

The House Committee on Ways and Means offers the following substitute to HB 357:

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, exemption, and credits, so as to provide for tax  
3 credits for certain contributions made by taxpayers to certain mortgage loan originators; to  
4 provide for definitions; to provide for an aggregate annual limit; to provide for terms and  
5 conditions; to provide for applications and certifications; to provide for the revocation of  
6 qualified status; to provide for certain penalties; to provide for the promulgation of rules and  
7 regulations; to provide for related matters; to provide for an effective date and applicability;  
8 to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
12 imposition, rate, computation, exemptions, and credits, is amended by adding a new Code  
13 section to read as follows:

14 "48-7-29.27.

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

H. B. 357 (SUB)

16 (1) 'Exempted mortgage loan originator' means any mortgage loan originator, as such  
17 term is set forth in paragraph (22) of Code Section 7-1-1000, that is exempt from  
18 licensure pursuant to paragraph (13) of subsection (a) of Code Section 7-1-1001.

19 (2) 'Qualified contribution' means the preapproved contribution of funds made during the  
20 taxable year by a taxpayer to a qualified organization under the terms and conditions of  
21 this Code section.

22 (3) 'Qualified organization' means any exempted mortgage loan originator that has been  
23 certified and listed by the commissioner pursuant to subsection (d) of this Code section.

24 (b)(1) The aggregate amount of tax credits allowed under this Code section shall not  
25 exceed \$10 million per calendar year. No qualified organization shall accept  
26 contributions pursuant to this Code section which exceed \$2 million per year.

27 (2) Subject to the aggregate limit provided in paragraph (1) of this subsection, from  
28 January 1, 2026, through December 31, 2030, each taxpayer shall be allowed a credit  
29 against the tax imposed by this chapter for qualified contributions made on or after  
30 January 1, 2026, as follows:

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

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

35 (C) Anything to the contrary contained in subparagraph (A) or (B) of this paragraph  
36 notwithstanding, in the case of an individual taxpayer who is a member of a limited  
37 liability company duly formed under state law, a shareholder of a Subchapter 'S'  
38 corporation, or a partner in a partnership, the actual amount of qualified contributions  
39 it made or \$10,000.00, whichever is less; provided, however, that tax credits pursuant  
40 to this paragraph shall be allowed only for the portion of the income on which such tax  
41 was actually paid by such member, shareholder, or partner; or

42 (D) In the case of a corporation or other entity not provided for in subparagraphs (A)  
43 through (C) of this paragraph, the actual amount of qualified contributions made or 30  
44 percent of such corporation's or other entity's income tax liability, whichever is less.

45 (c) The commissioner shall establish an application process for certifying exempted  
46 mortgage loan originators as qualified organizations and shall publicly maintain a list of  
47 such qualified organizations.

48 (d)(1) Prior to making a contribution to any qualified organization, the taxpayer shall  
49 electronically request preapproval from the department, in a manner specified by the  
50 commissioner, of the total amount of the contribution that such taxpayer intends to make.

51 (2) Within 30 days after receiving such a request, the commissioner shall preapprove,  
52 deny, or prorate requested amounts on a first come, first served basis and shall provide  
53 notice to such taxpayer and the qualified organization of such preapproval, denial, or  
54 proration. Such notices shall not require any signed release or notarized approval by the  
55 taxpayer. The commissioner shall base such preapproval on the availability of tax credits  
56 subject to the aggregate limit established under paragraph (1) of subsection (b) of this  
57 Code section.

58 (3) Within 60 days after receiving such preapproval notice, the taxpayer shall contribute  
59 the preapproved amount to the qualified organization or such preapproved contribution  
60 amount shall expire. The commissioner shall not include such expired amounts in  
61 determining the remaining amount available under the aggregate limit for the respective  
62 calendar year.

63 (4)(A) For the period beginning on July 1 and ending on December 31 of each year,  
64 to the extent that the aggregate amount of tax credits authorized by subsection (b) of  
65 this Code section has not been reached, the commissioner shall preapprove, deny, or  
66 prorate additional requested amounts on a first come, first served basis and shall  
67 provide notice to such taxpayer and the qualified organization of such preapproval,  
68 denial, or proration.

69 (B) A taxpayer that is preapproved for the tax credit allowed pursuant to this Code  
70 section during the period provided for in subparagraph (A) of this paragraph shall only  
71 be allowed such credit in an amount that shall not exceed 95 percent of the amount  
72 otherwise allowed pursuant to this Code section.

73 (e)(1) Each qualified organization shall issue to each contributor a letter of confirmation  
74 of contribution, which shall include the taxpayer's name, address, tax identification  
75 number, the amount of the qualified contribution, the date of the qualified contribution,  
76 and the total amount of the credit allowed to the taxpayer.

77 (2) To claim the tax credit allowed under this Code section, the taxpayer shall attach to  
78 the taxpayer's tax return the letter provided for in paragraph (1) of this subsection. If the  
79 taxpayer files an electronic return, such letter shall be required to be electronically  
80 attached to the return only if the Internal Revenue Service allows such attachments to be  
81 affixed and transmitted to the department. In the event the taxpayer files an electronic  
82 tax return and such confirmation is not attached because the Internal Revenue Service  
83 does not, at the time of such electronic filing, allow electronic attachments to the Georgia  
84 tax return, such confirmation shall be maintained by the taxpayer and made available  
85 upon request by the commissioner.

86 (3) The commissioner shall allow tax credits for any preapproved contributions made to  
87 an exempted mortgage loan originator if such exempted mortgage loan originator was a  
88 qualified organization at the time of the commissioner's preapproval of the contributions  
89 and the taxpayer has otherwise complied with this Code section.

90 (f)(1) A taxpayer shall not be allowed to designate or direct the taxpayer's qualified  
91 contributions to any particular purpose or for the direct benefit of any particular  
92 individual.

93 (2) A taxpayer that operates, owns, or is a subsidiary of an association, organization, or  
94 other entity that contracts directly with a qualified organization shall not be eligible for

95 tax credits allowed under this Code section for contributions made to such qualified  
96 organization.

97 (3) In soliciting contributions, no person shall represent or direct that, in exchange for  
98 making qualified contributions to any qualified organization, a taxpayer shall receive any  
99 direct or particular benefit. The status as a qualified organization shall be revoked for any  
100 qualified organization determined to be in violation of this paragraph and shall not be  
101 renewed for at least two years.

102 (g)(1) No qualified organization shall use more than 10 percent of qualified contributions  
103 for administrative expenses or overhead. Each qualified organization shall maintain  
104 accurate and current records of all expenditures of such funds and provide such records  
105 to the commissioner upon request.

106 (2) A qualified organization that fails to comply with any of the requirements of this  
107 Code section shall be given written notice by the department of such failure to comply  
108 by certified mail and shall have 90 days from the receipt of such notice to correct all  
109 deficiencies.

110 (3) Upon failure to correct all deficiencies within 90 days, the department shall revoke  
111 the exempted mortgage loan originator's status as a qualified organization and such entity  
112 shall be immediately removed from the department's list of qualified organizations.

113 (4) Each exempted mortgage loan originator that has had its status revoked pursuant to  
114 this Code section shall immediately cease all expenditures of funds received pursuant to  
115 this Code section and shall transfer all of such funds that are not yet expended to a  
116 properly operating qualified organization within 30 calendar days of such revocation.

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

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

122 allowed the taxpayer against succeeding years' tax liability. No such credit shall be  
123 allowed the taxpayer against prior years' tax liability.  
124 (i) The commissioner shall promulgate rules and regulations necessary to implement and  
125 administer the provisions of this Code section."

126 **SECTION 2.**

127 This Act shall become effective on January 1, 2026, and shall be applicable to taxable years  
128 beginning on or after such date.

129 **SECTION 3.**

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