

House Bill 1476

By: Representatives Hong of the 103rd, Carpenter of the 4th, Frye of the 122nd, Crowe of the 118th, and Cannon of the 172nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-7-40.26A of the Official Code of Georgia Annotated, relating to
2 tax credits for postproduction expenditures, so as to revise the amount of a credit; to provide
3 for eligibility of postproduction expenditures in addition to production expenditures; to
4 provide for related matters; to provide for an effective date and applicability; to repeal
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-7-40.26A of the Official Code of Georgia Annotated, relating to tax credits
9 for postproduction expenditures, is amended by revising subsections (c) and (g) as follows:

10 "(c)(1) A postproduction company that has incurred qualified postproduction
11 expenditures of at least \$500,000.00 in a taxable year shall be allowed a tax credit against
12 the tax imposed by this article, subject to the conditions and limitations set forth in this
13 Code section.

14 (2)(A) The tax credit allowed shall be equal to ~~20 percent~~ 30 percent of the qualified
15 postproduction expenditures actually invested and expended by the postproduction
16 company in a taxable year.

17 ~~(B) An additional tax credit equal to 10 percent of the qualified postproduction~~
18 ~~expenditures shall be allowed if the qualified production expenditures, as defined in~~
19 ~~Code Section 48-7-40.26, were incurred in this state.~~

20 ~~(C)~~ An additional tax credit equal to 5 percent of the qualified production expenditures
21 shall be allowed if the qualified production expenditures were incurred in a tier 1 or tier
22 2 county as designated by the commissioner of community affairs pursuant to Code
23 Section 48-7-40.

24 (3) The amount of tax credits allowed to a postproduction company under this Code
25 section for any single taxable year shall not exceed the postproduction company's total
26 aggregate payroll expended to employees working within this state for the taxable year
27 the postproduction company claims the tax credit."

28 ~~"(g)(1) Any qualified postproduction expenditures for which a production company~~
29 ~~claims a tax credit under Code Section 48-7-40.26 shall not be eligible for postproduction~~
30 ~~expenditures for purposes of the credit authorized under this Code section.~~

31 ~~(2)~~ If a postproduction company and its affiliates claim the credit authorized under Code
32 Section 48-7-40, 48-7-40.1, 48-7-40.17, or 48-7-40.18, then the postproduction company
33 and its affiliates ~~will~~ shall only be allowed to claim the credit authorized under this Code
34 section to the extent that the Georgia resident employees included in the credit calculation
35 authorized under this Code section and taken by the postproduction company and its
36 affiliates on such tax return under this Code section have been permanently excluded
37 from the credit authorized under Code Section 48-7-40, 48-7-40.1, 48-7-40.17, or
38 48-7-40.18.

39 (2)(A) As used in this paragraph, the term 'affiliate' means those entities that are
40 included in the postproduction company's affiliated group as defined in Section 1504(a)
41 of the Internal Revenue Code and all other entities that are directly or indirectly owned
42 by members of the affiliated group.

43 (B) A postproduction company may claim a tax credit under this Code section for
44 qualified postproduction expenditures even if such production company claims a tax
45 credit for postproduction expenditures under Code Section 48-7-40.26 in this state.

46 (C) No postproduction company or any affiliate thereof that claims a tax credit under
47 this Code section shall be eligible to claim a tax credit under Code Section 48-7-40.26
48 for the same qualified postproduction expenditures or production expenditures."

49 **SECTION 2.**

50 This Act shall become effective on July 1, 2026, and shall be applicable to all taxable years
51 beginning on or after January 1, 2026.

52 **SECTION 3.**

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