

House Bill 134

By: Representatives Bennett of the 94<sup>th</sup>, Beasley-Teague of the 65<sup>th</sup>, Mabra of the 63<sup>rd</sup>,  
Randall of the 142<sup>nd</sup>, Abrams of the 89<sup>th</sup>, and others

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, and computation and exemptions from state income taxes, so as  
3 to provide for a State Work Opportunity Tax Credit as a state income tax credit incentive to  
4 be provided to private sector employers to hire individuals from certain target groups of job  
5 seekers who face employment barriers; to provide for related matters; to repeal conflicting  
6 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, and computation and exemptions from state income taxes, is amended by  
11 adding a new Code section to read as follows:

12 "48-7-40.31.

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

14 (1) 'Extended active duty' means a period of more than 90 days during which an  
15 individual was on active duty, other than active duty for training, in the armed forces of  
16 the United States.

17 (2) 'Hiring date' means the day the individual is hired by an employer.

18 (3) 'IV-A program' means any program providing assistance under a state program  
19 funded under Part A of Title IV of the Social Security Act and any successor of such  
20 program.

21 (4) 'Long-term family assistance recipient' means any individual who is certified by the  
22 Georgia Department of Labor:

23 (A) As being a member of a family receiving assistance under a IV-A program for at  
24 least the 18 month period ending on the hiring date;

25 (B)(i) As being a member of a family receiving such assistance for 18 months  
26 beginning after June 30, 2013; and

27 (ii) As having a hiring date which is not more than two years after the end of the  
 28 earliest such 18 month period; or

29 (C)(i) As being a member of a family which ceased to be eligible for such assistance  
 30 by reason of any limitation imposed by federal or state law on the maximum period  
 31 such assistance is payable to a family; and

32 (ii) As having a hiring date which is not more than two years after the date of such  
 33 cessation.

34 (5) 'Pre-screening notice' means a document prescribed by the Georgia Department of  
 35 Labor which contains information provided by the individual on the basis of which the  
 36 employer believes that the individual is a member of a targeted group.

37 (6) 'Qualified ex-felon' means any individual who is certified by the Georgia Department  
 38 of Labor:

39 (A) As having been convicted of a felony under any statute of the United States or any  
 40 state; and

41 (B) As having a hiring date which is not more than one year after the last date on which  
 42 such individual was so convicted or was released from prison.

43 (7) 'Qualified first-year wages' means qualified wages attributable to service rendered  
 44 during the one-year period beginning with the day the individual begins work for the  
 45 employer. The amount of qualified first-year wages which may be taken into account  
 46 shall not exceed \$4,500.00 per year, or \$4,800.00 per year in the case of any individual  
 47 who is a qualified veteran.

48 (8) 'Qualified food stamps recipient' means any individual who is certified by the  
 49 Georgia Department of Labor:

50 (A) As having attained age 18 but not age 40 on the hiring date; and

51 (B) As being a member of a family:

52 (i) Receiving assistance under a supplemental nutrition assistance program under the  
 53 Food and Nutrition Act of 2008 for the six-month period ending on the hiring date;  
 54 or

55 (ii) Receiving such assistance for at least three months of the five-month period  
 56 ending on the hiring date, in the case of a member of a family who ceases to be  
 57 eligible for such assistance under Section 6(o) of the Food and Nutrition Act of 2008.

58 The secretary of the treasury of the United States and the secretary of agriculture of the  
 59 United States shall enter into an agreement to provide information to the commissioner  
 60 of labor and the commissioner of human services concerning an individual's participation  
 61 in the supplemental nutrition assistance program under Title IV-A of the Social Security  
 62 Act.

63 (9) 'Qualified IV-A recipient' means any individual who is certified by the Georgia  
 64 Department of Labor as being a member of a family receiving assistance under a IV-A  
 65 program for any nine months during the 18 month period ending on the hiring date.

66 (10) 'Qualified second-year wages' means qualified wages:

67 (A) Which are paid to a long-term family assistance recipient; and

68 (B) Which are attributable to service rendered during the one-year period beginning  
 69 on the day after the last day of the one-year period determined under paragraph (7) of  
 70 this subsection.

71 As used in this paragraph, the term 'wages' means unemployment insurance wages,  
 72 determined without regard to any dollar limitation.

73 (11) 'Qualified veteran' means any veteran who is certified by the Georgia Department  
 74 of Labor as:

75 (A) Being a member of a family receiving assistance under a supplemental nutrition  
 76 assistance program under the Food and Nutrition Act of 2008 for at least a three-month  
 77 period ending during the 12 month period ending on the hiring date;

78 (B) Entitled to compensation for a service connected disability and:

79 (i) Having a hiring date which is not more than one year after having been discharged  
 80 or released from active duty in the armed forces of the United States; or

81 (ii) Having aggregate periods of unemployment during the one-year period ending  
 82 on the hiring date which equal or exceed six months;

83 (C) Having aggregate periods of unemployment during the one-year period ending on  
 84 the hiring date which equal or exceed four weeks (but less than six months); or

85 (D) Having aggregate periods of unemployment during the one-year period ending on  
 86 the hiring date which equal or exceed six months.

87 (12) 'Qualified wages' means the wages paid or incurred by the employer during the  
 88 taxable year to individuals who are members of a targeted group.

89 (13) 'Service connected' shall have the same meaning given in 38 U.S.C. Section 101.

90 (14) 'Unemployed veteran' means any veteran who is certified by the Georgia  
 91 Department of Labor as:

92 (A) Having been discharged or released from active duty in the armed forces of the  
 93 United States at any time during the five-year period ending on the hiring date; and

94 (B) Being in receipt of unemployment compensation under state or federal law for not  
 95 less than four weeks during the one-year period ending on the hiring date.

96 (15) 'Veteran' means any individual who is certified by the Georgia Department of Labor  
 97 as:

98 (A)(i) Having served on active duty, other than active duty for training, in the armed  
 99 forces of the United States for a period of more than 180 days; or

100 (ii) Having been discharged or released from active duty in the armed forces of the  
101 United States for a service connected disability; and  
102 (B) Not having any day during the 60 day period ending on the hiring date which was  
103 a day of extended active duty in the armed forces of the United States.  
104 (16)(A) 'Wages' shall have the same meaning as such term is defined in subsection (b)  
105 of 26 U.S.C. Section 3306, without regard to any dollar limitation contained in such  
106 section.  
107 (B) Wages shall not include:  
108 (i) Any amounts paid or incurred by an employer for any period to any individual for  
109 whom the employer receives federally funded payments for on-the-job training of  
110 such individual for such period;  
111 (ii) The amount of wages which would be qualified wages under this Code section  
112 for an employer shall be reduced by an amount equal to the amount of the payments  
113 made to such employer for such individual for such taxable year under a program  
114 established under Section 482(e)(1) of the Social Security Act; and  
115 (iii) Payments for services during labor disputes:  
116 (I) If the principal place of employment of an individual with the employer is at a  
117 plant or facility; and  
118 (II) There is a strike or lockout involving employees at such plant or facility,  
119 then any amount paid or incurred by the employer to such individual for services  
120 which are the same as, or substantially similar to, those services performed by  
121 employees participating in, or affected by, the strike or lockout during the period of  
122 such strike or lockout.  
123 (b) There is created a State Work Opportunity Tax Credit, which shall be a one-time tax  
124 credit for each new employee hired by a qualified employer. There is no limit to the  
125 number of new hires who can qualify an employer for such tax credit. The requirements  
126 for this program are to be promulgated by rules and regulations issued by the department  
127 and the Georgia Department of Labor. The amount of the tax credit shall be determined  
128 by the criteria contained in this Code section.  
129 (c)(1) Except as otherwise provided in paragraphs (2) through (4) of this subsection, the  
130 amount of the State Work Opportunity Tax Credit for a taxable year shall be equal to 40  
131 percent of the qualified first-year wages of an individual in a targeted group for the  
132 specified year.  
133 (2) In the case of an individual who has performed at least 120 hours, but less than 400  
134 hours, of service for the employer, the State Work Opportunity Tax Credit for a taxable  
135 year shall be equal to 25 percent of the qualified first-year wages.

- 136 (3) No wages shall be taken into account for any individual unless such individual has  
 137 performed at least 120 hours of service for the employer.
- 138 (4) No wages shall be taken into account for any individual if, prior to the hiring date of  
 139 such individual, such individual had been employed by the employer at any time.
- 140 (d)(1) An individual is a member of a targeted group if such individual is:
- 141 (A) A qualified veteran;
  - 142 (B) A qualified ex-felon;
  - 143 (C) A qualified food stamps recipient;
  - 144 (D) A long-term family assistance recipient;
  - 145 (E) A qualified IV-A recipient; or
  - 146 (F) An unemployed veteran.
- 147 (2) An individual shall not be treated as a member of a targeted group unless:
- 148 (A) On or before the day on which such individual begins work for the employer, the  
 149 employer has received a certification from the Georgia Department of Labor that such  
 150 individual is a member of a targeted group; or
  - 151 (B)(i) On or before the day the individual is offered employment with the employer,  
 152 a pre-screening notice is completed by the employer for such individual; and
  - 153 (ii) Not later than the twenty-eighth day after the individual begins work for the  
 154 employer, the employer submits such notice, signed by the employer and the  
 155 individual under penalties of perjury, to the Georgia Department of Labor as part of  
 156 a written request for such a certification from such agency.
- 157 (e) If an individual has been certified by the Georgia Department of Labor as a member  
 158 of a targeted group and such certification is incorrect because it was based on false  
 159 information provided by such individual, the certification shall be revoked and wages paid  
 160 by the employer after the date on which notice of revocation is received by the employer  
 161 shall not be treated as qualified wages.
- 162 (f) If the Georgia Department of Labor denies a request for certification of membership  
 163 in a targeted group, such agency shall provide to the person making such request a written  
 164 explanation of the reasons for such denial.
- 165 (g)(1) A veteran will be treated as certified by the Georgia Department of Labor as  
 166 having aggregate periods of unemployment meeting the requirements of this Code section  
 167 if such veteran is certified by such agency as being in receipt of unemployment  
 168 compensation under state or federal law for not less than six months during the one-year  
 169 period ending on the hiring date.
- 170 (2) A veteran will be treated as certified by the Georgia Department of Labor as having  
 171 aggregate periods of unemployment meeting the requirements of this Code section if such  
 172 veteran is certified by such agency as being in receipt of unemployment compensation

173 under state or federal law for not less than four weeks, but less than six months, during  
 174 the one-year period ending on the hiring date.

175 (3) The Commissioner of Labor may provide alternative methods for certification of a  
 176 veteran as a qualified veteran at the commissioner's discretion.

177 (h) Any unemployed veteran who begins work for an employer during 2015 or 2016 shall  
 178 be treated as a member of a targeted group for purposes of this Code section.

179 (i) The State Work Opportunity Tax Credit for employment of a long-term family  
 180 assistance recipient shall be determined as follows:

181 (1) The amount of the State Work Opportunity Tax Credit determined under this Code  
 182 section for the taxable year shall include 50 percent of the qualified second-year wages  
 183 for such year; and

184 (2) The amount of the qualified first-year wages, and the amount of qualified  
 185 second-year wages, which may be taken into account shall not exceed \$10,000.00 per  
 186 year.

187 (j) No wages shall be taken into account when an individual:

188 (1) Bears any of the relationships described in subparagraphs (A) through (G) of 26  
 189 U.S.C. Section 152(d)(2) to the taxpayer, or, if the taxpayer is a corporation, to an  
 190 individual who owns, directly or indirectly, more than 50 percent in value of the  
 191 outstanding stock of the corporation, or, if the taxpayer is an entity other than a  
 192 corporation, to any individual who owns, directly or indirectly, more than 50 percent of  
 193 the capital and profits interests in the entity; or

194 (2) If the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate  
 195 or trust, or is an individual who bears any of the relationships described in subparagraphs  
 196 (A) through (G) of 26 U.S.C. Section 152(d)(2) to a grantor, beneficiary, or fiduciary of  
 197 the estate or trust.

198 (k)(1) A taxpayer may elect to have this Code section not apply for any taxable year.

199 (2) An election under paragraph (1) of this subsection for any taxable year may be made  
 200 or revoked at any time before the expiration of the three-year period beginning on the last  
 201 date prescribed by law for filing the return for such taxable year to be determined without  
 202 regard to extensions.

203 (3) An election or revocation under paragraph (1) of this subsection shall be made in  
 204 such manner as the commissioner may by regulations prescribe."

## 205 **SECTION 2.**

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