

The House Committee on Ways and Means offers the following substitute to HB 63:

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, computation, and rate of and exemptions from state income taxes,
3 so as to revise the adult basic skills education program tax credit; to provide for procedures,
4 conditions, and limitations; to provide an aggregate cap on the amount of the tax credit; to
5 provide for a sunset date; to provide for a short title; to provide for an effective date and for
6 applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 This Act shall be known and may be cited as the "Georgia Employer GED Tax Credit Act
10 of 2015."

11 **SECTION 2.**

12 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
13 imposition, computation, and rate of and exemptions from state income taxes, is amended
14 by repealing Code Section 48-7-41, relating to basic skills education program credits, and
15 inserting a new Code section to read as follows:

16 "48-7-41.

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

18 (1) 'Adult basic skills education' means training that enhances reading, writing, or
19 mathematical skills of adult employees.

20 (2) 'Approved adult basic skills education program' means an employer provided or
21 employer sponsored adult basic skills education program:

22 (A) That has agreed to operate under the standards for the delivery of adult education
23 services as designated by the Technical College System of Georgia, Office of Adult
24 Education; and

25 (B) For which the employer does not require the employee to make any payment,
 26 either directly or indirectly, through forfeiture of leave time, vacation time, or other
 27 compensable time.

28 (3) 'Basic skills education test' means the test required to receive a GED diploma.

29 (4) 'Employee' means any employee resident in this state who is employed for at least
 30 24 hours per week and has been continuously employed by the employer for at least 16
 31 consecutive weeks and who is eligible to take the GED test.

32 (5) 'Employer' means any employer upon whom an income tax is imposed by this
 33 chapter.

34 (6) 'Employer provided' refers to approved basic skills education offered on the premises
 35 of the employer or on premises approved by the Technical College System of Georgia by
 36 instructors hired by or employed by an employer.

37 (7) 'Employer sponsored' refers to a contractual arrangement with a school, university,
 38 college, or other instructional facility which offers approved basic skills education that
 39 is paid for by the employer.

40 (b) A tax credit shall be granted to an employer who provides or sponsors an approved
 41 adult basic skills education program. The amount of the tax credit shall be:

42 (1) Four hundred dollars for each employee who passes the basic skills education test
 43 that was paid for by the employer in a taxable year; or

44 (2) Twelve hundred dollars for each employee who successfully completes an approved
 45 adult basic skills education program consisting of at least 40 hours of training while the
 46 employee is being compensated at his or her normal rate of pay, and passes the basic
 47 skills education test that was paid for by the employer in a taxable year.

48 No employer shall receive a credit if the employer requires that the employee reimburse
 49 or pay the employer for the cost of attending the adult basic skills education program or
 50 taking the basic skills education test.

51 (c)(1) An employer desiring to claim a tax credit under the provisions of this Code
 52 section shall submit an application to the commissioner for preapproval of such tax credit.
 53 The application for preapproval shall be developed and promulgated by the commissioner
 54 along with any rules or regulations necessary to aid in the administration of this income
 55 tax credit. The department shall have the authority to require electronic submission of
 56 such application in the manner specified by the department.

57 (2) Within 45 days of receipt of a properly completed application for preapproval, the
 58 commissioner shall preapprove the application if a sufficient amount of available tax
 59 credits remains. The commissioner shall provide notice of the preapproval or denial to
 60 the employer and the Office of Adult Education. The commissioner shall preapprove the
 61 tax credits based on the order in which properly completed applications were submitted.

62 In the event that two or more applications were submitted on the same day and the
 63 amount of funds available will not be sufficient to fully fund the tax credits requested, the
 64 commissioner shall prorate the available funds between or among the applicants.

65 (d) In order to receive the income tax credit established under this Code section, the
 66 employer shall, after the successful completion by an employee of the requirements of
 67 paragraph (1) or (2) of subsection (b) of this Code section, and after receiving preapproval
 68 of the credit by the commissioner under subsection (c) of this Code section, certify to the
 69 Technical College System of Georgia, Office of Adult Education, the name of the
 70 employee, the name of the employer, the name of the approved adult basic skills education
 71 provider, and such other information as may be required by the Office of Adult Education.
 72 The Office of Adult Education shall issue a certification to the employer if the
 73 requirements of subsections (a), (b), and (c) of this Code section are satisfied. Such
 74 certification shall be attached to the taxpayer's income tax return when the credit is
 75 claimed. The Technical College System of Georgia shall adopt rules and regulations and
 76 forms necessary to implement and administer this income tax credit program. The
 77 department is expressly authorized and directed to work with the Technical College System
 78 of Georgia to ensure the proper granting of income tax credits pursuant to this Code
 79 section.

80 (e) In no event shall the aggregate amount of the income tax credits preapproved under this
 81 Code section exceed \$2 million per calendar year. No single employer shall receive
 82 income tax credits pursuant to this Code section in excess of \$100,000.00 per calendar
 83 year.

84 (f) The income tax credit granted to any employer pursuant to this Code section shall not
 85 exceed the amount of the employer's income tax liability for the taxable year as computed
 86 without regard to this Code section.

87 (g) The department shall provide an annual report to the General Assembly on the
 88 utilization of the tax credit established under this Code section.

89 (h) This Code section shall stand repealed on January 1, 2020."

90 **SECTION 3.**

91 This Act shall become effective upon its approval by the Governor or upon its becoming law
 92 without such approval and shall be applicable to all taxable years beginning on or after
 93 January 1, 2016.

94 **SECTION 4.**

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