

The Senate Committee on Rules offered the following substitute to HB 224:

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 revise procedures, conditions, and limitations relating to tax credits for the rehabilitation of  
 4 historic structures; to modify conditions for earning a tax credit for establishing or relocating  
 5 quality jobs; to revise a tax credit for new purchases and acquisitions of qualified investment  
 6 property in tier 1 counties; to provide for such tax credits to be allowed against a taxpayer's  
 7 payroll withholding under certain conditions; to provide that certain previously claimed and  
 8 unused tax credits earned by taxpayers may be applied against such taxpayers' payroll  
 9 withholding under certain conditions; to increase the minimum investment threshold to earn  
 10 tax credits in tier 2, tier 3, and tier 4 counties; to provide for conditions and limitations; to  
 11 provide for applications and proration; to revise definitions; to provide for related matters;  
 12 to provide for an effective date and applicability; to repeal conflicting laws; and for other  
 13 purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 **PART I**

16 **SECTION 1-1.**

17 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 18 amended in Code Section 48-7-29.8, relating to tax credits for the rehabilitation of historic  
 19 structures and conditions and limitations, by revising subsection (b), by adding a new  
 20 paragraph to subsection (e), and by adding a new subsection to read as follows:

21 "(b) A taxpayer shall be allowed a tax credit against the tax imposed by this chapter ~~for the~~  
 22 ~~taxable year in which~~ in the year that the certified rehabilitation is ~~completed~~ placed in  
 23 service, which may be up to two years after the end of the taxable year for which the credit  
 24 was originally reserved:

25 (1) In the case of a historic home, equal to 25 percent of qualified rehabilitation  
 26 expenditures, except that, in the case of a historic home located within a target area, an

27 additional credit equal to 5 percent of qualified rehabilitation expenditures shall be  
28 allowed; and

29 (2) In the case of any other certified structure, equal to 25 percent of qualified  
30 rehabilitation expenditures.

31 Qualified rehabilitation expenditures may only be counted once in determining the amount  
32 of the tax credit available, and more than one entity may not claim a credit for the same  
33 qualified rehabilitation expenditures."

34 "(2.1) If the credit allowed under paragraph (2) of subsection (b) of this Code section in  
35 any taxable year exceeds the total tax otherwise payable by the taxpayer for that taxable  
36 year, the taxpayer may apply the excess as a credit for succeeding years until the earlier  
37 of:

38 (A) The full amount of the excess is used; or

39 (B) The expiration of the tenth taxable year after the taxable year in which the certified  
40 rehabilitation has been completed."

41 "(n) This Code section shall stand repealed by operation of law on July 1, 2024."

## 42 **PART II**

### 43 **SECTION 2-1.**

44 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the  
45 imposition, rate, computation, and exemptions from state income tax, is amended by revising  
46 Code Section 48-7-40.17, relating to establishing or relocating quality jobs and tax credit, as  
47 follows:

48 "48-7-40.17.

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

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

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

54 (A) Is located in this state;

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

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

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

60 (3) 'Qualified investment property' means all real and personal property purchased or  
61 acquired by a taxpayer for use in a qualified project, including, but not limited to,

62 amounts expended on land acquisition, improvements, buildings, building improvements,  
 63 and any personal property to be used in the facility or facilities. Any lease for a period  
 64 of three years or longer of any real or personal property used in a new or expanded  
 65 facility or facilities which would otherwise constitute qualified investment property shall  
 66 be treated as the purchase or acquisition thereof by the lessee. The taxpayer may treat the  
 67 full value of the leased property as qualified investment property in the year in which the  
 68 lease becomes binding on the lessor and the taxpayer.

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

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

80 (6) 'Rural county' means a county that has a population of less than 50,000 with 10  
 81 percent or more of such population living in poverty based upon the most recent, reliable,  
 82 and applicable data published by the United States Bureau of the Census. On or before  
 83 December 31 of each year, the commissioner of the Department of Community Affairs  
 84 shall publish a list of such counties.

85 ~~(6)(7)~~ 'Taxpayer' means any person required by law to file a return or to pay taxes,  
 86 except that any taxpayer may elect to consider the jobs within its disregarded entities, as  
 87 defined in the Internal Revenue Code, for purposes of calculating the number of new  
 88 quality jobs created by the taxpayer under this Code section.

89 (b) A taxpayer establishing new quality jobs in this state or relocating quality jobs into this  
 90 state, which elects not to receive the tax credits provided for by Code Sections 48-7-40,  
 91 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  
 92 jobs and investments created by, arising from, related to, or connected in any way with the  
 93 same project, ~~that creates; and, within one year of the first date on which the taxpayer~~  
 94 ~~pursuant to the provisions of Code Section 48-7-101 withholds wages for employees in this~~  
 95 ~~state and employs at least 50 persons in new quality jobs in this state, shall be allowed a~~  
 96 ~~credit for taxes imposed under this article; except that if the first date on which the~~  
 97 ~~taxpayer, pursuant to the provisions of Code Section 48-7-101, withholds wages for~~

98 ~~employees in this state occurs in a taxable year beginning on or after January 1, 2017, the~~  
 99 ~~taxpayer has two years to employ at least 50 persons in new quality jobs in this state:~~

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

105 (2) At least 25 new quality jobs within a single rural county within one year of the first  
 106 date on which the taxpayer withholds wages for employees in this state pursuant to the  
 107 provisions of Code Section 48-7-101, provided that such county is designated as a tier 2  
 108 county by the commissioner of community affairs in accordance with Code  
 109 Section 48-7-40; or

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

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

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

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

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

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

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

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

131 ~~provided, however, that where~~

132 (b.2)(1) If the amount of such credit the tax credit allowed pursuant to this Code section  
 133 exceeds a taxpayer's liability for such taxes in a taxable year, the excess may be taken as  
 134 a credit against such taxpayer's quarterly or monthly payment under Code

135 Section 48-7-103 but shall not ~~to~~ exceed in any one taxable year the credit amounts in  
 136 paragraphs (1) through (5) of subsection (b.1) of this subsection Code section for each  
 137 new quality job when aggregated with the credit applied against taxes under this article.  
 138 Each employee whose employer receives a credit against such taxpayer's quarterly or  
 139 monthly payment under Code Section 48-7-103 shall receive a credit against his or her  
 140 income tax liability under Code Section 48-7-20 for the corresponding taxable year for  
 141 the full amount which would be credited against such liability prior to the application of  
 142 the credit provided for in this ~~subsection Code section~~. Credits against quarterly or  
 143 monthly payments under Code Section 48-7-103 and credits against liability under Code  
 144 Section 48-7-20 established by this subsection shall not constitute income to the taxpayer.

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

150 (B) A credit ~~Credit~~ shall not be allowed during a year if the net employment increase  
 151 falls below the ~~50~~ number of new quality jobs required by subsection (b) of this Code  
 152 section. Any credit received for years prior to the year in which the net employment  
 153 increase falls below the ~~50~~ number of new quality jobs required by subsection (b) of  
 154 this Code section shall not be affected except as provided in subsection (g) of this Code  
 155 section. The state revenue commissioner shall adjust the credit allowed each year for  
 156 net new employment fluctuations above the ~~50~~ number of new quality jobs required by  
 157 subsection (b) of this Code section.

158 (c) Only a taxpayer that completes the creation of a qualified project in a taxable year  
 159 beginning on or after January 1, 2017, shall be eligible to begin a subsequent seven-year  
 160 job creation period for the qualified project, provided that the taxpayer creates 50 or more  
 161 new quality jobs, at the site or sites of a qualified project or the facility or facilities  
 162 resulting therefrom, above its single previous high yearly average number of new quality  
 163 jobs during any prior seven-year job creation period. A subsequent seven-year job creation  
 164 period is subject to all the requirements of this Code section. A taxpayer must notify the  
 165 commissioner of ~~their~~ its intent to begin a subsequent seven-year job creation period. The  
 166 commissioner shall provide by regulation the time in which such notification shall occur.  
 167 New quality jobs generated under previous seven-year job creation periods shall continue  
 168 to be eligible for the credit as provided by this Code section. No new quality jobs may be  
 169 generated under previous periods of eligibility after a subsequent period of eligibility has  
 170 begun. New quality jobs created in a subsequent seven-year job creation period shall not  
 171 be counted as additional new quality jobs under a previous seven-year job creation period;

172 instead those new quality jobs shall count toward the subsequent period. For purposes of  
173 determining the number of new quality jobs in a particular year that are attributable to each  
174 seven-year job creation period, the taxpayer shall begin with the first seven-year job  
175 creation period and then attribute the remainder to each subsequent seven-year job creation  
176 period from the oldest to the newest. Such attributions shall be made up to the single high  
177 yearly average number of new quality jobs for each seven-year job creation period. A  
178 taxpayer may create more than one subsequent seven-year job creation period. If at the  
179 time a taxpayer begins a subsequent seven-year job creation period, the taxpayer had a year  
180 or years in the prior seven-year job creation period where the number of new quality jobs  
181 ~~were~~ was below the single high yearly average number of new quality jobs, the taxpayer  
182 shall be allowed to make an irrevocable election to use the average number of new quality  
183 jobs for the completed years in the prior seven-year job creation period instead of the single  
184 high yearly average number of new quality jobs for all purposes of this subsection. If such  
185 election is made, the number of new quality jobs in the years subsequent to the completed  
186 years for the prior seven-year job creation period shall be deemed to not exceed the average  
187 number of new quality jobs for the completed years in the prior seven-year job creation  
188 period. New quality jobs over such average number shall be attributed to the subsequent  
189 seven-year job creation period as provided in this subsection.

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

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

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

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

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

208

**PART III**

209

**SECTION 3-1.**

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

213 "48-7-40.2.

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

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

219 (2) 'Qualified investment property' means all real and personal property purchased or  
220 acquired by a taxpayer for use in the construction of an additional manufacturing or  
221 telecommunications facility to be located in this state or the expansion of an existing  
222 manufacturing or telecommunications facility located in this state, including, but not  
223 limited to, amounts expended on land acquisition, improvements, buildings, building  
224 improvements, and machinery and equipment to be used in the manufacturing or  
225 telecommunications facility. The department shall promulgate rules defining eligible  
226 manufacturing facilities, telecommunications facilities, and qualified investment property  
227 pursuant to this paragraph.

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

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

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

241 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
242 to land, buildings, building improvements, and any recycling machinery and equipment  
243 used in the recycling process resulting in the manufacture of finished products from

244 recovered materials, provided that up to 10 percent of any building that is a component  
 245 of a recycling facility may be used for office space to house support staff for the recycling  
 246 operation.

247 (7) 'Rural county' means a county that has a population of less than 50,000 with 10  
 248 percent or more of such population living in poverty based upon the most recent, reliable,  
 249 and applicable data published by the United States Bureau of the Census. On or before  
 250 December 31 of each year, the commissioner of the Department of Community Affairs  
 251 shall publish a list of such counties.

252 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
 253 an existing manufacturing or telecommunications facility or a manufacturing or  
 254 telecommunications support facility in this state in a tier 1 county designated pursuant to  
 255 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this  
 256 article in an amount equal to 5 percent of the cost of all qualified investment property  
 257 purchased or acquired by the taxpayer in such year, subject to the conditions and  
 258 limitations set forth in this Code section. In the event such qualified investment property  
 259 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
 260 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
 261 or equipment, a pollution control or prevention facility, or the conversion from defense to  
 262 domestic production, the amount of such credit shall be equal to 8 percent.

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

265 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
 266 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
 267 with the tax year immediately following the tax year in which the qualified investment  
 268 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
 269 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
 270 the credit may only be taken beginning with the tax year immediately following the tax  
 271 year in which the qualified investment property having an aggregate cost in excess of  
 272 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
 273 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
 274 income tax return which will set forth the following information, as a minimum:

- 275 (A) A description of the project;
- 276 (B) The amount of qualified investment property acquired during the taxable year;
- 277 (C) The amount of tax credit claimed for the taxable year;
- 278 (D) The amount of qualified investment property acquired in prior taxable years;
- 279 (E) Any tax credit utilized by the taxpayer in prior taxable years;
- 280 (F) The amount of tax credit carried over from prior years;



281 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and  
 282 (H) The amount of tax credit to be carried over to subsequent tax years;

283 (2)(A) Any credit claimed under this Code section but not used in any taxable year  
 284 may be carried forward for ten years from the close of the taxable year in which the  
 285 qualified investment property was acquired, provided that such qualified investment  
 286 property remains in service-;

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

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

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

298 (II) If the amount of such credit exceeds the limit set forth in subdivision (I) of this  
 299 division, the excess may be taken as a credit of up to \$1 million for any one taxable  
 300 year against such taxpayer's quarterly or monthly payments under Code  
 301 Section 48-7-103, provided that such \$1 million limit shall be reduced by any  
 302 amount taken by such taxpayer pursuant to subdivision (c)(2)(B)(ii)(II) of Code  
 303 Section 48-7-40.3. Each employee for whom an employer receives credit against  
 304 such employer's quarterly or monthly payment under Code Section 48-7-103 shall  
 305 receive credit against his or her income tax liability under Code Section 48-7-20 for  
 306 the corresponding taxable year for the full amount which would be credited against  
 307 such liability prior to the application of the credit provided for in this paragraph.  
 308 Credits against quarterly or monthly payments under Code Section 48-7-103 and  
 309 credits against liability under Code Section 48-7-20 established by this  
 310 subparagraph shall not constitute income to the employee;

311 provided, however, that credit allowed and used pursuant to subdivision (II) of this  
 312 division and pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section 48-7-40.3 shall  
 313 not exceed \$10 million in aggregate for all taxpayers for any calendar year. The  
 314 commissioner shall establish an application process to ensure that the \$10 million  
 315 aggregate maximum and the \$1 million per taxpayer maximum are not exceeded. If  
 316 applications for such credit exceed \$10 million for the calendar year, the commissioner

317 shall allow for the credit to be applied to all eligible applicants in prorated amounts  
318 among such applicants, not to exceed \$10 million for the calendar year.

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

322 (2.1)(A) Any credit claimed prior to January 1, 2020, pursuant to this Code section by  
323 a taxpayer that remains unused by such taxpayer may be applied pursuant to  
324 subparagraph (B) of this paragraph for any taxable year beginning on or after  
325 January 1, 2020, for which such credit may be carried forward pursuant to  
326 paragraph (2) of this subsection provided that within a single taxable year beginning on  
327 or after January 1, 2020, such taxpayer:

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

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

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

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

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

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

345 (E) This paragraph shall stand repealed by operation of law on the last moment of  
346 December 31, 2024;

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

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

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

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

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

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

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

379 **SECTION 3-2.**

380 Said article is further amended in Code Section 48-7-40.3, relating to tax credits for existing  
 381 manufacturing and telecommunications facilities in tier 2 counties and conditions and  
 382 limitations, by adding a new paragraph to subsection (a) and by revising subsection (c) as  
 383 follows:

384 "(7) 'Rural county' means a county that has a population of less than 50,000 with 10  
 385 percent or more of such population living in poverty based upon the most recent, reliable,  
 386 and applicable data published by the United States Bureau of the Census. On or before  
 387 December 31 of each year, the commissioner of the Department of Community Affairs  
 388 shall publish a list of such counties."

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

391 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
392 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
393 with the tax year immediately following the tax year in which the qualified investment  
394 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
395 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
396 the credit may only be taken beginning with the tax year immediately following the tax  
397 year in which the qualified investment property having an aggregate cost in excess of  
398 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
399 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
400 income tax return which will set forth the following information, as a minimum:

401 (A) A description of the project;  
402 (B) The amount of qualified investment property acquired during the taxable year;  
403 (C) The amount of tax credit claimed for the taxable year;  
404 (D) The amount of qualified investment property acquired in prior taxable years;  
405 (E) Any tax credit utilized by the taxpayer in prior taxable years;  
406 (F) The amount of tax credit carried over from prior years;  
407 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and  
408 (H) The amount of tax credit to be carried over to subsequent tax years;  
409 (2)(A) Any credit claimed under this Code section but not used in any taxable year  
410 may be carried forward for ten years from the close of the taxable year in which the  
411 qualified investment property was acquired, provided that such qualified investment  
412 property remains in service.

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

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

421 (I) First be applied to such taxpayer's state income tax liability which is attributable  
422 to income derived from operations in this state for that taxable year, limited to 50  
423 percent of such liability before application of such credit; and  
424 (II) If the amount of such credit exceeds the limit set forth in subdivision (I) of this  
425 division, the excess may be taken as a credit of up to \$1 million for any one taxable

426 year against such taxpayer's quarterly or monthly payments under Code  
 427 Section 48-7-103, provided that such \$1 million limit shall be reduced by any  
 428 amount taken by such taxpayer pursuant to subdivision (c)(2)(B)(ii)(II) of Code  
 429 Section 48-7-40.2. Each employee for whom an employer receives credit against  
 430 such employer's quarterly or monthly payment under Code Section 48-7-103 shall  
 431 receive credit against his or her income tax liability under Code Section 48-7-20 for  
 432 the corresponding taxable year for the full amount which would be credited against  
 433 such liability prior to the application of the credit provided for in this paragraph.  
 434 Credits against quarterly or monthly payments under Code Section 48-7-103 and  
 435 credits against liability under Code Section 48-7-20 established by this  
 436 subparagraph shall not constitute income to the employee;

437 provided, however, that credit allowed and used pursuant to subdivision (II) of this  
 438 division and pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section 48-7-40.2 shall  
 439 not exceed \$10 million in aggregate for all taxpayers for any calendar year. The  
 440 commissioner shall establish an application process to ensure that the \$10 million  
 441 aggregate maximum and the \$1 million per taxpayer maximum are not exceeded. If  
 442 applications for such credit exceed \$10 million for the calendar year, the commissioner  
 443 shall allow for the credit to be applied to all eligible applicants in prorated amounts  
 444 among such applicants, not to exceed \$10 million for the calendar year.

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

448 (2.1)(A) Any credit claimed prior to January 1, 2020, pursuant to this Code section by  
 449 a taxpayer that remains unused by such taxpayer may be applied pursuant to  
 450 subparagraph (B) of this paragraph for any taxable year beginning on or after  
 451 January 1, 2020, for which such credit may be carried forward pursuant to  
 452 paragraph (2) of this subsection provided that within a single taxable year beginning on  
 453 or after January 1, 2020, such taxpayer:

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

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

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

461 (C)(i) Qualified investment property purchased or acquired in connection with  
 462 division (ii) of subparagraph (A) of this paragraph may be eligible for credit granted

463 under subsection (b) of this Code section, provided that the conditions for such credit  
 464 are met independently of this paragraph. Any such new credit earned shall be applied  
 465 as provided in paragraph (2) of this subsection.

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

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

471 (E) This paragraph shall stand repealed by operation of law on the last moment of  
 472 December 31, 2024;

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

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

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

489 **SECTION 3-3.**

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

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

496 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
 497 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
 498 with the tax year immediately following the tax year in which the qualified investment

499 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
500 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
501 the credit may only be taken beginning with the tax year immediately following the tax  
502 year in which the qualified investment property having an aggregate cost in excess of  
503 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
504 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
505 income tax return which will set forth the following information, as a minimum:

- 506 (A) A description of the project;
- 507 (B) The amount of qualified investment property acquired during the taxable year;
- 508 (C) The amount of tax credit claimed for the taxable year;
- 509 (D) The amount of qualified investment property acquired in prior taxable years;
- 510 (E) Any tax credit utilized by the taxpayer in prior taxable years;
- 511 (F) The amount of tax credit carried over from prior years;
- 512 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and
- 513 (H) The amount of tax credit to be carried over to subsequent tax years;
- 514 (2) Any credit claimed under this Code section but not used in any taxable year may be  
515 carried forward for ten years from the close of the taxable year in which the qualified  
516 investment property was acquired, provided that such qualified investment property  
517 remains in service. The credit established by this Code section taken in any one taxable  
518 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
519 income tax liability which is attributable to income derived from operations in this state  
520 for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall  
521 not create new eligibility in any succeeding taxpayer, but any unused credit may be  
522 transferred and continued by any transferee of the taxpayer;
- 523 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
524 this Code section, the taxpayer shall include in the description of the project required by  
525 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
526 the project includes the acquisition of qualified investment property having an aggregate  
527 cost in excess of ~~\$50,000.00~~ the amount required by paragraph (1) of this subsection;
- 528 (4) Any lease for a period of five years or longer of any real or personal property used  
529 in a new or expanded manufacturing or telecommunications facility which would  
530 otherwise constitute qualified investment property shall be treated as the purchase or  
531 acquisition of qualified investment property by the lessee. The taxpayer may treat the full  
532 value of the leased property as qualified investment property in the taxable year in which  
533 the lease becomes binding on the lessor and the taxpayer if all other conditions of this  
534 subsection have been met; and

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

539 **SECTION 3-4.**

540 Said article is further amended by revising subsection (c) of Code Section 48-7-42, relating  
541 to affiliated entities and assignment of corporate income tax credits, as follows:

542 "(c) The recipient of a tax credit assigned under subsection (b) of this Code section shall  
543 attach a statement to its return identifying the assignor of the tax credit, in addition to  
544 providing any other information required to be provided by a claimant of the assigned tax  
545 credit. With the exception of the transferable credits in Code Sections 48-7-29.8;  
546 and 48-7-29.12, ~~48-7-40.26, and 48-7-40.26A,~~ the recipient of a tax credit assigned under  
547 subsection (b) of this Code section shall also be eligible to take any credit against payments  
548 due under Code Section 48-7-103, subject to the same requirements as the assignor of such  
549 credit at the time of the assignment."

550 **PART IV**

551 **SECTION 4-1.**

552 This Act shall become effective on June 1, 2019. Parts II and III of this Act shall be  
553 applicable to taxable years beginning on or after January 1, 2020.

554 **SECTION 4-2.**

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