The House Committee on Ways and Means offers the following substitute to HB 1181:

A BILL TO BE ENTITLED

AN ACT

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to limit the carry-forward periods of certain income tax credits; to provide for expirations of certain credits; to reduce the carry-forward periods for certain credits; to provide for sunset dates for certain credits; to amend Code Sections 3-6-70, 33-8-13, 48-5C-1, 48-8-3, and 48-11-2 of the Official Code of Georgia Annotated, relating to exemptions from excise tax on wine, exemption of certain insurance companies from taxes, definitions, exemption from taxation, allocation and disbursement of proceeds collected by tag agents, fair market value of vehicle appealable, and report relative to alternative ad valorem tax on motor vehicles, state sales and use tax exemptions, and excise tax imposed, rates for tobacco and vaping products, exemptions, collection and payment, and tax separately identified, respectively, so as to provide for sunset dates; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I

SECTION 1-1.

Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is amended by revising subsection (b) of Code Section 48-7-29.4, relating to tax credits for disaster assistance funds received, as follows:

"(b) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against no more than three succeeding years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-2.

Said chapter is further amended by revising subsection (a) of Code Section 48-7-29.7, relating to tax credits for depository financial institutions, as follows:

"(a) There shall be a dollar-for-dollar credit against the state income tax liability of depository financial institutions which shall be equal to the amount of taxes, if any, paid by such taxpayers pursuant to Code ~~Section~~ Sections 48-6-93 and ~~Code Section~~ 48-6-95. If the liability of any such institutions under the taxes authorized by Code ~~Section~~ Sections 48-6-93 and ~~Code Section~~ 48-6-95 exceeds the income tax liability of such institution for any year, the amount of any unused credit under this Code section may be credited over a period of five years from the tax year in which the unused credit arose. If the assets of an institution are acquired by another institution in a transaction described in Section 381(a) of the Internal Revenue Code of 1986, the acquiring institution shall succeed to and take into account any unused credit of the distributor or transferor institution. If a depository financial institution has elected Subchapter 'S' status pursuant to the conditions specified in subparagraph (b)(7)(B) of Code Section 48-7-21, the credits authorized by this subsection may be passed through on a pro rata basis to the institution's shareholders. If the amount of any such pro rata credit exceeds a shareholder's individual income tax liability, then such unused credit may be credited over a period of ~~five~~ three years from the tax year in which the unused credit arose. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-3.

Said chapter is further amended by revising subsection (d) of Code Section 48-7-29.9, relating to tax credits for qualified life insurance premiums for National Guard and Air National Guard members, as follows:

"(d) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against no more than three succeeding years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-4.

Said chapter is further amended by revising paragraph (1) of subsection (d) of Code Section 48-7-29.12, relating to tax credits for qualified donation of real property, as follows:

"(d)(1) In no event shall the total amount of any tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. In no event shall the total amount of the tax credit allowed to a taxpayer under subsection (b) of this Code section exceed $250,000.00 with respect to tax liability determined under Code Section 48-7-20 or $500,000.00 with respect to tax liability determined under Code Section 48-7-21. Any unused tax credit shall be allowed to be carried forward to apply to the taxpayer's succeeding ~~ten~~ five years' tax liability. However, the amount in excess of such annual dollar limits shall not be eligible for carryover to the taxpayer's succeeding years' tax liability nor shall such excess amount be claimed by or reallocated to any other taxpayer. No such tax credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-5.

Said chapter is further amended by revising subsection (c) of Code Section 48-7-29.13, relating to tax credits for qualified health insurance expenses, as follows:

″(c) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against no more than three succeeding years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability.″

SECTION 1-6.

Said chapter is further amended by revising subparagraph (b)(6)(B) of Code Section 48-7-29.14, relating to tax credits for clean energy property, as follows:

″(B) In no event shall the total amount of the tax credit under paragraph (2) of subsection (b) of this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against no more than three succeeding years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability.″

SECTION 1-7.

Said chapter is further amended by revising subsection (e) of Code Section 48-7-29.16, relating to tax credits for contributions to student scholarship organizations, as follows:

″(e) In no event shall the total amount of the tax credit allowed to any taxpayer or business enterprise under this Code section for a taxable year exceed such taxpayer's income tax liability or such business enterprise's state insurance premium tax liability owed pursuant to Code Section 33-8-4, provided that any unused tax credit shall be allowed the taxpayer or business enterprise against up to its succeeding ~~five~~ three years' tax liability. No such credit shall be allowed the taxpayer or business enterprise against prior years' tax liability.″

SECTION 1-8.

Said chapter is further amended by revising subsection (c) of Code Section 48-7-29.17, relating to a tax credit for the purchase of one eligible single-family residence, as follows:

"(c) The amount of the tax credit under subsection (b) of this Code section which may be claimed and allowed in a single tax year shall not exceed the taxpayer's income tax liability or one-third of the total amount of the credit allowed under subsection (b) of this Code section, whichever is less. Any excess or unused tax credit amount shall be carried forward to apply to ~~the taxpayer's~~ no more than three succeeding years' tax liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-9.

Said chapter is further amended by revising subsection (e) of Code Section 48-7-29.21, relating to tax credits for qualified education donations for the purpose of awarding grants to public schools, as follows:

"(e) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against the succeeding ~~five~~ three years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-10.

Said chapter is further amended by revising paragraph (2) of subsection (k) of Code Section 48-7-29.24, relating to tax credits for contributions to foster child support organizations, as follows:

"(2) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against the succeeding ~~five~~ three years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-11.

Said chapter is further amended by revising paragraph (2) of subsection (k) of Code Section 48-7-29.25, relating to tax credits for contributions to law enforcement foundations, as follows:

"(2) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against the succeeding ~~five~~ <u>three</u> years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-12.

Said chapter is further amended by revising subsection (h) of Code Section 48-7-40, relating to designation of counties as less developed areas and tax credits for certain business enterprises, as follows:

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

SECTION 1-13.

Said chapter is further amended by revising subsection (h) of Code Section 48-7-40.1, relating to tax credits for business enterprises in less developed areas, as follows:

"(h) Any credit claimed under this Code section but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified jobs were established, subject to forfeiture as provided in subsection (e) of this Code section, but the credit established by this Code section taken in any one taxable year shall be limited to an amount not greater than 100 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year."

SECTION 1-14.

Said chapter is further amended by revising paragraph (2) of subsection (c) of Code Section 48-7-40.1A, relating to additional job tax credits for manufacturers of personal protective equipment, as follows:

"(2) Any tax credit claimed under subsection (b) of this Code section, but not used in any taxable year, may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified jobs were established."

SECTION 1-15.

Said chapter is further amended by revising paragraph (1) of subsection (c) of Code Section 48-7-40.1B, relating to tax credits for jobs created by manufacturers of medical equipment, medical supplies, pharmaceuticals, or medicine, as follows:

"(1) Any tax credit claimed under subsection (b) of this Code section but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified jobs were established; and"

SECTION 1-16.

Said chapter is further amended by revising subparagraph (c)(2)(A) of Code Section 48-7-40.2, relating to tax credits for existing manufacturing and telecommunications facilities in tier 1 counties, as follows:

"(2)(A) Any credit claimed under this Code section but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified investment property was acquired, provided that such qualified investment property remains in service~~:~~."

SECTION 1-17.

Said chapter is further amended by revising subparagraph (c)(2)(A) of Code Section 48-7-40.3, relating to tax credits for existing manufacturing and telecommunications facilities in tier 2 counties, as follows:

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

SECTION 1-18.

Said chapter is further amended by revising paragraph (2) of subsection (c) of Code Section 48-7-40.4, relating to tax credits for existing manufacturing and telecommunications facilities in tier 3 or 4 counties, as follows:

"(2) Any credit claimed under this Code section but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified investment property was acquired, provided that such qualified investment property remains in service. The credit established by this Code section taken in any one taxable year shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new eligibility in any succeeding taxpayer, but any unused credit may be transferred and continued by any transferee of the taxpayer;"

SECTION 1-19.

Said chapter is further amended by revising subsection (c) of Code Section 48-7-40.5, relating to tax credits for employers providing approved retraining programs, as follows:

"(c) Any tax credit claimed under this Code section for any taxable year beginning on or after January 1, 1998, but not used for any such taxable year may be carried forward for ~~ten~~ <u>five</u> years from the close of the taxable year in which the tax credit was granted. The tax credit granted to any employer pursuant to this Code section shall not exceed 50 percent of the amount of the taxpayer's income tax liability for the taxable year as computed without regard to this Code section. Notwithstanding Code Section 48-2-35, any tax credit claimed under this Code section shall be claimed within one year of the earlier of the date the original return was filed or the date such return was due as prescribed in subsection (a) of Code Section 48-7-56, including any approved extensions."

SECTION 1-20.

Said chapter is further amended by revising subsection (b) of Code Section 48-7-40.7, relating to optional tax credits for existing manufacturing and telecommunications facilities in tier 1 counties, as follows:

"(b) In the case of a taxpayer which has operated for the immediately preceding three years an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility and which first places in service during a taxable year qualified investment property in this state in a tier 1 county designated pursuant to Code Section 48-7-40, there shall be allowed an optional credit against the tax imposed under this article for the ensuing ~~ten~~ five taxable years following the taxable year the qualified investment property was first placed in service, provided that such qualified investment property remains in service. Such optional credit shall be at the irrevocable election of the taxpayer and shall be in lieu of the credit under Code Section 48-7-40.2. No taxpayer who claims the credit under Code Section 48-7-40.2 for any taxable year for a given project shall be eligible to receive the credit under this Code section with respect to the same project for any taxable year. The aggregate amount of the credit allowed under this Code section shall equal 10 percent of the cost of all qualified investment property purchased or acquired by the taxpayer and first placed in service during a taxable year. The annual amount of such credit shall be computed as follows:

(1) The taxable year in which such qualified investment property is first placed in service shall be the base year for purposes of calculating the credit provided for by this Code section;

(2) The amount of tax owed by the taxpayer for the base year and for each of the two immediately preceding taxable years shall be determined without regard to any credits and shall be added together and divided by three. The resulting figure shall be the base year average; and

(3) The credit available to the taxpayer to apply against the tax liability of any year following the base year but no later than the ~~tenth~~ fifth year shall be the lesser of the following amounts:

(A) Ninety percent of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or

(B) The excess of the aggregate amount of the credit allowed for the qualified investment property over the sum of the amounts of credit already used in the years following the base year.″

SECTION 1-21.

Said chapter is further amended by revising subsection (b) of Code Section 48-7-40.8, relating to optional tax credits for existing manufacturing and telecommunications facilities in tier 2 counties, as follows:

"(b) In the case of a taxpayer which has operated for the immediately preceding three years an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility and which first places in service during a taxable year qualified investment property in this state in a tier 2 county designated pursuant to Code Section 48-7-40, there shall be allowed an optional credit against the tax imposed under this article for the ensuing ~~ten~~ five taxable years following the taxable year the qualified investment property was first placed in service, provided that such qualified investment property remains in service. Such optional credit shall be at the irrevocable election of the taxpayer and shall be in lieu of the credit under Code Section 48-7-40.3. No taxpayer who claims the credit under Code Section 48-7-40.3 for any taxable year for a given project shall be eligible to receive the credit under this Code section with respect to the same project for any taxable year. The aggregate amount of the credit allowed under this Code section shall equal 8 percent of the cost of all qualified investment property purchased or acquired by the taxpayer and first placed in service during a taxable year. The annual amount of such credit shall be computed as follows:

(1) The taxable year in which such qualified investment property is first placed in service shall be the base year for purposes of calculating the credit provided for by this Code section;

(2) The amount of tax owed by the taxpayer for the base year and for each of the two immediately preceding taxable years shall be determined without regard to any credits and shall be added together and divided by three. The resulting figure shall be the base year average; and

(3) The credit available to the taxpayer to apply against the tax liability of any year following the base year but no later than the ~~tenth~~ fifth year shall be the lesser of the following amounts:

(A) Ninety percent of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or

(B) The excess of the aggregate amount of the credit allowed for the qualified investment property over the sum of the amounts of credit already used in the years following the base year."

SECTION 1-22.

Said chapter is further amended by revising subsection (b) of Code Section 48-7-40.9, relating to optional tax credits for existing manufacturing and telecommunications facilities in tier 3 or 4 counties, as follows:

"(b) In the case of a taxpayer which has operated for the immediately preceding three years an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility and which first places in service during a taxable year qualified investment property in this state in a tier 3 or a tier 4 county designated pursuant to Code Section 48-7-40, there shall be allowed an optional credit against the tax imposed under this article for the ensuing ~~ten~~ five taxable years following the taxable year the qualified investment property was first placed in service, provided that such qualified investment property remains in service. Such optional credit shall be at the irrevocable election of the taxpayer and shall be in lieu of the credit under Code Section 48-7-40.4. No taxpayer who claims the credit under Code Section 48-7-40.4 for any taxable year for a given project shall be eligible to receive the credit under this Code section with respect to the same project for any taxable year. The aggregate amount of the credit allowed under this Code section shall equal 6 percent of the cost of all qualified investment property purchased or acquired by the taxpayer and first placed in service during a taxable year. The annual amount of such credit shall be computed as follows:

(1) The taxable year in which such qualified investment property is first placed in service shall be the base year for purposes of calculating the credit provided for by this Code section;

(2) The amount of tax owed by the taxpayer for the base year and for each of the two immediately preceding taxable years shall be determined without regard to any credits and shall be added together and divided by three. The resulting figure shall be the base year average; and

(3) The credit available to the taxpayer to apply against the tax liability of any year following the base year but no later than the ~~tenth~~ fifth year shall be the lesser of the following amounts:

(A) Ninety percent of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or

(B) The excess of the aggregate amount of the credit allowed for the qualified investment property over the sum of the amounts of credit already used in the years following the base year."

SECTION 1-23.

Said chapter is further amended by revising subsection (d) of Code Section 48-7-40.12, relating to tax credits for qualified research expenses, as follows:

"(d) Any unused credit claimed under this Code section may be carried forward ~~ten~~ five years from the close of the taxable year in which the qualified research expenses were made. The credit taken in any one taxable year shall not exceed 50 percent of the business enterprise's remaining Georgia net income tax liability after all other credits have been applied."

SECTION 1-24.

Said chapter is further amended by revising paragraphs (2) and (3) of subsection (e) of Code Section 48-7-40.15, relating to alternative tax credits for base year port traffic increases, as follows:

"(2)(A) Any tax credit claimed under subsection (b) of this Code section but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified jobs were established, provided that the increase in port traffic remains above the minimum levels established in Code Section 48-7-40 or 48-7-40.1 and this Code section, respectively.

(B) Any tax credit claimed under subsection (c) of this Code section in lieu of Code Section 48-7-40.2, 48-7-40.3, or 48-7-40.4 but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified investment property was acquired, provided that the increase in port traffic remains above the minimum level established in this Code section and the qualified investment property remains in service.

(3)(A) Any tax credit claimed under subsection (c) of this Code section in lieu of Code Section 48-7-40.7, 48-7-40.8, or 48-7-40.9 shall be allowed for the ensuing ~~ten~~ five taxable years following the taxable year the qualified investment property was first placed in service, provided that the increase in port traffic remains above the minimum level established in this Code section and the qualified investment property remains in service.

(B) The tax credit established by this Code section in lieu of Code Section 48-7-40.2, 48-7-40.3, or 48-7-40.4 and taken in any one taxable year shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year.

(C) The tax credit established by this Code section in addition to that pursuant to Code Section 48-7-40 or 48-7-40.1 and taken in any one taxable year shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year.

(D) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new eligibility for any succeeding taxpayer, but any unused credit may be transferred and continued by any transferee of the taxpayer.″

SECTION 1-25.

Said chapter is further amended by revising paragraph (3) of subsection (d) of Code Section 48-7-40.15A, relating to increased job tax credit based on increase in port traffic, as follows:

″(3)(A) Any tax credit claimed under subsection (b) of this Code section but not used in any taxable year may be carried forward for ~~ten~~ five years from the close of the taxable year in which the qualified jobs were established, provided that the increase in port traffic remains above the minimum levels established in Code Section 48-7-40 and this Code section, respectively.

(B) The tax credit established by this Code section in lieu of Code Section 48-7-40.2, 48-7-40.3, or 48-7-40.4 and taken in any one taxable year shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year.

(C) The tax credit established by this Code section in addition to that pursuant to Code Section 48-7-40 and taken in any one taxable year shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year.

(D) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new eligibility for any succeeding taxpayer, but any unused credit may be transferred and continued by any transferee of the taxpayer.″

SECTION 1-26.

Said chapter is further amended by revising paragraph (4) of subsection (e) of Code Section 48-7-40.16, relating to tax credits for alternative fuel, low-emission and zero-emission vehicles, and electric vehicle chargers, as follows:

"(4) Any credit claimed under this Code section but not used in any taxable year may be carried forward for ~~five~~ three years from the close of the taxable year in which a new clean fueled vehicle was purchased or leased or a conventionally fueled vehicle was changed into a converted vehicle, provided that the applicable certification required in paragraph (1) or (2) of this subsection accompanies any such claim;"

SECTION 1-27.

Said chapter is further amended by revising subsection (c) of Code Section 48-7-40.20, relating to tax credits for businesses engaged in manufacturing cigarettes for exportation, amount, and required information, as follows:

"(c) The credit allowed under this Code section may not exceed the lesser of $6 million or 50 percent of the amount of tax imposed by this article for the taxable year reduced by the sum of all other credits allowable, except tax payments made by or on behalf of the taxpayer. This limitation applies to the cumulative amount of the credit allowed in any tax year, including carry forwards claimed by the taxpayer under this Code section for previous tax years. Any unused portion of a credit allowed in this Code section may be carried forward for the next succeeding ~~five~~ three years."

SECTION 1-28.

Said chapter is further amended by revising subsection (d) of Code Section 48-7-40.22, relating to tax credits for business enterprises for leased motor vehicles, daily ridership, and implementation, as follows:

"(d) In no event shall the aggregate amount of the tax credit provided by this Code section exceed the income tax liability of the business enterprise. Any unused tax credit shall be allowed to be carried forward to apply to the three succeeding years' tax liability of such business enterprise. No such credit shall be allowed the business enterprise against prior years' tax liability."

SECTION 1-29.

Said chapter is further amended by revising paragraph (2) of subsection (e) of Code Section 48-7-40.25, relating to tax credits for investment in expanding existing manufacturing facilities, and enhancements for high-impact aerospace defense projects, as follows:

"(2) Any credit claimed under this Code section but not fully used in the manner prescribed in subsection (d) of this Code section may be carried forward for ~~15~~ ten years from the close of the later of:

(A) The taxable year in which the qualified investment property was acquired; or

(B) The taxable year in which both the job requirement and investment requirement are satisfied.

The sale, merger, acquisition, or bankruptcy of any business enterprise shall not create new eligibility in any succeeding business entity but any unused investment tax credit may be transferred and continued by any transferee of the business enterprise;"

SECTION 1-30.

Said chapter is further amended by revising paragraph (3) of subsection (h) of Code Section 48-7-40.26, relating to tax credits for film, gaming, video, or digital production, as follows:

"(3) In no event shall the amount of the tax credit under this Code section for a taxable year exceed the production company's or qualified interactive entertainment production company's income tax liability. Any unused credit amount shall be allowed to be carried forward for ~~five~~ three years from the close of the taxable year in which the investment occurred. No such credit shall be allowed the production company or qualified interactive entertainment production company against prior years' tax liability."

SECTION 1-31.

Said chapter is further amended by revising paragraph (2) of subsection (h) of Code Section 48-7-40.26A, relating to tax credits for postproduction expenditures, as follows:

"(2) Where the amount of tax credits under this Code section exceeds the postproduction company's income tax liability in a taxable year, any unused credit amount:

(A) May be carried forward for ~~five~~ <u>three</u> years from the close of the taxable year in which the investment occurred; or

(B) May be taken as a credit against such postproduction company's quarterly or monthly payment under Code Section 48-7-103. Each employee whose employer receives credit against such postproduction company's quarterly or monthly payment under Code Section 48-7-103 shall receive credit against his or her income tax liability under Code Section 48-7-20 for the corresponding taxable year for the full amount which would be credited against such liability prior to the application of the credit provided for in this subparagraph. Credits against quarterly or monthly payments under Code Section 48-7-103 and credits against liability under Code Section 48-7-20 established by this subparagraph shall not constitute income to the postproduction company.

No such credit shall be allowed the postproduction company against prior years' tax liability; and"

SECTION 1-32.

Said chapter is further amended by revising paragraph (1) of subsection (c) of Code Section 48-7-40.27, relating to tax credits for qualified investments in a research fund, as follows:

"(1) In no event shall the credit for a taxable year exceed the taxpayer's income tax liability. Any unused portion of the credit shall be permitted to be carried forward and applied to the taxpayer's tax liability for the subsequent ~~ten~~ five years. The credit shall not be applied against the taxpayer's prior years' tax liabilities;"

SECTION 1-33.

Said chapter is further amended by revising paragraph (1) of subsection (c) of Code Section 48-7-40.28, relating to limitation on the aggregate amount of tax credits allowed for qualified investments in a research fund, as follows:

"(1) In no event shall the credit for a taxable year exceed the taxpayer's income tax liability. Any unused portion of the credit shall be permitted to be carried forward and applied to the taxpayer's tax liability for the subsequent ~~ten~~ five years. The credit shall not be applied against the taxpayer's prior years' tax liabilities;"

SECTION 1-34.

Said chapter is further amended by revising subsection (e) of Code Section 48-7-40.29, relating to tax credits for certain qualified equipment that reduces business or domestic energy or water usage, as follows:

"(e) In no event shall the amount of the tax credit allowed by this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused credit amount shall be allowed to be carried forward for ~~five~~ three years from the close of the taxable year in which the qualified equipment was placed in service. No such credit shall be allowed the taxpayer against prior years' tax liability."

SECTION 1-35.

Said chapter is further amended by revising paragraph (3) of subsection (f) of Code Section 48-7-40.30, relating to tax credits for certain qualified investments for limited period of time, as follows:

"(3) In no event shall the amount of the tax credit allowed an individual under this Code section for a taxable year exceed such individual's net income tax liability. Any unused credit amount shall be allowed to be carried forward for ~~five~~ <u>three</u> years from the close of the taxable year in which the qualified investment was made. No such credit shall be allowed against prior years' tax liability;"

SECTION 1-36.

Said chapter is further amended by revising paragraph (2) of subsection (d) and subsection (f) of Code Section 48-7-40.32, relating to revitalization zone tax credits, as follows:

"(2) The amount of the tax credit per project shall be 25 percent of the purchase price and shall not exceed $125,000.00; provided, however, that the entire credit shall not be taken in the year in which the property is placed in commercial service but shall be prorated equally in ~~five~~ <u>three</u> installments over ~~five~~ <u>three</u> taxable years, beginning with the taxable year in which the property is placed in service; and"

"(f) In no event shall the amount of the tax credits allowed by this Code section for a taxable year exceed a certified entity's or certified investor's state income tax liability. Any credit claimed under this Code section by a certified entity or certified investor but not used in any taxable year may be carried forward for ~~ten~~ <u>five</u> years from the close of the taxable year in which the credit is claimed. No such credit shall be allowed by the taxpayer against prior years' tax liability."

SECTION 1-37.

Said chapter is further amended by revising subsection (e) of Code Section 48-7-40.34, relating to tax credits for Class III railroads and reporting, as follows:

"(e)(1) The tax credits given to a Class III railroad by this Code section that are not used by such Class III railroad shall be freely assignable one time between January 1, 2019, and January 1, 2027, by written agreement to a taxpayer subject to the tax imposed by this chapter.

(2) In no event shall tax credits allowed under this Code section for a taxable year exceed any taxpayer's state income tax liability. Any credit allowed to any taxpayer under this Code section but not used in a taxable year may be carried forward for up to three years from the close of the taxable year in which the credit was first claimed. No such tax credit shall be allowed by the taxpayer against prior years' tax liability."

PART II

SECTION 2-1.

Said chapter is further amended by revising Code Section 48-7-29.13, relating to tax credits for qualified health insurance expenses, by adding a new subsection to read as follows:

"(f) This Code section shall stand repealed and reserved on December 31, 2029."

SECTION 2-2.

Said chapter is further amended by revising Code Section 48-7-40.16, relating to tax credits for alternative fuel, low-emission and zero-emission vehicles, and electric vehicle chargers, by adding a new subsection to read as follows:

"(h) This Code section shall stand repealed and reserved on December 31, 2029."

SECTION 2-3.

Said chapter is further amended by revising Code Section 48-7-40.22, relating to tax credits for business enterprises for leased motor vehicles, daily ridership, and implementation, by adding a new subsection to read as follows:

″(h) This Code section shall stand repealed and reserved on December 31, 2029.″

SECTION 2-4.

Said chapter is further amended by revising Code Section 48-7-40.27, relating to tax credits for qualified investments in a research fund, by adding a new subsection to read as follows:

″(g) This Code section shall stand repealed and reserved on December 31, 2029.″

SECTION 2-5.

Said chapter is further amended by revising Code Section 48-7-40.28, relating to limitation on the aggregate amount of tax credits allowed for qualified investments in a research fund, by adding a new subsection to read as follows:

″(f) This Code section shall stand repealed and reserved on December 31, 2029.″

PART III

SECTION 3-1.

Code Section 3-6-70 of the Official Code of Georgia Annotated, relating to exemptions from excise tax on wine, is amended by revising paragraph (1) as follows:

″(1) Wine sold to and used by established and recognized churches and synagogues for use in sacramental services only, on or before December 31, 2029;″

SECTION 3-2.

Code Section 33-8-13 of the Official Code of Georgia Annotated, relating to exemption of certain insurance companies from taxes, is amended by designating the existing provisions as subsection (a) and adding a new subsection to read as follows:

"<u>(b) This Code section shall stand repealed on December 31, 2029.</u>"

SECTION 3-3.

Code Section 48-5C-1 of the Official Code of Georgia Annotated, relating to definitions, exemption from taxation, allocation and disbursement of proceeds collected by tag agents, fair market value of vehicle appealable, and report relative to alternative ad valorem tax on motor vehicles, is amended by revising paragraph (.1) of subsection (a) and subparagraph (d)(7)(C) as follows:

"(.1) 'Disabled first responder' means a law enforcement officer, firefighter, publicly employed emergency medical technician, or surviving spouse of such an individual receiving payments pursuant to Code Section 45-9-85 due to total permanent disability, partial permanent disability, organic brain damage, or death occurring in the line of duty, provided that such law enforcement officer, firefighter, or publicly employed emergency medical technician is not facing pending charges for and has not been convicted of a crime related to his or her conduct in the line of duty, and his or her state licensure as a law enforcement officer, firefighter, or emergency medical technician is not subject to pending action for suspension or revocation and has not been revoked or suspended due to his or her bad conduct. <u>This paragraph shall stand repealed on December 31, 2029.</u>"

"(C) Each disabled first responder shall be allowed an exemption from state and local title ad valorem tax fees under paragraph (1) of subsection (b) of this Code section levied on a maximum of $50,000.00 in aggregate of the fair market value combined for all motor vehicles that he or she registers in this state during any three-year period. <u>This subparagraph shall stand repealed on December 31, 2029.</u>"

SECTION 3-4.

Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to state sales and use tax exemptions, is amended by revising paragraphs (6.2), (6.3), (7.2), (11), (14), (15.1), (30), (34.2), (36), (38), (48), (56), (60), (63), (65), (67), (71), (72), and (104) as follows:

"(6.2)(A) Sales to any local government authority created on or after January 1, 1980, by local law, which authority has as its principal purpose or one of its principal purposes the construction, ownership, or operation of a coliseum and related facilities to be used for athletic contests, games, meetings, trade fairs, expositions, political conventions, agricultural events, theatrical and musical performances, conventions, or other public entertainments or any combination of such purposes.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;

(6.3)(A) Sales to any agricultural commodities commission created by and regulated pursuant to Chapter 8 of Title 2.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;"

"(7.2)(A) Sales of tangible personal property or services to any chapter of the Georgia State Society of the Daughters of the American Revolution which is tax exempt under Section 501(c)(3) of the Internal Revenue Code and obtains an exemption determination letter from the commissioner.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;"

"(11)(A) Sales of tangible personal property or services to, and the purchase of tangible personal property or services by, any educational or cultural institute which:

~~(A)~~(i) Is tax exempt under Section 501(c)(3) of the Internal Revenue Code;

~~(B)~~(ii) Furnishes at least 50 percent of its programs through universities and other institutions of higher education in support of their educational programs;

~~(C)~~(iii) Is paid for by government funds of a foreign country; and

~~(D)~~(iv) Is an instrumentality, agency, department, or branch of a foreign government operating through a permanent location in this state.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(14)(A) Sales of objects of art and of anthropological, archeological, geological, horticultural, or zoological objects or artifacts and other similar tangible personal property to or for the use by any museum or organization which is tax exempt under Section 501(c)(3) of the Internal Revenue Code of such tangible personal property for display or exhibition in a museum within this state when the museum is open to the public and has been approved by the commissioner as an organization eligible to receive tax deductible contributions.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(15.1)(A) Sales of pipe organs or steeple bells to any church which is qualified as an exempt religious organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

(B) This paragraph shall stand repealed on December 31, 2029;″

″(30)(A) The sale of a vehicle to a service connected disabled veteran when the veteran received a grant from the United States Department of Veterans Affairs to purchase and specially adapt the vehicle to his or her disability.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(34.2)(A) The sale or use of machinery or equipment, or both, which is used in the remanufacture of aircraft engines or aircraft engine parts or components in a remanufacturing facility located in this state. For purposes of this paragraph, 'remanufacture of aircraft engines or aircraft engine parts or components' means the substantial overhauling or rebuilding of aircraft engines or aircraft engine parts or components.

(B) Any person making a sale of machinery or equipment, or both, for the remanufacture of aircraft engines or aircraft engine parts or components shall collect the tax imposed on the sale by this article unless the purchaser furnishes a certificate issued by the commissioner certifying that the purchaser is entitled to purchase the machinery or equipment without paying the tax.

(C) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(36)(A) The sale of machinery and equipment and any repair, replacement, or component parts for such machinery and equipment which is used for the primary purpose of reducing or eliminating air or water pollution;

(B) Any person making a sale of machinery and equipment or repair, replacement, or component parts for such machinery and equipment for the purposes specified in this paragraph shall collect the tax imposed on the sale by this article unless the purchaser furnishes ~~him with~~ a certificate issued by the commissioner certifying that the purchaser is entitled to purchase the machinery and equipment or repair, replacement, or component parts for such machinery and equipment without paying the tax.

(C) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(38)(A) Sales of tangible personal property and fees and charges for services by the Rock Eagle 4-H Center.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(48)(A) Sales to licensed commercial fishermen of bait for taking crabs and the use by licensed commercial fishermen of bait for taking crabs.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(56)(A) Sales by any parent-teacher organization qualified as a ~~tax exempt~~ tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(60)(A) The sale of machinery and equipment which is incorporated into any telecommunications manufacturing facility and used for the primary purpose of improving air quality in advanced technology clean rooms of Class 100,000 or less, provided such clean rooms are used directly in the manufacture of tangible personal property.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(63)(A) The sale or use of funeral merchandise, outer burial containers, and cemetery markers as defined in Code Section 43-18-1, which are purchased with funds received from the Georgia Crime Victims Emergency Fund under Chapter 15 of Title 17.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(65)(A) Sales of dyed diesel fuel exclusively used to operate vessels or boats in the commercial fishing trade by licensed commercial fishermen.

(B) Any person making a sale of dyed diesel fuel for the purposes specified in this paragraph shall collect the tax imposed on the sale by this article unless the purchaser furnishes such person with a certificate issued by the commissioner certifying that the purchaser is entitled to purchase the dyed diesel fuel without paying the tax.

(C) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(67)(A) Sales of coins or currency or a combination of coins and currency, provided that the dealer maintains proper documentation, as specified by rule or regulation to be promulgated by the department, to identify each sale or portion of a sale which is exempt under this paragraph.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(71)(A) Sales to or by any nonprofit organization which has as its primary purpose the raising of funds for books, materials, and programs for public libraries if such organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;

(72)(A) The sale or use of all mobility enhancing equipment prescribed by a physician.

(B) This paragraph shall stand repealed and reserved on December 31, 2029;″

″(104)(A) Sales to or by any nonprofit organization which has as its primary purpose providing poultry diagnostic and disease monitoring services if such organization qualifies as a tax-exempt organization under Section 501(c)(5) of the Internal Revenue Code.

(B) This paragraph shall stand repealed and reserved on December 31, 2029.″

SECTION 3-5.

Code Section 48-11-2 of the Official Code of Georgia Annotated, relating to excise tax imposed, rates for tobacco and vaping products, exemptions, collection and payment, and tax separately identified, is amended by revising subsection (c) as follows:

″(c)(1) The taxes imposed by this chapter are levied on the purchase or use of cigars, cigarettes, or loose or smokeless tobacco by the state or any department, institution, or agency of the state and by the political subdivisions of the state and their departments, institutions, and agencies.

(2) The taxes imposed by this chapter are not imposed on cigars, cigarettes, or loose or smokeless tobacco purchased exclusively for use by the patients at the Georgia War Veterans Home and the Georgia War Veterans Nursing Home. This paragraph shall stand repealed and reserved on December 31, 2029.″

PART IV

SECTION 4-1.

This Act shall become effective on January 1, 2025. Part I of this Act shall be applicable only to the unused tax credits generated during the taxable years beginning on or after January 1, 2025.

SECTION 4-2.

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