

House Bill 230

By: Representatives Neal of the 79th, Washburn of the 144th, Seabaugh of the 34th, and Williams of the 148th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
2 income taxes, so as to provide for a tax credit for certain expenses incurred by taxpayers that
3 sell new construction homes to an individual or related individuals for up to a certain price;
4 to define a term; to provide for terms and conditions; to provide for the sale and transfer of
5 tax credits; to provide for related matters; to provide for an effective date and applicability;
6 to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
10 is amended by adding a new Code section to read as follows:

11 "48-7-29.27.

12 (a) As used in this Code section, the term 'eligible construction expenses' means expenses
13 incurred on or after January 1, 2026, by a taxpayer in the construction of a single-family
14 residential home sold to an individual or related individuals for an amount that does not
15 exceed \$200,000.00.

16 (b) For taxable years beginning on or after January 1, 2026, a taxpayer shall be allowed
17 an income tax credit against the tax imposed by this article equal to 20 percent of such
18 taxpayer's eligible construction expenses.

19 (c) Except as provided in subsection (d) of this Code section, in no event shall the total
20 amount of any tax credit allowed to a taxpayer under this Code section for a taxable year
21 exceed the taxpayer's income tax liability. No such tax credit shall be allowed the taxpayer
22 against prior years' tax liability. Any unused tax credit shall be allowed to be carried
23 forward to apply to the taxpayer's next five years' tax liability or transferred pursuant to
24 subsection (d) of this Code section.

25 (d) Any tax credits earned under this Code section by a taxpayer and previously claimed
26 but not used by the taxpayer against the taxpayer's income tax liability may be transferred
27 or sold in whole or in part by such taxpayer to another Georgia taxpayer, subject to the
28 following conditions:

29 (1) Such taxpayer may make only a single transfer or sale of tax credits earned in a
30 taxable year; provided, however, that the transfer or sale may involve one or more
31 transferees;

32 (2) Such taxpayer shall submit to the department a written notification of any transfer or
33 sale of tax credits within 30 days after the transfer or sale of such tax credits. The
34 notification shall include such taxpayer's tax credit balance prior to transfer, the credit
35 certificate number, the remaining balance after transfer, all tax identification numbers for
36 each transferee, the date of transfer, the amount transferred, and any other information
37 required by the department;

38 (3) Failure to comply with this subsection shall result in the disallowance of the tax
39 credit until the taxpayer is in full compliance;

40 (4) The transfer or sale of this tax credit does not extend the time in which such tax credit
41 can be used. The carry-forward period for a tax credit that is transferred or sold shall
42 begin on the date on which the tax credit was originally earned;

43 (5) To the extent that a taxpayer did not have rights to claim or use the tax credit at the
44 time of the transfer, the department shall either disallow the tax credit claimed by the
45 transferee or recapture the tax credit from the transferee; and
46 (6) The transferee must acquire a minimum of 60 percent of the amount of the tax credits
47 in this Code section so transferred."

48 **SECTION 2.**

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

51 **SECTION 3.**

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