 133<sup>rd</sup>

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 the imposition, rate, and computation of income tax, so as to provide for the order  
3 in which Georgia income tax credits shall be applied on a taxpayer's return; to provide for  
4 procedures, conditions, and limitations; to provide for related matters; to provide an effective  
5 date; to provide for applicability; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

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

11 "48-7-43.

12 (a) Except as otherwise provided in this Code section, for Georgia income tax credits  
13 generated in the current tax year and Georgia income tax credits carried forward to the  
14 current tax year, those tax credits from the oldest years shall be utilized first; provided,  
15 however, that if a taxpayer is eligible to claim more than one type of Georgia income tax  
16 credit, each having different carry forward periods, or no carry forward period, the taxpayer  
17 may elect which Georgia tax credit will be first utilized on the taxpayer's current year  
18 return. Such election shall not increase or decrease the carry forward period of Georgia  
19 income tax credits to which the taxpayer is entitled.

20 (b) If two or more different Georgia income tax credits for which carry forward is allowed  
21 are generated in a single tax year and one or both cannot be fully utilized by the taxpayer  
22 in such tax year, the taxpayer may elect which and how much of each shall be utilized on  
23 the current year's return and which and how much of both or either shall be carried forward,  
24 subject to the specific utilization and carry forward rules for each such tax credit.

25 (c) Nothing in this Code section is intended to alter the specific eligibility requirements  
26 for Georgia income tax credits.

27 (d) The election allowed to a taxpayer by this Code section shall be made in such manner  
28 and on such forms as the commissioner may designate."

29 **SECTION 2.**

30 This Act shall become effective upon its approval by the Governor or upon its becoming law  
31 without such approval and shall be applicable to all taxable years beginning on or after  
32 January 1, 2010.

33 **SECTION 3.**

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