

House Bill 414

By: Representative Teasley of the 37th

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 provide for certain unapproved and unused tax credits to be carried forward to the next
4 taxable year; to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
8 imposition, rate, computation, and exemptions from state income taxes, is amended by
9 revising subsection (f) of Code Section 48-7-29.16, relating to the qualified education tax
10 credit, as follows:

11 "(f)(1) In no event shall the aggregate amount of tax credits allowed under this Code
12 section exceed \$58 million per tax year; provided, however, that any portion of the tax
13 credits allowed under this paragraph that is not approved by the commissioner, or, if
14 approved, not funded by the taxpayer, shall be carried forward and added to the aggregate
15 amount of tax credits for the next taxable year.

16 (2) The commissioner shall allow the tax credits on a first come, first served basis.

17 (3) For the purposes of paragraph (1) of this subsection, a student scholarship
18 organization shall notify a potential donor of the requirements of this Code section.
19 Before making a contribution to a student scholarship organization, the taxpayer shall
20 electronically notify the department, in a manner specified by the department, of the total
21 amount of contributions that the taxpayer intends to make to the student scholarship
22 organization. The commissioner shall preapprove or deny the requested amount within
23 30 days after receiving the request from the taxpayer and shall provide notice to the
24 taxpayer and the student scholarship organization of such preapproval or denial which
25 shall not require any signed release or notarized approval by the taxpayer. In order to
26 receive a tax credit under this Code section, the taxpayer shall make the contribution to

27 the student scholarship organization within 60 days after receiving notice from the
28 department that the requested amount was preapproved. If the taxpayer does not comply
29 with this paragraph, the commissioner shall not include this preapproved contribution
30 amount when calculating the limit prescribed in paragraph (1) of this subsection. The
31 department shall establish a web based donation approval process to implement this
32 subsection.

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

37 (5) Notwithstanding any laws to the contrary, the department shall not take any adverse
38 action against donors to student scholarship organizations if the commissioner
39 preapproved a donation for a tax credit prior to the date the student scholarship
40 organization is removed from the Department of Education list pursuant to Code Section
41 20-2A-7, and all such donations shall remain as preapproved tax credits subject only to
42 the donor's compliance with paragraph (3) of this subsection."

43 **SECTION 2.**

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