

The Senate Finance Committee offered the following substitute to HB 1069:

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 income tax imposition, rate, computation, and exemptions, so as to provide for tax  
3 credits for certain qualified equipment that reduces business or domestic energy or water  
4 usage; to provide an effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

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

10 "48-7-40.29.

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

12 (1) 'Cost' means the aggregate funds actually invested and expended by a taxpayer to put  
13 into service the qualified equipment.

14 (2) 'Energy efficient equipment' means all machinery and equipment certified pursuant  
15 to rules and regulations promulgated for purposes of this Code section by the  
16 commissioner of natural resources, as effective in reducing business or domestic energy  
17 usage. Such certifications may include, by way of example and not limitation, any  
18 dishwasher, clothes washer, air conditioner, ceiling fan, fluorescent light bulb,  
19 dehumidifier, programmable thermostat, refrigerator, door, or window which has been  
20 designated by the United States Environmental Protection Agency and the United States  
21 Department of Energy as meeting or exceeding each such agency's energy saving  
22 efficiency requirements or which have been designated as meeting or exceeding such  
23 requirements under each such agency's Energy Star program.

24 (3) 'Qualified equipment' means energy efficient equipment or water efficient equipment.

25 (4) 'Water efficient equipment' means all machinery and equipment certified pursuant  
26 to rules and regulations promulgated for purposes of this Code section by the

27 commissioner of natural resources as effective in reducing business or domestic water  
28 usage. Such certifications shall include, by way of example and not limitation, water  
29 conservation systems capable of storing rain water or gray water for future use and  
30 reusing the collected water for the same residential or commercial property and other  
31 products used for the conservation or efficient use of water which have been designated  
32 by the United States Environmental Protection Agency as meeting or exceeding such  
33 agency's water saving efficiency requirements or which have been designated as meeting  
34 or exceeding such requirements under such agency's Water Sense program.

35 (b) Rules and regulations of the commissioner of natural resources shall establish  
36 classifications or categories of qualified equipment, and no item of such qualified  
37 equipment shall be included in more than one classification or category for purposes of  
38 claiming a tax credit under this Code section. The commissioner of natural resources, may  
39 take all reasonable and necessary steps to identify qualified equipment and to bring such  
40 equipment to the attention of taxpayers in this state qualified to install such equipment.

41 (c) After the effective date of this Code section, any taxpayer who is the ultimate purchaser  
42 of an item of qualified equipment for installation as part of new construction or for retrofit  
43 in this state shall be allowed a credit against the tax imposed under this article in the  
44 taxable year in which such qualified equipment was placed in service. The amount of the  
45 credit allowed under this Code section shall be 25 percent of the cost of the qualified  
46 equipment or \$2,500.00, whichever is less.

47 (d) The credit granted under subsection (c) of this Code section shall be subject to the  
48 following conditions and limitations:

49 (1) The aggregate amount of credit which shall be claimed and allowed by taxpayers in  
50 any taxable year under this Code section shall be limited solely and exclusively to the  
51 amount of federal funds granted to the state for purposes of this Code section. In any tax  
52 year in which no federal funds are available for such purposes, no credit shall be claimed  
53 and allowed under this Code section.

54 (2) A taxpayer that claims a credit allowed under this Code section shall not be eligible  
55 to claim such qualified equipment for the clean energy property credit provided in Code  
56 Section 48-7-29.14; and

57 (3) To claim a credit allowed by this Code section, the taxpayer shall provide any  
58 information required by the Department of Natural Resources or the department. Every  
59 taxpayer claiming a credit under this Code section shall maintain and make available for  
60 inspection by the Department of Natural Resources or the department any records that  
61 either entity considers necessary to determine and verify the amount of the credit to  
62 which the taxpayer is entitled. The burden of proving eligibility for a credit and the

63 amount of the credit rests upon the taxpayer, and no credit may be allowed to a taxpayer  
 64 that fails to maintain adequate records or to make them available for inspection.

65 (e) In no event shall the amount of the tax credit allowed by this Code section for a taxable  
 66 year exceed the taxpayer's income tax liability. Any unused credit amount shall be allowed  
 67 to be carried forward for five years from the close of the taxable year in which the qualified  
 68 equipment was placed in service. No such credit shall be allowed the taxpayer against  
 69 prior years' tax liability.

70 (f) After the qualified equipment is placed in service, a taxpayer seeking to claim any tax  
 71 credit provided for under this Code section must submit an application to the commissioner  
 72 for tentative approval of such tax credit. The commissioner shall promulgate the rules and  
 73 forms on which the application is to be submitted. The commissioner shall review such  
 74 application and shall tentatively approve such application upon determining that it meets  
 75 the requirements of this Code section within 60 days after receiving such application.

76 (g) The commissioner shall allow the tax credits on a first come, first served basis. In no  
 77 event shall the aggregate amount of tax credits approved by the commissioner for all  
 78 taxpayers under this Code section exceed the amount of federal funds granted to the state  
 79 for purposes of this Code section.

80 (h) The Department of Natural Resources and the department shall be authorized to adopt  
 81 rules and regulations to provide for the administration of the tax credit provided by this  
 82 Code section. Specifically, the Department of Natural Resources and the department shall  
 83 create a mechanism to track and report the status and availability of credits for the public  
 84 to review at a minimum on a quarterly basis."

85 **SECTION 2.**

86 This Act shall become effective on January 1 of the year following the year in which federal  
 87 funds are made available for the purpose of funding the credit provided by this Act and in  
 88 which the state auditor certifies in writing to the commissioner of natural resources and the  
 89 state revenue commissioner that such funds have been received, have been deposited in the  
 90 general fund, and are available for purposes of this Act.

91 **SECTION 3.**

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