

House Bill 330

By: Representatives Cannon of the 172nd, Gaines of the 120th, Wiedower of the 121st, Crowe of the 118th, and Lumsden of the 12th

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 imposition, rate, computation, exemptions, and credits for income taxes, so as to
3 revise provisions for income tax credits for contributions to law enforcement foundations;
4 to 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 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
9 imposition, rate, computation, exemptions, and credits for income taxes is amended by
10 revising Code Section 48-7-29.25, relating to income tax credits for contributions to law
11 enforcement foundations, as follows:

12 "48-7-29.25.

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

14 (1) 'Law enforcement foundation' means any domestic nonprofit corporation with the
15 sole function of supporting ~~one local law enforcement unit~~ through a formal relationship
16 ~~recognized by such local law enforcement unit~~ with one or more local law enforcement
17 units or which provides support to law enforcement state wide and which maintains

18 nonprofit status under Section 501(c)(3) of the Internal Revenue Code and tax exempt
19 status under Code Section 48-7-25.

20 (2) 'Local law enforcement unit' means any agency, office, or department of a county,
21 municipality, or consolidated government of this state whose primary functions include
22 the enforcement of criminal or traffic laws, preservation of public order, protection of life
23 and property, or the prevention, detection, or investigation of crime. Such term shall
24 include any sheriff's office in this state. Such term shall not include any agency, office,
25 or department conducting similar functions for any court, state board, state authority,
26 state law enforcement division or department, railroad police, or any unit appointed under
27 the authority of Chapter 9 of Title 35 of the Official Code of Georgia Annotated.

28 (3) 'Qualified contributions' means the preapproved contribution of funds by a taxpayer
29 to a qualified law enforcement foundation under the terms and conditions of this Code
30 section.

31 (4) 'Qualified expenditures' means expenditures made by a qualified law enforcement
32 foundation:

33 (A)(i) For salary supplements paid no more than twice annually or training provided
34 directly to law enforcement officers and other employees employed by ~~the~~ any local
35 law enforcement unit affiliated with such qualified law enforcement foundation; or

36 (ii) For the purchase, lease, maintenance, or improvement of equipment to be used
37 by such officers or employees;

38 (iii) For the purchase or lease of supplies and materials for technology updates,
39 including computer hardware and software; or

40 (iv) For the lease of facilities or purchase of goods or services to be used for the
41 promotion of community engagement; or

42 (B) To cover any costs incurred by ~~the~~ any local law enforcement unit affiliated with
43 such law enforcement foundation for the operation of an emergency response team that

44 combines law enforcement officers and behavioral health specialists, provided that such
45 costs shall not include salaries or other regular compensation.

46 (5) 'Qualified law enforcement foundation' means any law enforcement foundation that;
47 ~~has been designated as the sole local law enforcement foundation for a single local law~~
48 ~~enforcement unit and has been certified~~

49 (A) Has been certified and listed by the commissioner pursuant to subsection (d) of this
50 Code section; and

51 (B)(i) Has been designated as the law enforcement foundation for a local law
52 enforcement unit or combination of neighboring local law enforcement units; or

53 (ii) Is a law enforcement foundation which provides support to law enforcement state
54 wide.

55 (b)(1) The aggregate amount of tax credits allowed under this Code section shall not
56 exceed \$75 million per calendar year. Each qualified law enforcement foundation shall
57 be limited to accepting \$3 million per year of contributions made under this Code section.

58 (2) Subject to the aggregate limit provided in paragraph (1) of this subsection for taxable
59 years beginning on or after January 1, 2023, and ending on or before December 31, 2027,
60 each taxpayer shall be allowed a credit against the tax imposed by this chapter for
61 qualified contributions made by the taxpayer as follows:

62 (A) In the case of a single individual or a head of household, the actual amount of
63 qualified contributions made or \$5,000.00 per tax year, whichever is less;

64 (B) In the case of a married couple filing a joint return, the actual amount of qualified
65 contributions made or \$10,000.00 per tax year, whichever is less;

66 (C) Anything to the contrary contained in subparagraph (A) or (B) of this paragraph
67 notwithstanding, in the case of an individual taxpayer who is a member of a limited
68 liability company duly formed under state law, a shareholder of a Subchapter 'S'
69 corporation, or a partner in a partnership, the actual amount of qualified contributions
70 it made or \$10,000.00 per tax year, whichever is less; provided, however, that tax

71 credits pursuant to this paragraph shall only be allowed for the portion of the income
72 on which such tax was actually paid by such member of the limited liability company,
73 shareholder of a Subchapter 'S' corporation, or partner in a partnership; or

74 (D) A corporation or other entity not provided for in subparagraphs (A) through (C)
75 of this paragraph shall be allowed a credit against the tax imposed by this chapter, for
76 qualified contributions in an amount not to exceed the actual amount of qualified
77 contributions made or 75 percent of such corporation's or other entity's income tax
78 liability, whichever is less.

79 (3) Nothing in this Code section shall be construed to limit the ability of a local law
80 enforcement unit to receive gifts, grants, and other benefits from any source allowed by
81 law; provided, however, that no local law enforcement unit shall, under this Code section,
82 accept or receive more than \$3 million in contributions in any calendar year.

83 (c) The commissioner shall establish a page on the department's public website for the
84 purpose of implementing this Code section. Such page shall contain, at a minimum:

85 (1) The application and requirements to be certified as a qualified law enforcement
86 foundation;

87 (2) The current list of all qualified law enforcement foundations and their affiliate law
88 enforcement units;

89 (3) The total amount of tax credits remaining and available for preapproval for each year;

90 (4) A web based method for taxpayers seeking the preapproval status for contributions;
91 and

92 (5) The information received by the department from each qualified law enforcement
93 foundation pursuant to paragraph (1) of subsection (g) except for division (g)(1)(B)(iv)
94 of this Code section.

95 (d) Any valid law enforcement foundation as a qualified law enforcement foundation shall
96 be certified by the commissioner following the commissioner's receipt of a properly
97 completed application and after the commissioner has confirmed that a ~~single~~ local law

98 enforcement unit has validly designated the applicant as its ~~sole~~ law enforcement
99 foundation; provided, however, that such designation shall not be required for an applicant
100 that provides support to law enforcement state wide. Such application shall be prescribed
101 by the commissioner and shall include an agreement by the applicant to fully comply with
102 the terms and conditions of this Code section.

103 (e)(1) Prior to making a contribution to any qualified law enforcement foundation, the
104 taxpayer shall electronically notify the department, in a manner specified by the
105 commissioner, of the total amount of contribution that such taxpayer intends to make to
106 such qualified law enforcement foundation.

107 (2) Within 30 days after receiving a request for preapproval of contributions, the
108 commissioner shall preapprove, deny, or prorate requested amounts on a first come, first
109 served basis and shall provide notice to such taxpayer and the qualified law enforcement
110 foundation of such preapproval, denial, or proration. Such notices shall not require any
111 signed release or notarized approval by the taxpayer. The preapproval of contributions
112 by the commissioner shall be based solely on the availability of tax credits subject to the
113 limits established under paragraph (1) of subsection (b) of this Code section.

114 (3) Within 60 days after receiving the preapproval notice issued by the commissioner
115 pursuant to paragraph (2) of this subsection, the taxpayer shall contribute the preapproved
116 amount to the qualified law enforcement foundation or such preapproved contribution
117 amount shall expire. The commissioner shall not include such expired amounts in
118 determining the remaining amount available under the aggregate limit for the respective
119 calendar year.

120 (f)(1) Each qualified law enforcement foundation shall issue to each contributor making
121 a contribution pursuant to this Code section a letter of confirmation of contribution,
122 which shall include the taxpayer's name, address, tax identification number, the amount
123 of the qualified contribution, the date of the qualified contribution, and the total amount
124 of the credit allowed to the taxpayer.

125 (2) In order for a taxpayer to claim the tax credit allowed under this Code section, all
126 such applicable letters as provided for in paragraph (1) of this subsection shall be attached
127 to the taxpayer's tax return. When the taxpayer files an electronic return such
128 confirmation shall only be required to be electronically attached to the return if the
129 Internal Revenue Service allows such attachments to be affixed and transmitted to the
130 department. In any such event, the taxpayer shall maintain such confirmation and such
131 confirmation shall only be made available to the commissioner upon request.

132 (3) The commissioner shall allow tax credits for any preapproved contributions made to
133 a local law enforcement foundation at the time the contributions were made if such
134 foundation was a qualified law enforcement foundation at the time of the commissioner's
135 preapproval of the contributions and the taxpayer has otherwise complied with this Code
136 section.

137 (g)(1) Each qualified law enforcement foundation shall annually submit to the
138 department:

139 (A) A complete copy of its IRS Form 990 and other applicable attachments, or for any
140 qualified law enforcement foundation that is not required by federal law to file an IRS
141 Form 990, ~~such foundation shall submit to the commissioner~~ equivalent information on
142 a form prescribed by the commissioner; and

143 (B) A report detailing the contributions received during the calendar year pursuant to
144 this Code section on a date determined by, and on a form provided by, the
145 commissioner which shall include:

146 (i) The total number and dollar value of individual contributions and tax credits
147 approved. Individual contributions shall include contributions made by those filing
148 income tax returns as a single individual or head of household and those filing joint
149 returns;

150 (ii) The total number and dollar value of corporate contributions and tax credits
151 approved;

152 (iii) The total number and dollar value of all qualified expenditures made; and
153 (iv) A list of contributors, including the dollar value of each contribution and the
154 dollar value of each approved tax credit.

155 (2) Except for the information published in accordance with paragraph (c) or (h) of this
156 Code section, all information or reports relative to this Code section that were provided
157 by qualified law enforcement foundations to the department shall be confidential taxpayer
158 information, governed by Code Sections 48-2-15, 48-7-60, and 48-7-61, whether such
159 information relates to the contributor or the qualified law enforcement foundation.

160 (h) Each qualified law enforcement foundation shall publish on its public website a copy
161 of its affiliated local law enforcement unit's prior year's annual budget containing the total
162 amount of funds received from its local governing body. If a qualified law enforcement
163 foundation does not maintain a public website, such information shall be otherwise made
164 available by the qualified law enforcement foundation to the public upon request.

165 (i)(1) A taxpayer shall not be allowed to designate or direct the taxpayer's qualified
166 contributions to a qualified law enforcement foundation pursuant to this Code section to
167 any particular purpose or for the direct benefit of any particular individual.

168 (2) A taxpayer that operates, owns, is affiliated with, or is a subsidiary of an association,
169 organization, or other entity that contracts directly with a qualified law enforcement
170 foundation or ~~the~~ any local law enforcement unit that is affiliated with a qualified law
171 enforcement foundation shall not be eligible for tax credits allowed under this Code
172 section for contributions made to such qualified law enforcement foundation.

173 (3) In soliciting contributions, no person shall represent or direct that, in exchange for
174 making qualified contributions to any qualified law enforcement foundation, a taxpayer
175 shall receive any direct or particular benefit. The status as a qualified law enforcement
176 foundation shall be revoked for any law enforcement foundation determined to be in
177 violation of this paragraph and shall not be renewed for at least two years.

178 (j)(1) Qualified contributions shall only be used for qualified expenditures. Each
179 qualified law enforcement foundation shall maintain accurate and current records of all
180 expenditures of qualified contributions and provide such records to the commissioner
181 upon his or her request.

182 (2) A qualified law enforcement foundation that fails to comply with any of the
183 requirements under this Code section shall be given written notice by the department of
184 such failure to comply by certified mail and shall have 90 days from the receipt of such
185 notice to correct all deficiencies.

186 (3) Upon failure of a qualified law enforcement foundation to correct all deficiencies
187 within 90 days pursuant to the requirements of paragraph (2) of this subsection, the
188 department shall revoke the law enforcement foundation's status as a qualified law
189 enforcement foundation and such entity shall be immediately removed from the
190 department's list of qualified law enforcement foundations. All applications for
191 preapproval of tax credits for contributions to such law enforcement foundation under this
192 Code section made on or after the date of such removal shall be rejected.

193 (4) Each law enforcement foundation that has had its status revoked and has been
194 delisted pursuant to this Code section; shall immediately cease all expenditures of funds
195 received relative to this Code section; and shall transfer all of such funds that are not yet
196 expended; to a properly operating qualified law enforcement foundation within 30
197 calendar days of its removal from the department's list of qualified law enforcement
198 foundations.

199 (k)(1) No credit shall be allowed under this Code section to a taxpayer for any amount
200 of qualified contributions that were utilized as deductions or exemptions from taxable
201 income.

202 (2) In no event shall the total amount of the tax credit under this Code section for a
203 taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be

204 allowed the taxpayer against the succeeding three years' tax liability. No such credit shall
205 be allowed the taxpayer against prior years' tax liability.
206 (1) The commissioner shall promulgate rules and regulations necessary to implement and
207 administer the provisions of this Code section."

208 **SECTION 2.**

209 This Act shall become effective upon its approval by the Governor or upon its becoming law
210 without such approval and shall be applicable to all taxable years beginning on or after
211 January 1, 2025.

212 **SECTION 3.**

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