

House Bill 351

By: Representatives Carson of the 46th, Smyre of the 135th, Peake of the 141st, and Powell of the 171st

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, computation, and exemptions from state income taxes, so as
3 to provide that certain entities may elect to pay the tax on any recaptured credits at the entity
4 level; to provide for related matters; to provide for an effective date; to repeal conflicting
5 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, computation, and exemptions from state income taxes, is amended by
10 adding a new subparagraph to paragraph (2) of subsection (b) of Code Section 48-7-29.6,
11 relating to income tax credits for qualified low-income building, as follows:

12 “(C) Any Georgia pass-through entity, including, but not limited to, a partnership,
13 limited liability company, or Subchapter 'S' corporation, may elect to pay the tax at the
14 entity level, rather than have the tax paid by the owners, on any recaptured tax credits
15 in an amount equal to such recaptured credits. Such recaptured credits shall be added
16 to the composite tax provided for in subsection (b) of Code Section 48-7-129 for the
17 year of recapture. In the event there is no such composite tax, the amount shall be paid
18 in the same manner as required for composite tax. This election shall be made on a
19 yearly basis in lieu of passing the recapture amount to the owners of the entity.”

20 **SECTION 2.**

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

23 **SECTION 3.**

24 All laws and parts of laws in conflict with this Act are repealed.