

The House Committee on Ways and Means offers the following substitute to HB 261:

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 an
3 income tax credit for a limited period of time for the purchase of one eligible single-family
4 residence; to provide for conditions and limitations; to provide for powers, duties, and
5 authority of the state revenue commissioner with respect to the foregoing; to provide an
6 effective date; to repeal 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 the
10 imposition, rate, and computation of income tax, is amended by adding a new Code section
11 to read as follows:

12 "48-7-29.17.

13 (a) As used in this Code section, the term 'eligible single-family residence' means:

14 (1) A single-family structure that is a new residence or a previously occupied residence
15 that was for sale prior to the effective date of this Code section and is still for sale after
16 the effective date of this Code section; or

17 (2) A single-family structure that is:

18 (A) An owner occupied residence with respect to which the owner's acquisition
19 indebtedness, as defined in Section 163(h)(3)(B) of the Internal Revenue Code,
20 determined without regard to clause (ii) thereof, was in default on or before March 1,
21 2009; or

22 (B) A residence with respect to which a foreclosure event has taken place and which
23 is owned by the mortgagor or the mortgagor's agent.

24 (b) A taxpayer shall be allowed a one-time credit against the tax imposed by Code Section
25 48-7-20 for the purchase of one eligible single-family residence made during the six-month
26 period commencing on the first day of the month following the effective date of this Code

27 section and ending on the last day of the sixth complete month thereafter. The amount of
 28 such credit shall be either 1.2 percent of the purchase price of such eligible single-family
 29 residence or \$3,600.00, whichever is less.

30 (c) The amount of the tax credit under subsection (b) of this Code section which may be
 31 claimed and allowed for a single taxable year shall not exceed \$1,200.00 or the taxpayer's
 32 income tax liability, whichever is less. Any excess or unused tax credit amount shall be
 33 allowed to be carried forward to apply to the taxpayer's succeeding two years' tax liability.
 34 No such tax credit shall be allowed the taxpayer against prior years' tax liability.

35 (d)(1) A taxpayer shall submit to the commissioner a bona fide listing agreement with
 36 a real estate agent or broker licensed in this state, documentation that the eligible
 37 single-family residence was for sale directly by the owner without a real estate agent or
 38 broker, or other appropriate documentation deemed sufficient by the commissioner to
 39 validate the eligibility of the single-family residence for purposes of the tax credit under
 40 this Code section.

41 (2) In the event the taxpayer files an electronic return, the documentation required under
 42 paragraph (1) of this subsection shall only be required to be electronically attached to the
 43 return if the Internal Revenue Service allows such attachments when the data is
 44 transmitted to the department. In the event the taxpayer files an electronic return and
 45 such documentation is not attached because the Internal Revenue Service does not, at the
 46 time of such electronic filing, allow electronic attachments to the Georgia return, such
 47 documentation shall be maintained by the taxpayer and made available upon request of
 48 the commissioner.

49 (e) The commissioner shall be authorized to promulgate any rules and regulations
 50 necessary to implement and administer this Code section."

51 **SECTION 2.**

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

54 **SECTION 3.**

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