

House Bill 224 (COMMITTEE SUBSTITUTE)

By: Representatives Williamson of the 115<sup>th</sup>, Kelley of the 16<sup>th</sup>, Powell of the 171<sup>st</sup>, Harrell of the 106<sup>th</sup>, Meeks of the 178<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 the imposition, rate, computation, and exemptions from state income tax, so as to  
3 modify conditions for earning a tax credit for creating certain jobs; to adjust the wages  
4 required to earn such tax credit; to increase the value of the tax credit by \$500.00 for certain  
5 counties; to add a definition; to remove expired provisions; to modify conditions for earning  
6 a tax credit for establishing or relocating quality jobs; to revise a tax credit for new purchases  
7 and acquisitions of qualified investment property in tier 1 counties; to provide for such tax  
8 credits to be allowed against a taxpayer's payroll withholding under certain conditions; to  
9 provide that certain previously claimed and unused tax credits earned by taxpayers may be  
10 applied against such taxpayers' payroll withholding under certain conditions; to increase the  
11 minimum investment threshold to earn tax credits in tier 2, tier 3, and tier 4 counties; to  
12 provide for conditions and limitations; to provide for applications and proration; to revise  
13 definitions; to provide for related matters; to provide for an effective date and applicability;  
14 to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

16 PART I  
17 SECTION 1-1.

18 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the  
19 imposition, rate, computation, and exemptions from state income tax, is amended by revising  
20 Code Section 48-7-40, relating to designation of counties as less developed areas and tax  
21 credits for certain enterprises, as follows:

22 "48-7-40.

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

24 (1) 'Broadcasting' means the transmission or licensing of audio, video, text, or other  
25 programming content to the general public, subscribers, or to third parties via radio,

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26 television, cable, satellite, or the Internet or Internet Protocol and includes motion picture  
27 and sound recording, editing, production, postproduction, and distribution. 'Broadcasting'  
28 is limited to establishments classified under the 2007 North American Industry  
29 Classification System Codes 515, broadcasting; 519, Internet publishing and  
30 broadcasting; 517, telecommunications; and 512, motion picture and sound recording  
31 industries.

32 (2) 'Business enterprise' means any business or the headquarters of any such business  
33 which is engaged in manufacturing, including, but not limited to, the manufacturing of  
34 alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and electric  
35 vehicle enterprises, warehousing and distribution, processing, telecommunications,  
36 broadcasting, tourism, research and development industries, biomedical manufacturing,  
37 and services for the elderly and persons with disabilities. Such term shall not include  
38 retail businesses. Businesses are eligible for the tax credit provided by this Code section  
39 at an individual establishment of the business based on the classification of the individual  
40 establishment under the North American Industry Classification System. For purposes  
41 of this Code section, the term 'establishment' means an economic unit at a single physical  
42 location where business is conducted or where services or industrial operations are  
43 performed. If more than one business activity is conducted at the establishment, then  
44 only those jobs engaged in the qualifying activity will be eligible for the tax credit  
45 provided by this Code section.

46 (3) 'Competitive project' means expansion or location of some or all of a business  
47 enterprise's operations in this state having significant regional impact where the  
48 commissioner of economic development certifies that but for some or all of the tax  
49 incentives provided in this Code section, the business enterprise would have located or  
50 expanded outside this state.

51 (4) 'Existing business enterprise' means any business or the headquarters of any such  
52 business which has operated for the immediately preceding three years a facility in this  
53 state which is engaged in manufacturing, including, but not limited to, the manufacturing  
54 of alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and  
55 electric vehicle enterprises, warehousing and distribution, processing,  
56 telecommunications, broadcasting, tourism, biomedical manufacturing, or research and  
57 development industries. Such term shall not include retail businesses. Businesses are  
58 eligible for the tax credit provided by this Code section at an individual establishment of  
59 the business based on the classification of the individual establishment under the North  
60 American Industry Classification System. For purposes of this Code section, the term  
61 'establishment' means an economic unit at a single physical location where business is  
62 conducted or where services or industrial operations are performed. If more than one

63 business activity is conducted at the establishment, then only those jobs engaged in the  
 64 qualifying activity will be eligible for the tax credit provided by this Code section.

65 (5) 'New full-time employee job' means a newly created position of employment that was  
 66 not previously located in this state, requires a minimum of 35 hours a week, and pays at  
 67 or above the target wage. ~~average wage earned in the county with the lowest average~~  
 68 ~~wage earned in this state, as reported in the most recently available annual issue of the~~  
 69 ~~Georgia Employment and Wages Averages Report of the Department of Labor.~~

70 (6) 'Rural county' means a county that has a population of less than 50,000 with 10  
 71 percent or more of such population living in poverty based upon the most recent, reliable,  
 72 and applicable data published by the United States Bureau of the Census.

73 (7) 'Target wage' means:

74 (A) For a county that is recognized and designated by the commissioner of community  
 75 affairs in accordance with this Code section as one of the first through fortieth least  
 76 developed counties in this state, 70 percent of the average wage earned in the county  
 77 with the lowest average wage earned in this state, as reported in the most recently  
 78 available annual issue of the Georgia Employment and Wages Averages Report of the  
 79 Department of Labor;

80 (B) For a rural county that is recognized and designated by the commissioner of  
 81 community affairs in accordance with this Code section as a tier 2 county or a tier 1  
 82 county that is not one of the counties described in subparagraph (A) of this paragraph,  
 83 90 percent of the average wage earned in the county with the lowest average wage  
 84 earned in this state, as reported in the most recently available annual issue of the  
 85 Georgia Employment and Wages Averages Report of the Department of Labor; and

86 (C) For any other county, at least the average wage of the county that has the lowest  
 87 average wage of any county in this state as reported in the most recently available  
 88 annual issue of the Georgia Employment and Wages Averages Report of the  
 89 Department of Labor.

90 (b)(1) Not later than December 31 of each year, using the most current data available  
 91 from the Department of Labor and the United States Department of Commerce, the  
 92 commissioner of community affairs shall rank and designate as less developed areas all  
 93 159 counties in this state using a combination of the following equally weighted factors:

94 (A) Highest unemployment rate for the most recent 36 month period;

95 (B) Lowest per capita income for the most recent 36 month period; and

96 (C) Highest percentage of residents whose incomes are below the poverty level  
 97 according to the most recent data available.

98 (2) Counties ranked and designated as the first through seventy-first least developed  
 99 counties shall be classified as tier 1, counties ranked and designated as the

100 seventy-second through one hundred sixth least developed counties shall be classified as  
101 tier 2, counties ranked and designated as the one hundred seventh through one hundred  
102 forty-first least developed counties shall be classified as tier 3, and counties ranked and  
103 designated as the one hundred forty-second through one hundred fifty-ninth least  
104 developed counties shall be classified as tier 4.

105 (b.1) On or before December 31 of each year, the commissioner of community affairs shall  
106 publish a list of Georgia counties that he or she has determined to have a population of less  
107 than 50,000 with 10 percent or more of such population living in poverty. Such  
108 determination shall be based upon the most recent, reliable, and applicable data published  
109 by the United States Bureau of the Census.

110 (c) The commissioner of community affairs shall be authorized to include in the tier 2  
111 designation provided for in subsection (b) of this Code section any tier 3 county which, in  
112 the opinion of the commissioner of community affairs, undergoes a sudden and severe  
113 period of economic distress caused by the closing of one or more business enterprises  
114 located in such county. No designation made pursuant to this subsection shall operate to  
115 displace or remove any other county previously designated as a tier 2 county.

116 (c.1) The commissioner of community affairs shall be authorized to include in the tier 1  
117 designation provided for in subsection (b) of this Code section any tier 2 county which, in  
118 the opinion of the commissioner of community affairs, undergoes a sudden and severe  
119 period of economic distress caused by the closing of one or more business enterprises  
120 located in such county. No designation made pursuant to this subsection shall operate to  
121 displace or remove any other county previously designated as a tier 1 county.

122 (d) For business enterprises which plan a significant expansion in their labor forces, the  
123 commissioner of community affairs shall prescribe redesignation procedures to ensure that  
124 the business enterprises can claim credits in future years without regard to whether or not  
125 a particular county is reclassified in a different tier.

126 (e)(1) Business enterprises in counties designated by the commissioner of community  
127 affairs as tier 1 counties shall be allowed a tax credit for taxes imposed under this article  
128 equal to \$3,500.00 annually per eligible new full-time employee job for five years  
129 beginning with the first taxable year in which the new full-time employee job is created  
130 and for the four immediately succeeding taxable years; provided, however, that where the  
131 amount of such credit exceeds a business enterprise's liability for such taxes in a taxable  
132 year, the excess may be taken as a credit against such business enterprise's quarterly or  
133 monthly payment under Code Section 48-7-103 but not to exceed in any one taxable  
134 year \$3,500.00 for each new full-time employee job when aggregated with the credit  
135 applied against taxes under this article. Each employee whose employer receives credit  
136 against such business enterprise's quarterly or monthly payment under Code

137 Section 48-7-103 shall receive credit against his or her income tax liability under Code  
138 Section 48-7-20 for the corresponding taxable year for the full amount which would be  
139 credited against such liability prior to the application of the credit provided for in this  
140 paragraph. Credits against quarterly or monthly payments under Code Section 48-7-103  
141 and credits against liability under Code Section 48-7-20 established by this paragraph  
142 shall not constitute income to the taxpayer.

143 (2)(A) Business enterprises in counties designated by the commissioner of community  
144 affairs as tier 2 counties shall be allowed a job tax credit for taxes imposed under this  
145 article equal to \$2,500.00 annually, business enterprises in counties designated by the  
146 commissioner of community affairs as tier 3 counties shall be allowed a job tax credit  
147 for taxes imposed under this article equal to \$1,250.00 annually, and business  
148 enterprises in counties designated by the commissioner of community affairs as tier 4  
149 counties shall be allowed a job tax credit for taxes imposed under this article equal  
150 to \$750.00 annually for each new full-time employee job for five years beginning with  
151 the first taxable year in which the new full-time employee job is created and for the four  
152 immediately succeeding taxable years.

153 (B) Where a business enterprise is engaged in a competitive project located in a county  
154 designated by the commissioner of community affairs as a tier 2 county and where the  
155 amount of the credit provided in this paragraph exceeds such business enterprise's  
156 liability for taxes imposed under this article in a taxable year, or where a business  
157 enterprise is engaged in a competitive project located in a county designated by the  
158 commissioner of community affairs as a tier 3 or tier 4 county and where the amount  
159 of the credit provided in this paragraph exceeds 50 percent of such business enterprise's  
160 liability for taxes imposed under this article in a taxable year, the excess may be taken  
161 as a credit against such business enterprise's quarterly or monthly payment under Code  
162 Section 48-7-103 but not to exceed in any one taxable year \$2,500.00 for each new  
163 full-time employee job when aggregated with the credit applied against taxes under this  
164 article. Each employee whose employer receives credit against such business  
165 enterprise's quarterly or monthly payment under Code Section 48-7-103 shall receive  
166 credit against his or her income tax liability under Code Section 48-7-20 for the  
167 corresponding taxable year for the full amount which would be credited against such  
168 liability prior to the application of the credit provided for in this paragraph. Credits  
169 against quarterly or monthly payments under Code Section 48-7-103 and credits against  
170 liability under Code Section 48-7-20 established by this paragraph shall not constitute  
171 income to the taxpayer.

172 (3) The number of new full-time employee jobs shall be determined by comparing the  
 173 monthly average number of full-time employees subject to Georgia income tax  
 174 withholding for the taxable year with the corresponding period of the prior taxable year.

175 (4)(A) In tier 1 counties, those business enterprises that increase employment by two  
 176 or more shall be eligible for the credit.

177 (B) In tier 2 counties, only those business enterprises that increase employment by ten  
 178 or more shall be eligible for the credit.

179 (C) In tier 3 counties, only those business enterprises that increase employment by 15  
 180 or more shall be eligible for the credit.

181 (D) In tier 4 counties, only those business enterprises that increase employment by 25  
 182 or more shall be eligible for the credit. ~~The wage of each new job created must be~~  
 183 ~~above the average wage of the county that has the lowest average wage of any county~~  
 184 ~~in the state to qualify as reported in the most recently available annual issue of the~~  
 185 ~~Georgia Employment and Wages Averages Report of the Department of Labor.~~

186 (5) To qualify for a credit ~~under this paragraph~~ allowed pursuant to this Code section,  
 187 the employer must make health insurance coverage available to the employee filling the  
 188 new full-time employee job; provided, however, that nothing in this paragraph shall be  
 189 construed to require the employer to pay for all or any part of health insurance coverage  
 190 for such an employee in order to claim the credit provided for in this ~~paragraph~~ Code  
 191 section if such employer does not pay for all or any part of health insurance coverage for  
 192 other employees.

193 (6) Credit shall not be allowed during a year if the net employment increase falls below  
 194 the number of new full-time employee jobs required ~~in such tier~~ for a given county as  
 195 provided in paragraph (4) of this subsection.

196 (7) The state revenue commissioner shall adjust the credit allowed each year for net new  
 197 employment fluctuations above the minimum level of the number required ~~in such~~ based  
 198 on a county's tier.

199 ~~(2) Existing business enterprises shall be allowed an additional tax credit for taxes~~  
 200 ~~imposed under this article equal to \$500.00 per eligible new full-time employee job the~~  
 201 ~~first year in which the new full-time employee job is created. The additional credit shall~~  
 202 ~~be claimed in the first taxable year in which the new full-time employee job is created.~~  
 203 ~~The number of new full-time employee jobs shall be determined by comparing the~~  
 204 ~~monthly average number of full-time employees subject to Georgia income tax~~  
 205 ~~withholding for the taxable year with the corresponding period of the prior taxable year.~~  
 206 ~~In tier 1 counties, those existing business enterprises that increase employment by five~~  
 207 ~~or more shall be eligible for the credit. In tier 2 counties, only those existing business~~  
 208 ~~enterprises that increase employment by ten or more shall be eligible for the credit. In~~

209 ~~tier 3 counties, only those existing business enterprises that increase employment by 15~~  
 210 ~~or more shall be eligible for the credit. In tier 4 counties, only those existing business~~  
 211 ~~enterprises that increase employment by 25 or more shall be eligible for the credit. The~~  
 212 ~~average wage of the new jobs created must be above the average wage of the county that~~  
 213 ~~has the lowest average wage of any county in the state to qualify as reported in the most~~  
 214 ~~recently available annual issue of the Georgia Employment and Wages Averages Report~~  
 215 ~~of the Department of Labor. To qualify for a credit under this paragraph, the employer~~  
 216 ~~must make health insurance coverage available to the employee filling the new full-time~~  
 217 ~~job, provided, however, that nothing in this paragraph shall be construed to require the~~  
 218 ~~employer to pay for all or any part of health insurance coverage for such an employee in~~  
 219 ~~order to claim the credit provided for in this paragraph if such employer does not pay for~~  
 220 ~~all or any part of health insurance coverage for other employees. Credit shall not be~~  
 221 ~~allowed during a year if the net employment increase falls below the number required in~~  
 222 ~~such tier. Any credit generated and utilized for years prior to the year in which the net~~  
 223 ~~employment increase falls below the number required in such tier shall not be affected.~~  
 224 ~~The state revenue commissioner shall adjust the credit allowed each year for net new~~  
 225 ~~employment fluctuations above the minimum level of the number required in such tier.~~  
 226 ~~This paragraph shall apply only to new eligible full-time jobs created in taxable years~~  
 227 ~~beginning on or after January 1, 2006, and ending no later than taxable years beginning~~  
 228 ~~prior to January 1, 2011.~~

229 (e.1) For each new full-time employee job that is allowed a credit pursuant to  
 230 subsection (e), (f), or (i) of this Code section, an additional credit in the amount of \$500.00  
 231 per new full-time employee job shall be added to the amount allowable to be earned and  
 232 used pursuant to the same conditions, provided that such new full-time employee job is  
 233 created and maintained in a rural county recognized and designated by the commissioner  
 234 of community affairs as a tier 1 or a tier 2 county in accordance with the provisions of  
 235 subsection (b), (c), or (c.1) of this Code section.

236 (f) Tax credits for five years for the taxes imposed under this article shall be awarded for  
 237 additional new full-time employee jobs created by business enterprises qualified under  
 238 subsection (b), (c), or (c.1) of this Code section. Additional new full-time employee jobs  
 239 shall be determined by subtracting the highest total employment of the business enterprise  
 240 during years two through five, or whatever portion of years two through five which has  
 241 been completed, from the total increased employment. The state revenue commissioner  
 242 shall adjust the credit allowed in the event of employment fluctuations during the five years  
 243 of credit.

244 (g) The sale, merger, acquisition, or bankruptcy of any business enterprise shall not create  
 245 new eligibility in any succeeding business entity, but any unused job tax credit may be

246 transferred and continued by any transferee of the business enterprise. The commissioner  
 247 of community affairs shall determine whether or not qualifying net increases or decreases  
 248 have occurred and may require reports, promulgate regulations, and hold hearings as  
 249 needed for substantiation and qualification.

250 (h) Any credit claimed under this Code section but not used in any taxable year may be  
 251 carried forward for ten years from the close of the taxable year in which the qualified jobs  
 252 were established, subject to forfeiture as provided in paragraph (1) of subsection (e) of this  
 253 Code section, but in tiers 3 and 4 the credit established by this Code section taken in any  
 254 one taxable year shall be limited to an amount not greater than 50 percent of the taxpayer's  
 255 state income tax liability which is attributable to income derived from operations in this  
 256 state for that taxable year. In tier 1 and 2 counties, the credit allowed under this Code  
 257 section against taxes imposed under this article in any taxable year shall be limited to an  
 258 amount not greater than 100 percent of the taxpayer's state income tax liability attributable  
 259 to income derived from operations in this state for such taxable year.

260 (i) Notwithstanding any provision of this Code section to the contrary, in counties  
 261 recognized and designated as the first through fortieth least developed counties in the tier 1  
 262 designation, job tax credits shall be allowed as provided in this Code section, in addition  
 263 to business enterprises or existing business enterprises, to any business of any nature.

264 (j) Notwithstanding Code Section 48-2-35, any tax credit claimed under this Code section  
 265 shall be claimed within one year of the earlier of the date the original tax return was filed  
 266 or the date such return was due as prescribed in subsection (a) of Code Section 48-7-56,  
 267 including any approved extensions.

268 (k) The commissioner may require such reports, promulgate such regulations, and gather  
 269 such relevant data necessary and advisable for the evaluation of the job tax credits  
 270 established by this Code section.

271 (l) Taxpayers that initially claimed the credit under this Code section for any taxable year  
 272 beginning before January 1, ~~2012~~ 2020, shall be governed, for purposes of all such credits  
 273 claimed as well as any credits claimed in subsequent taxable years related to such initial  
 274 claim, by this Code section as it was in effect for the taxable year in which the taxpayer  
 275 made such initial claim."

276 **SECTION 1-2.**

277 Said article is further amended by revising Code Section 48-7-40.17, relating to establishing  
 278 or relocating quality jobs and tax credit, as follows:

279 "48-7-40.17.

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



281 (1) 'Average wage' means the average wage of the county in which a new quality job is  
 282 located as reported in the most recently available annual issue of the Georgia  
 283 Employment and Wages Averages Report of the Department of Labor.

284 (2) 'New quality job' means employment for an individual which:

285 (A) Is located in this state;

286 (B) Has a regular work week of 30 hours or more;

287 (C) Is not a job that is or was already located in Georgia regardless of which taxpayer  
 288 the individual performed services for; and

289 (D) Pays at or above 110 percent of the average wage of the county in which it is  
 290 located.

291 (3) 'Qualified investment property' means all real and personal property purchased or  
 292 acquired by a taxpayer for use in a qualified project, including, but not limited to,  
 293 amounts expended on land acquisition, improvements, buildings, building improvements,  
 294 and any personal property to be used in the facility or facilities. Any lease for a period  
 295 of three years or longer of any real or personal property used in a new or expanded  
 296 facility or facilities which would otherwise constitute qualified investment property shall  
 297 be treated as the purchase or acquisition thereof by the lessee. The taxpayer may treat the  
 298 full value of the leased property as qualified investment property in the year in which the  
 299 lease becomes binding on the lessor and the taxpayer.

300 (4) 'Qualified investment property requirement' means the requirement that a minimum  
 301 of \$2.5 million in qualified investment property will have been purchased or acquired by  
 302 the taxpayer to be used with respect to a qualified project. Such qualified investment  
 303 property must be placed in service by the end of the two-year period specified in  
 304 subsection (b) of this Code section.

305 (5) 'Qualified project' means a project which meets the qualified investment property  
 306 requirement and which involves the lease or construction of one or more new facilities  
 307 in this state or the expansion of one or more existing facilities in this state. For purposes  
 308 of this paragraph, the term 'facilities' means all facilities comprising a single project,  
 309 including noncontiguous parcels of land, improvements to such land, buildings, building  
 310 improvements, and any personal property that is used in the facility or facilities.

311 (6) 'Rural county' shall have the same meaning as provided in Code Section 48-7-40.

312 ~~(6)~~(7) 'Taxpayer' means any person required by law to file a return or to pay taxes,  
 313 except that any taxpayer may elect to consider the jobs within its disregarded entities, as  
 314 defined in the Internal Revenue Code, for purposes of calculating the number of new  
 315 quality jobs created by the taxpayer under this Code section.

316 (b) A taxpayer establishing new quality jobs in this state or relocating quality jobs into this  
 317 state, which elects not to receive the tax credits provided for by Code Sections 48-7-40,

318 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.7, 48-7-40.8, and 48-7-40.9 for such  
 319 jobs and investments created by, arising from, related to, or connected in any way with the  
 320 same project, ~~that creates: and, within one year of the first date on which the taxpayer~~  
 321 ~~pursuant to the provisions of Code Section 48-7-101 withholds wages for employees in this~~  
 322 ~~state and employs at least 50 persons in new quality jobs in this state, shall be allowed a~~  
 323 ~~credit for taxes imposed under this article; except that if the first date on which the~~  
 324 ~~taxpayer, pursuant to the provisions of Code Section 48-7-101, withholds wages for~~  
 325 ~~employees in this state occurs in a taxable year beginning on or after January 1, 2017, the~~  
 326 ~~taxpayer has two years to employ at least 50 persons in new quality jobs in this state:~~

327 (1) At least five new quality jobs within a single rural county within one year of the first  
 328 date on which the taxpayer withholds wages for employees in this state pursuant to the  
 329 provisions of Code Section 48-7-101, provided that such county is designated as a tier 1  
 330 county by the commissioner of community affairs in accordance with Code  
 331 Section 48-7-40;

332 (2) At least ten new quality jobs within a single rural county within one year of the first  
 333 date on which the taxpayer withholds wages for employees in this state pursuant to the  
 334 provisions of Code Section 48-7-101, provided that such county is designated as a tier 2  
 335 county by the commissioner of community affairs in accordance with Code  
 336 Section 48-7-40; or

337 (3) At least 50 new quality jobs in this state within two years of the first date on which  
 338 the taxpayer pursuant to the provisions of Code Section 48-7-101 withholds wages for  
 339 employees in this state

340 shall be allowed a credit for taxes imposed under this article as provided in subsection (b.1)  
 341 of this Code section.

342 (b.1) The value of the credit allowed pursuant to this Code section shall be:

343 (1) Equal to \$2,500.00 annually per eligible new quality job where the job pays 110  
 344 percent or more but less than 120 percent of the average wage of the county in which the  
 345 new quality job is located;

346 (2) Equal to \$3,000.00 annually per eligible new quality job where the job pays 120  
 347 percent or more but less than 150 percent of the average wage of the county in which the  
 348 new quality job is located;

349 (3) Equal to \$4,000.00 annually per eligible new quality job where the job pays 150  
 350 percent or more but less than 175 percent of the average wage of the county in which the  
 351 new quality job is located;

352 (4) Equal to \$4,500.00 annually per eligible new quality job where the job pays 175  
 353 percent or more but less than 200 percent of the average wage of the county in which the  
 354 new quality job is located; and

355 (5) Equal to \$5,000.00 annually per eligible new quality job where the job pays 200  
 356 percent or more of the average wage of the county in which the new quality job is  
 357 located;

358 ~~provided, however, that where~~

359 (b.2)(1) If the amount of ~~such credit~~ the tax credit allowed pursuant to this Code section  
 360 exceeds a taxpayer's liability for such taxes in a taxable year, the excess may be taken as  
 361 a credit against such taxpayer's quarterly or monthly payment under Code  
 362 Section 48-7-103 but shall not ~~to~~ exceed in any one taxable year the credit amounts in  
 363 paragraphs (1) through (5) of subsection (b.1) of this subsection Code section for each  
 364 new quality job when aggregated with the credit applied against taxes under this article.  
 365 Each employee whose employer receives a credit against such taxpayer's quarterly or  
 366 monthly payment under Code Section 48-7-103 shall receive a credit against his or her  
 367 income tax liability under Code Section 48-7-20 for the corresponding taxable year for  
 368 the full amount which would be credited against such liability prior to the application of  
 369 the credit provided for in this ~~subsection Code section~~. Credits against quarterly or  
 370 monthly payments under Code Section 48-7-103 and credits against liability under Code  
 371 Section 48-7-20 established by this subsection shall not constitute income to the taxpayer.

372 (2)(A) For each new quality job created, the credit ~~established by this subsection~~  
 373 allowed pursuant to this Code section may be taken for the first taxable year in which  
 374 the new quality job is created and for the four immediately succeeding taxable years;  
 375 provided, however, that such new quality jobs must be created within seven years from  
 376 the close of the taxable year in which the taxpayer first becomes eligible for such credit.

377 (B) A credit ~~Credit~~ shall not be allowed during a year if the net employment increase  
 378 falls below the ~~50~~ number of new quality jobs required by subsection (b) of this Code  
 379 section. Any credit received for years prior to the year in which the net employment  
 380 increase falls below the ~~50~~ number of new quality jobs required by subsection (b) of  
 381 this Code section shall not be affected except as provided in subsection (g) of this Code  
 382 section. The state revenue commissioner shall adjust the credit allowed each year for  
 383 net new employment fluctuations above the ~~50~~ number of new quality jobs required by  
 384 subsection (b) of this Code section.

385 (c) Only a taxpayer that completes the creation of a qualified project in a taxable year  
 386 beginning on or after January 1, 2017, shall be eligible to begin a subsequent seven-year  
 387 job creation period for the qualified project, provided that the taxpayer creates 50 or more  
 388 new quality jobs, at the site or sites of a qualified project or the facility or facilities  
 389 resulting therefrom, above its single previous high yearly average number of new quality  
 390 jobs during any prior seven-year job creation period. A subsequent seven-year job creation  
 391 period is subject to all the requirements of this Code section. A taxpayer must notify the

392 commissioner of ~~their~~ its intent to begin a subsequent seven-year job creation period. The  
393 commissioner shall provide by regulation the time in which such notification shall occur.  
394 New quality jobs generated under previous seven-year job creation periods shall continue  
395 to be eligible for the credit as provided by this Code section. No new quality jobs may be  
396 generated under previous periods of eligibility after a subsequent period of eligibility has  
397 begun. New quality jobs created in a subsequent seven-year job creation period shall not  
398 be counted as additional new quality jobs under a previous seven-year job creation period;  
399 instead those new quality jobs shall count toward the subsequent period. For purposes of  
400 determining the number of new quality jobs in a particular year that are attributable to each  
401 seven-year job creation period, the taxpayer shall begin with the first seven-year job  
402 creation period and then attribute the remainder to each subsequent seven-year job creation  
403 period from the oldest to the newest. Such attributions shall be made up to the single high  
404 yearly average number of new quality jobs for each seven-year job creation period. A  
405 taxpayer may create more than one subsequent seven-year job creation period. If at the  
406 time a taxpayer begins a subsequent seven-year job creation period, the taxpayer had a year  
407 or years in the prior seven-year job creation period where the number of new quality jobs  
408 ~~were~~ was below the single high yearly average number of new quality jobs, the taxpayer  
409 shall be allowed to make an irrevocable election to use the average number of new quality  
410 jobs for the completed years in the prior seven-year job creation period instead of the single  
411 high yearly average number of new quality jobs for all purposes of this subsection. If such  
412 election is made, the number of new quality jobs in the years subsequent to the completed  
413 years for the prior seven-year job creation period shall be deemed to not exceed the average  
414 number of new quality jobs for the completed years in the prior seven-year job creation  
415 period. New quality jobs over such average number shall be attributed to the subsequent  
416 seven-year job creation period as provided in this subsection.

417 (d) The number of new quality jobs to which this Code section shall be applicable shall  
418 be determined by comparing the monthly average of new quality jobs subject to Georgia  
419 income tax withholding for the taxable year with the corresponding average for the prior  
420 taxable year.

421 (e) Any credit claimed under this Code section but not used in any taxable year may be  
422 carried forward for ten years from the close of the taxable year in which the new quality  
423 jobs were established.

424 (f) Notwithstanding Code Section 48-2-35, any tax credit claimed under this Code section  
425 shall be claimed within one year of the earlier of the date the original return was filed or  
426 the date such return was due as prescribed in subsection (a) of Code Section 48-7-56,  
427 including any approved extensions.

428 (g) Taxpayers that initially claimed the credit under this Code section for any taxable year  
 429 beginning before January 1, ~~2012~~ 2020, shall be governed, for purposes of all such credits  
 430 claimed as well as any credits claimed in subsequent taxable years related to such initial  
 431 claim, by this Code section as it was in effect for the taxable year in which the taxpayer  
 432 made such initial claim.

433 (h) The state revenue commissioner shall promulgate any rules and regulations necessary  
 434 to implement and administer this Code section."

435 **PART II**

436 **SECTION 2-1.**

437 Said article is further amended by revising Code Section 48-7-40.2, relating to tax credits for  
 438 existing manufacturing and telecommunications facilities in tier 1 counties and conditions  
 439 and limitations, as follows:

440 "48-7-40.2.

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

442 (1) 'Product' means a marketable product or component of a product which has an  
 443 economic value to the wholesale or retail consumer and is ready to be used without  
 444 further alteration of its form, or a product or material which is marketed as a prepared  
 445 material or is a component in the manufacturing and assembly of other finished products.

446 (2) 'Qualified investment property' means all real and personal property purchased or  
 447 acquired by a taxpayer for use in the construction of an additional manufacturing or  
 448 telecommunications facility to be located in this state or the expansion of an existing  
 449 manufacturing or telecommunications facility located in this state, including, but not  
 450 limited to, amounts expended on land acquisition, improvements, buildings, building  
 451 improvements, and machinery and equipment to be used in the manufacturing or  
 452 telecommunications facility. The department shall promulgate rules defining eligible  
 453 manufacturing facilities, telecommunications facilities, and qualified investment property  
 454 pursuant to this paragraph.

455 (3) 'Recovered materials' means those materials, including but not limited to, such  
 456 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
 457 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
 458 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
 459 reuse, or recycling, whether or not requiring subsequent separation and processing.

460 (4) 'Recycling' means any process by which materials which would otherwise become  
 461 solid waste are collected, separated, or processed and reused or returned to use in the  
 462 form of raw materials or products.

463 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
 464 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
 465 recovered materials into finished products which are composed of at least 25 percent  
 466 recovered materials, such term including, but not being limited to, power generation and  
 467 pollution control machinery and equipment.

468 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
 469 to land, buildings, building improvements, and any recycling machinery and equipment  
 470 used in the recycling process resulting in the manufacture of finished products from  
 471 recovered materials, provided that up to 10 percent of any building that is a component  
 472 of a recycling facility may be used for office space to house support staff for the recycling  
 473 operation.

474 (7) 'Rural county' shall have the same meaning as provided in Code Section 48-7-40.

475 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
 476 an existing manufacturing or telecommunications facility or a manufacturing or  
 477 telecommunications support facility in this state in a tier 1 county designated pursuant to  
 478 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this  
 479 article in an amount equal to 5 percent of the cost of all qualified investment property  
 480 purchased or acquired by the taxpayer in such year, subject to the conditions and  
 481 limitations set forth in this Code section. In the event such qualified investment property  
 482 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
 483 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
 484 or equipment, a pollution control or prevention facility, or the conversion from defense to  
 485 domestic production, the amount of such credit shall be equal to 8 percent.

486 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
 487 following conditions and limitations:

488 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
 489 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
 490 with the tax year immediately following the tax year in which the qualified investment  
 491 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
 492 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
 493 the credit may only be taken beginning with the tax year immediately following the tax  
 494 year in which the qualified investment property having an aggregate cost in excess of  
 495 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
 496 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
 497 income tax return which will set forth the following information, as a minimum:

498 (A) A description of the project;

499 (B) The amount of qualified investment property acquired during the taxable year;

500 (C) The amount of tax credit claimed for the taxable year;

501 (D) The amount of qualified investment property acquired in prior taxable years;

502 (E) Any tax credit utilized by the taxpayer in prior taxable years;

503 (F) The amount of tax credit carried over from prior years;

504 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and

505 (H) The amount of tax credit to be carried over to subsequent tax years;

506 (2)(A) Any credit claimed under this Code section but not used in any taxable year

507 may be carried forward for ten years from the close of the taxable year in which the

508 qualified investment property was acquired, provided that such qualified investment

509 property remains in service-;

510 (B)(i) The credit established by this Code section taken in any one taxable year shall

511 be limited to an amount not greater than 50 percent of the taxpayer's state income tax

512 liability which is attributable to income derived from operations in this state for that

513 taxable year.

514 (ii) Notwithstanding division (i) of this subparagraph, for credit earned pursuant to

515 this Code section from purchases of qualified investment property for a

516 manufacturing or telecommunications facility in a rural county made on or after

517 January 1, 2020, such credit shall:

518 (I) First be applied to such taxpayer's state income tax liability which is attributable

519 to income derived from operations in this state for that taxable year, limited to 50

520 percent of such liability before application of such credit; and

521 (II) If the amount of such credit exceeds the limit set forth in subdivision (I) of this

522 division, the excess may be taken as a credit of up to \$1 million for any one taxable

523 year against such taxpayer's quarterly or monthly payments under Code

524 Section 48-7-103, provided that such \$1 million limit shall be reduced by any

525 amount taken by such taxpayer pursuant to subdivision (c)(2)(B)(ii)(II) of Code

526 Section 48-7-40.3. Each employee for whom an employer receives credit against

527 such employer's quarterly or monthly payment under Code Section 48-7-103 shall

528 receive credit against his or her income tax liability under Code Section 48-7-20 for

529 the corresponding taxable year for the full amount which would be credited against

530 such liability prior to the application of the credit provided for in this paragraph.

531 Credits against quarterly or monthly payments under Code Section 48-7-103 and

532 credits against liability under Code Section 48-7-20 established by this

533 subparagraph shall not constitute income to the employee;

534 provided, however, that credit allowed and used pursuant to subdivision (II) of this

535 division and pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section 48-7-40.3 shall

536 not exceed \$20 million in aggregate for all taxpayers for any calendar year. The

537 commissioner shall establish an application process to ensure that the \$20 million  
 538 aggregate maximum and the \$1 million per taxpayer maximum are not exceeded. If  
 539 applications for such credit exceed \$20 million for the calendar year, the commissioner  
 540 shall allow for the credit to be applied to all eligible applicants in prorated amounts  
 541 among such applicants, not to exceed \$20 million for the calendar year.

542 (C) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new  
 543 eligibility in any succeeding taxpayer, but any unused credit may be transferred and  
 544 continued by any transferee of the taxpayer;

545 (2.1)(A) Any credit claimed prior to January 1, 2019, pursuant to this Code section by  
 546 a taxpayer that remains unused by such taxpayer may be applied pursuant to  
 547 subparagraph (B) of this paragraph for any taxable year beginning on or after  
 548 January 1, 2020, for which such credit may be carried forward pursuant to  
 549 paragraph (2) of this subsection provided that within a single taxable year such  
 550 taxpayer:

551 (i) Maintains within rural counties at least 100 full-time employee jobs as such term  
 552 is defined in Code Section 48-7-40.24; and

553 (ii) Purchases or acquires at least \$5 million of qualified investment property for  
 554 manufacturing or telecommunications facilities within rural counties.

555 (B) Subject to the requirements established by subparagraph (A) of this paragraph, a  
 556 taxpayer may elect to apply such credit that has been carried forward as allowed  
 557 pursuant to division (ii) of subparagraph (B) of paragraph (2) of this Code section.

558 (C)(i) Qualified investment property purchased or acquired in connection with  
 559 division (ii) of subparagraph (A) of this paragraph may be eligible for credit granted  
 560 under subsection (b) of this Code section, provided that the conditions for such credit  
 561 are met independently of this paragraph. Any such new credit earned shall be applied  
 562 as provided in paragraph (2) of this subsection.

563 (ii) For the taxable year in which the jobs that are required to be maintained in  
 564 division (i) of subparagraph (A) of this subsection are maintained, such jobs shall not  
 565 be eligible to be used or claimed as the basis for any other tax credit or benefit  
 566 allowed by state law.

567 (D) This paragraph shall not extend the carry forward period for any credit.

568 (E) This paragraph shall stand repealed by operation of law on the last moment of  
 569 December 31, 2029;

570 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
 571 this Code section, the taxpayer shall include in the description of the project required by  
 572 subparagraph (A) of paragraph (1) of this subsection, information which demonstrates  
 573 that the project includes the acquisition of qualified investment property having an



574 aggregate cost in excess of \$50,000.00 the amount required by paragraph (1) of this  
 575 subsection;

576 (4) Any lease for a period of five years or longer of any real or personal property used  
 577 in a new or expanded manufacturing or telecommunications facility which would  
 578 otherwise constitute qualified investment property shall be treated as the purchase or  
 579 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
 580 value of the leased property as qualified investment property in the taxable year in which  
 581 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
 582 subsection have been met; and

583 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
 584 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
 585 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
 586 such assets for the purpose of depreciation.

587 ~~(d)(1) Except as otherwise provided in paragraph (2) of this subsection, no~~ No taxpayer  
 588 shall be authorized to claim on a tax return for a given project the credit provided for in this  
 589 Code section if such taxpayer claims on such tax return any of the credits authorized under  
 590 Code Section 48-7-40 or 48-7-40.1.

591 ~~(2) For taxable years beginning on or after January 1, 1995, and ending on or prior to~~  
 592 ~~December 31, 1998, a taxpayer shall be authorized to claim on a tax return for a given~~  
 593 ~~project the credit provided for in this Code section and to claim, if otherwise qualified~~  
 594 ~~under Code Section 48-7-40, the tax credit applicable to tier 1 counties under Code~~  
 595 ~~Section 48-7-40, subject to the following limitations:~~

596 ~~(A) Not less than 250 new full-time employee jobs must be created in the first taxable~~  
 597 ~~year and maintained through the end of the third taxable year in which the taxpayer~~  
 598 ~~claims both credits as authorized under this paragraph; and~~

599 ~~(B) An otherwise qualified taxpayer shall not be entitled to receive the additional tax~~  
 600 ~~credit authorized under Code Section 36-62-5.1 in any taxable year in which that~~  
 601 ~~taxpayer claims both of the tax credits as authorized under this paragraph."~~

## 602 SECTION 2-2.

603 Said article is further amended in Code Section 48-7-40.3, relating to tax credits for existing  
 604 manufacturing and telecommunications facilities in tier 2 counties and conditions and  
 605 limitations, by revising subsection (c) as follows:

606 "(c) The credit granted under subsection (b) of this Code section shall be subject to the  
 607 following conditions and limitations:

608 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
 609 property must occur no sooner than January 1, 1995. The credit may be taken beginning

610 with the tax year immediately following the tax year in which the qualified investment  
 611 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
 612 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
 613 the credit may only be taken beginning with the tax year immediately following the tax  
 614 year in which the qualified investment property having an aggregate cost in excess of  
 615 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
 616 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
 617 income tax return which will set forth the following information, as a minimum:

- 618 (A) A description of the project;
- 619 (B) The amount of qualified investment property acquired during the taxable year;
- 620 (C) The amount of tax credit claimed for the taxable year;
- 621 (D) The amount of qualified investment property acquired in prior taxable years;
- 622 (E) Any tax credit utilized by the taxpayer in prior taxable years;
- 623 (F) The amount of tax credit carried over from prior years;
- 624 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and
- 625 (H) The amount of tax credit to be carried over to subsequent tax years;
- 626 (2)(A) Any credit claimed under this Code section but not used in any taxable year  
 627 may be carried forward for ten years from the close of the taxable year in which the  
 628 qualified investment property was acquired, provided that such qualified investment  
 629 property remains in service.

630 (B)(i) The credit established by this Code section taken in any one taxable year shall  
 631 be limited to an amount not greater than 50 percent of the taxpayer's state income tax  
 632 liability which is attributable to income derived from operations in this state for that  
 633 taxable year.

634 (ii) Notwithstanding division (i) of this subparagraph, for credit earned pursuant to  
 635 this Code section from purchases of qualified investment property for a  
 636 manufacturing or telecommunications facility in a rural county made on or after  
 637 January 1, 2020, such credit shall:

638 (I) First be applied to such taxpayer's state income tax liability which is attributable  
 639 to income derived from operations in this state for that taxable year, limited to 50  
 640 percent of such liability before application of such credit; and

641 (II) If the amount of such credit exceeds the limit set forth in subdivision (I) of this  
 642 division, the excess may be taken as a credit of up to \$1 million for any one taxable  
 643 year against such taxpayer's quarterly or monthly payments under Code  
 644 Section 48-7-103, provided that such \$1 million limit shall be reduced by any  
 645 amount taken by such taxpayer pursuant to subdivision (c)(2)(B)(ii)(II) of Code  
 646 Section 48-7-40.2. Each employee for whom an employer receives credit against

647 such employer's quarterly or monthly payment under Code Section 48-7-103 shall  
 648 receive credit against his or her income tax liability under Code Section 48-7-20 for  
 649 the corresponding taxable year for the full amount which would be credited against  
 650 such liability prior to the application of the credit provided for in this paragraph.  
 651 Credits against quarterly or monthly payments under Code Section 48-7-103 and  
 652 credits against liability under Code Section 48-7-20 established by this  
 653 subparagraph shall not constitute income to the employee;

654 provided, however, that credit allowed and used pursuant to subdivision (II) of this  
 655 division and pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section 48-7-40.2 shall  
 656 not exceed \$20 million in aggregate for all taxpayers for any calendar year. The  
 657 commissioner shall establish an application process to ensure that the \$20 million  
 658 aggregate maximum and the \$1 million per taxpayer maximum are not exceeded. If  
 659 applications for such credit exceed \$20 million for the calendar year, the commissioner  
 660 shall allow for the credit to be applied to all eligible applicants in prorated amounts  
 661 among such applicants, not to exceed \$20 million for the calendar year.

662 (C) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new  
 663 eligibility in any succeeding taxpayer, but any unused credit may be transferred and  
 664 continued by any transferee of the taxpayer;

665 (2.1)(A) Any credit claimed prior to January 1, 2019, pursuant to this Code section by  
 666 a taxpayer that remains unused by such taxpayer may be applied pursuant to  
 667 subparagraph (B) of this paragraph for any taxable year beginning on or after  
 668 January 1, 2020, for which such credit may be carried forward pursuant to  
 669 paragraph (2) of this subsection provided that within a single taxable year such  
 670 taxpayer:

671 (i) Maintains within rural counties at least 100 full-time employee jobs as such term  
 672 is defined in Code Section 48-7-40.24; and

673 (ii) Purchases or acquires at least \$10 million of qualified investment property for  
 674 manufacturing or telecommunications facilities within rural counties.

675 (B) Subject to the requirements established by subparagraph (A) of this paragraph, a  
 676 taxpayer may elect to apply such credit that has been carried forward as allowed  
 677 pursuant to division (ii) of subparagraph (B) of paragraph (2) of this Code section.

678 (C)(i) Qualified investment property purchased or acquired in connection with  
 679 division (ii) of subparagraph (A) of this paragraph may be eligible for credit granted  
 680 under subsection (b) of this Code section, provided that the conditions for such credit  
 681 are met independently of this paragraph. Any such new credit earned shall be applied  
 682 as provided in paragraph (2) of this subsection.

683 (ii) For the taxable year in which the jobs that are required to be maintained in  
 684 division (i) of subparagraph (A) of this subsection are maintained, such jobs shall not  
 685 be eligible to be used or claimed as the basis for any other tax credit or benefit  
 686 allowed by state law.

687 (D) This paragraph shall not extend the carry forward period for any credit.

688 (E) This paragraph shall stand repealed by operation of law on the last moment of  
 689 December 31, 2029;

690 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
 691 this Code section, the taxpayer shall include in the description of the project required by  
 692 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
 693 the project includes the acquisition of qualified investment property having an aggregate  
 694 cost in excess of ~~\$50,000.00~~ the amount required by paragraph (1) of this subsection;

695 (4) Any lease for a period of five years or longer of any real or personal property used  
 696 in a new or expanded manufacturing or telecommunications facility which would  
 697 otherwise constitute qualified investment property shall be treated as the purchase or  
 698 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
 699 value of the leased property as qualified investment property in the taxable year in which  
 700 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
 701 subsection have been met; and

702 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
 703 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
 704 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
 705 such assets for the purpose of depreciation."

706 **SECTION 2-3.**

707 Said article is further amended in Code Section 48-7-40.4, relating to tax credits for existing  
 708 manufacturing and telecommunications facilities or manufacturing and telecommunications  
 709 support facilities in tier 3 or 4 counties and conditions and limitations, by revising  
 710 subsection (c) as follows:

711 "(c) The credit granted under subsection (b) of this Code section shall be subject to the  
 712 following conditions and limitations:

713 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
 714 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
 715 with the tax year immediately following the tax year in which the qualified investment  
 716 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
 717 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
 718 the credit may only be taken beginning with the tax year immediately following the tax

719 year in which the qualified investment property having an aggregate cost in excess of  
 720 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
 721 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
 722 income tax return which will set forth the following information, as a minimum:

- 723 (A) A description of the project;
- 724 (B) The amount of qualified investment property acquired during the taxable year;
- 725 (C) The amount of tax credit claimed for the taxable year;
- 726 (D) The amount of qualified investment property acquired in prior taxable years;
- 727 (E) Any tax credit utilized by the taxpayer in prior taxable years;
- 728 (F) The amount of tax credit carried over from prior years;
- 729 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and
- 730 (H) The amount of tax credit to be carried over to subsequent tax years;
- 731 (2) Any credit claimed under this Code section but not used in any taxable year may be  
 732 carried forward for ten years from the close of the taxable year in which the qualified  
 733 investment property was acquired, provided that such qualified investment property  
 734 remains in service. The credit established by this Code section taken in any one taxable  
 735 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
 736 income tax liability which is attributable to income derived from operations in this state  
 737 for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall  
 738 not create new eligibility in any succeeding taxpayer, but any unused credit may be  
 739 transferred and continued by any transferee of the taxpayer;
- 740 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
 741 this Code section, the taxpayer shall include in the description of the project required by  
 742 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
 743 the project includes the acquisition of qualified investment property having an aggregate  
 744 cost in excess of ~~\$50,000.00~~ the amount required by paragraph (1) of this subsection;
- 745 (4) Any lease for a period of five years or longer of any real or personal property used  
 746 in a new or expanded manufacturing or telecommunications facility which would  
 747 otherwise constitute qualified investment property shall be treated as the purchase or  
 748 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
 749 value of the leased property as qualified investment property in the taxable year in which  
 750 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
 751 subsection have been met; and
- 752 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
 753 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
 754 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
 755 such assets for the purpose of depreciation."

756

**PART III**

757

**SECTION 3-1.**

758 This Act shall become effective on July 1, 2019, and shall be applicable to taxable years  
759 beginning on or after January 1, 2020.

760

**SECTION 3-2.**

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