

House Bill 217

By: Representatives Carson of the 46th, Kelley of the 16th, Knight of the 130th, Ehrhart of the 36th, Stephens of the 164th, 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, computation, and exemptions from state income taxes, so as to
3 increase the amount of the aggregate cap on contributions to certain scholarship
4 organizations in order to receive income tax credits; to provide for related matters; to repeal
5 conflicting 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
9 imposition, rate, computation, and exemptions from state income taxes, is amended by
10 revising subsection (f) of Code Section 48-7-29.16, relating to the qualified education tax
11 credit, as follows:

12 "(f)(1) In no event shall the aggregate amount of tax credits, not including any amount
13 carried forward from a previous tax year, allowed under this Code section exceed:

14 (A) Fifty-eight \$58 million per dollars for the tax year ending on December 31, 2017;

15 (B) One hundred fifty million dollars for the tax year ending on December 31, 2018;

16 (C) One hundred fifty-seven and one-half million dollars for the tax year ending on
17 December 31, 2019;

18 (D) One hundred sixty-five million dollars for the tax year ending on
19 December 31, 2020;

20 (E) One hundred seventy-two and one-half million dollars for the tax year ending on
21 December 31, 2021; and

22 (F) One hundred eighty million dollars for all subsequent tax years.

23 (2) Any portion of the tax credits allowed under this Code section that are not approved
24 by the commissioner, or, if approved, not funded by the taxpayer, shall be carried forward
25 and added to the aggregate amount of tax credits for the next taxable year.

26 ~~(2)~~(3) The commissioner shall allow the tax credits on a first come, first served basis;
 27 provided, however, that the total amount of tax credits approved for C corporations,
 28 trusts, or other similar entities that qualify for the credit under subsection (c) of this Code
 29 section shall not exceed 20 percent of the total amount of tax credits approved under this
 30 Code section for any taxable year.

31 ~~(3)~~(4) For the purposes of paragraph (1) of this subsection, a student scholarship
 32 organization shall notify a potential donor of the requirements of this Code section.
 33 Before making a contribution to a student scholarship organization, the taxpayer shall
 34 electronically notify the department, in a manner specified by the department, of the total
 35 amount of contributions that the taxpayer intends to make to the student scholarship
 36 organization. The commissioner shall preapprove or deny the requested amount within
 37 30 days after receiving the request from the taxpayer and shall provide notice to the
 38 taxpayer and the student scholarship organization of such preapproval or denial which
 39 shall not require any signed release or notarized approval by the taxpayer. In order to
 40 receive a tax credit under this Code section, the taxpayer shall make the contribution to
 41 the student scholarship organization within 60 days after receiving notice from the
 42 department that the requested amount was preapproved. If the taxpayer does not comply
 43 with this paragraph, the commissioner shall not include this preapproved contribution
 44 amount when calculating the limit prescribed in paragraph (1) of this subsection. The
 45 department shall establish a web based donation approval process to implement this
 46 subsection.

47 ~~(4)~~(5) Preapproval of contributions by the commissioner shall be based solely on the
 48 availability of tax credits subject to the aggregate total limit established under paragraph
 49 (1) of this subsection. The department shall maintain an ongoing, current list on its
 50 website of the amount of tax credits available under this Code section.

51 ~~(5)~~(6) Notwithstanding any laws to the contrary, the department shall not take any
 52 adverse action against donors to student scholarship organizations if the commissioner
 53 preapproved a donation for a tax credit prior to the date the student scholarship
 54 organization is removed from the Department of Education list pursuant to Code Section
 55 20-2A-7, and all such donations shall remain as preapproved tax credits subject only to
 56 the donor's compliance with paragraph ~~(3)~~(4) of this subsection."

57 **SECTION 2.**

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