House Bill 134
By: Representatives Bennett of the 94th, Beasley-Teague of the 65th, Mabra of the 63rd, Randall of the 142nd, Abrams of the 89th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, and computation and exemptions from state income taxes, so as to provide for a State Work Opportunity Tax Credit as a state income tax credit incentive to be provided to private sector employers to hire individuals from certain target groups of job seekers who face employment barriers; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

48-7-40.31.
(a) As used in this Code section, the term:
(1) 'Extended active duty' means a period of more than 90 days during which an individual was on active duty, other than active duty for training, in the armed forces of the United States.
(2) 'Hiring date' means the day the individual is hired by an employer.
(3) 'IV-A program' means any program providing assistance under a state program funded under Part A of Title IV of the Social Security Act and any successor of such program.
(4) 'Long-term family assistance recipient' means any individual who is certified by the Georgia Department of Labor:
(A) As being a member of a family receiving assistance under a IV-A program for at least the 18 month period ending on the hiring date;
(B) As being a member of a family receiving such assistance for 18 months beginning after June 30, 2013; and
(ii) As having a hiring date which is not more than two years after the end of the
earliest such 18 month period; or
(C)(i) As being a member of a family which ceased to be eligible for such assistance
by reason of any limitation imposed by federal or state law on the maximum period
such assistance is payable to a family; and
(ii) As having a hiring date which is not more than two years after the date of such
cessation.
(5) 'Pre-screening notice' means a document prescribed by the Georgia Department of
Labor which contains information provided by the individual on the basis of which the
employer believes that the individual is a member of a targeted group.
(6) 'Qualified ex-felon' means any individual who is certified by the Georgia Department
of Labor:
(A) As having been convicted of a felony under any statute of the United States or any
state; and
(B) As having a hiring date which is not more than one year after the last date on which
such individual was so convicted or was released from prison.
(7) 'Qualified first-year wages' means qualified wages attributable to service rendered
during the one-year period beginning with the day the individual begins work for the
employer. The amount of qualified first-year wages which may be taken into account
shall not exceed $4,500.00 per year, or $4,800.00 per year in the case of any individual
who is a qualified veteran.
(8) 'Qualified food stamps recipient' means any individual who is certified by the Georgia Department of Labor:
(A) As having attained age 18 but not age 40 on the hiring date; and
(B) As being a member of a family:
   (i) Receiving assistance under a supplemental nutrition assistance program under the
      Food and Nutrition Act of 2008 for the six-month period ending on the hiring date;
   or
   (ii) Receiving such assistance for at least three months of the five-month period
      ending on the hiring date, in the case of a member of a family who ceases to be
      eligible for such assistance under Section 6(o) of the Food and Nutrition Act of 2008.
The secretary of the treasury of the United States and the secretary of agriculture of the
United States shall enter into an agreement to provide information to the commissioner
of labor and the commissioner of human services concerning an individual's participation
in the supplemental nutrition assistance program under Title IV-A of the Social Security
Act.
(9) 'Qualified IV-A recipient' means any individual who is certified by the Georgia Department of Labor as being a member of a family receiving assistance under a IV-A program for any nine months during the 18 month period ending on the hiring date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A)(i) Having served on active duty, other than active duty for training, in the armed forces of the United States for a period of more than 180 days; or
(ii) Having been discharged or released from active duty in the armed forces of the United States for a service connected disability; and

(B) Not having any day during the 60 day period ending on the hiring date which was a day of extended active duty in the armed forces of the United States.

(16)(A) 'Wages' shall have the same meaning as such term is defined in subsection (b) of 26 U.S.C. Section 3306, without regard to any dollar limitation contained in such section.

(B) Wages shall not include:

(i) Any amounts paid or incurred by an employer for any period to any individual for whom the employer receives federally funded payments for on-the-job training of such individual for such period;

(ii) The amount of wages which would be qualified wages under this Code section for an employer shall be reduced by an amount equal to the amount of the payments made to such employer for such individual for such taxable year under a program established under Section 482(e)(1) of the Social Security Act; and

(iii) Payments for services during labor disputes:

(1) If the principal place of employment of an individual with the employer is at a plant or facility; and

(2) There is a strike or lockout involving employees at such plant or facility, then any amount paid or incurred by the employer to such individual for services which are the same as, or substantially similar to, those services performed by employees participating in, or affected by, the strike or lockout during the period of such strike or lockout.

(b) There is created a State Work Opportunity Tax Credit, which shall be a one-time tax credit for each new employee hired by a qualified employer. There is no limit to the number of new hires who can qualify an employer for such tax credit. The requirements for this program are to be promulgated by rules and regulations issued by the department and the Georgia Department of Labor. The amount of the tax credit shall be determined by the criteria contained in this Code section.

(c)(1) Except as otherwise provided in paragraphs (2) through (4) of this subsection, the amount of the State Work Opportunity Tax Credit for a taxable year shall be equal to 40 percent of the qualified first-year wages of an individual in a targeted group for the specified year.

(2) In the case of an individual who has performed at least 120 hours, but less than 400 hours, of service for the employer, the State Work Opportunity Tax Credit for a taxable year shall be equal to 25 percent of the qualified first-year wages.
(3) No wages shall be taken into account for any individual unless such individual has performed at least 120 hours of service for the employer.

(4) No wages shall be taken into account for any individual if, prior to the hiring date of such individual, such individual had been employed by the employer at any time.

(d)(1) An individual is a member of a targeted group if such individual is:

(A) A qualified veteran;

(B) A qualified ex-felon;

(C) A qualified food stamps recipient;

(D) A long-term family assistance recipient;

(E) A qualified IV-A recipient; or

(F) An unemployed veteran.

(2) An individual shall not be treated as a member of a targeted group unless:

(A) On or before the day on which such individual begins work for the employer, the employer has received a certification from the Georgia Department of Labor that such individual is a member of a targeted group; or

(B)(i) On or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer for such individual; and

(ii) Not later than the twenty-eighth day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the Georgia Department of Labor as part of a written request for such a certification from such agency.

(e) If an individual has been certified by the Georgia Department of Labor as a member of a targeted group and such certification is incorrect because it was based on false information provided by such individual, the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

(f) If the Georgia Department of Labor denies a request for certification of membership in a targeted group, such agency shall provide to the person making such request a written explanation of the reasons for such denial.

(g)(1) A veteran will be treated as certified by the Georgia Department of Labor as having aggregate periods of unemployment meeting the requirements of this Code section if such veteran is certified by such agency as being in receipt of unemployment compensation under state or federal law for not less than six months during the one-year period ending on the hiring date.

(2) A veteran will be treated as certified by the Georgia Department of Labor as having aggregate periods of unemployment meeting the requirements of this Code section if such veteran is certified by such agency as being in receipt of unemployment compensation.
under state or federal law for not less than four weeks, but less than six months, during
the one-year period ending on the hiring date.
(3) The Commissioner of Labor may provide alternative methods for certification of a
veteran as a qualified veteran at the commissioner's discretion.
(h) Any unemployed veteran who begins work for an employer during 2015 or 2016 shall
be treated as a member of a targeted group for purposes of this Code section.
(i) The State Work Opportunity Tax Credit for employment of a long-term family
assistance recipient shall be determined as follows:
(1) The amount of the State Work Opportunity Tax Credit determined under this Code
section for the taxable year shall include 50 percent of the qualified second-year wages
for such year; and
(2) The amount of the qualified first-year wages, and the amount of qualified
second-year wages, which may be taken into account shall not exceed $10,000.00 per
year.
(j) No wages shall be taken into account when an individual:
(1) Bears any of the relationships described in subparagraphs (A) through (G) of 26
U.S.C. Section 152(d)(2) to the taxpayer, or, if the taxpayer is a corporation, to an
individual who owns, directly or indirectly, more than 50 percent in value of the
outstanding stock of the corporation, or, if the taxpayer is an entity other than a
corporation, to any individual who owns, directly or indirectly, more than 50 percent of
the capital and profits interests in the entity; or
(2) If the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate
or trust, or is an individual who bears any of the relationships described in subparagraphs
(A) through (G) of 26 U.S.C. Section 152(d)(2) to a grantor, beneficiary, or fiduciary of
the estate or trust.
(k)(1) A taxpayer may elect to have this Code section not apply for any taxable year.
(2) An election under paragraph (1) of this subsection for any taxable year may be made
or revoked at any time before the expiration of the three-year period beginning on the last
date prescribed by law for filing the return for such taxable year to be determined without
regard to extensions.
(3) An election or revocation under paragraph (1) of this subsection shall be made in
such manner as the commissioner may by regulations prescribe."

SECTION 2.

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