

The House Committee on Ways and Means offers the following substitute to HB 330:

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 increase the annual aggregate limit for tax credits available for qualified education donations;
4 to lower the amount of the credit allowed for certain entities; to revise provisions for income
5 tax credits for contributions to law enforcement foundations; to expand the number of
6 foundations that qualify; to expand the qualified expenditures; to increase the annual amount
7 of contributions allowed; to extend the sunset date; to remove the carry forward
8 authorizations; to provide for procedures; to provide for related matters; to provide for an
9 effective date and applicability; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
13 imposition, rate, computation, exemptions, and credits for income taxes, is amended in Code
14 Section 48-7-29.21, relating to tax credits for donations to nonprofit corporations awarding
15 grants to public schools, by revising subsections (c), (e), and (f) as follows:

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16 "(c) A corporation or other entity shall be allowed a credit against the tax imposed by this
17 chapter for qualified education donations in an amount not to exceed the actual amount
18 donated or ~~75~~ 30 percent of the corporation's income tax liability, whichever is less."

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

23 (f)(1) In no event shall the aggregate amount of tax credits allowed under this Code
24 section exceed: \$20 million per calendar year

25 ~~(A) \$5 million for the tax year ending on December 31, 2023, or~~

26 ~~(B) \$15 million for the tax year 2024, and for all subsequent tax years.~~

27 (2) The commissioner shall allow the tax credits on a first come, first served basis.

28 (3) For the purposes of paragraph (1) of this subsection, the recipient shall notify a
29 potential donor of the requirements of this Code section. Before making a donation to
30 the recipient, the taxpayer shall electronically notify the department, in a manner
31 specified by the department, of the total amount of donations that the taxpayer intends to
32 make to the recipient. The commissioner shall preapprove or deny the requested amount
33 within 30 days after receiving the request from the taxpayer and shall provide notice to
34 the taxpayer and the recipient of such preapproval or denial which shall not require any
35 signed release or notarized approval by the taxpayer. In order to receive a tax credit
36 under this Code section, the taxpayer shall make the donation to the recipient within 60
37 days after receiving notice from the department that the requested amount was
38 preapproved. If the taxpayer does not comply with this paragraph, the commissioner
39 shall not include this preapproved donation amount when calculating the limit prescribed
40 in paragraph (1) of this subsection. The department shall establish a web based donation
41 approval process to implement this subsection.

42 (4) Preapproval of donations by the commissioner shall be based solely on the availability
 43 of tax credits subject to the aggregate total limit established under paragraph (1) of this
 44 subsection. The department shall maintain an ongoing, current list on its website of the
 45 amount of tax credits available under this Code section.

46 (5)(A) For the period beginning on July 1 and ending on December 31 of each year,
 47 to the extent that the aggregate amount of tax credits authorized by subsection (b) of
 48 this Code section has not been reached, the commissioner shall preapprove, deny, or
 49 prorate additional requested amounts on a first come, first served basis and shall
 50 provide notice to such taxpayer and the recipient of such preapproval, denial, or
 51 proration.

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

56 **SECTION 2.**

57 Said article is further amended by revising Code Section 48-7-29.25, relating to income tax
 58 credits for contributions to law enforcement foundations, as follows:

59 "48-7-29.25.

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

61 (1) 'Law enforcement foundation' means any domestic nonprofit corporation with the
 62 sole function of supporting ~~one local law enforcement unit~~ through a formal relationship
 63 ~~recognized by such local law enforcement unit~~ with one or more local law enforcement
 64 units or which provides support to law enforcement state wide and which maintains
 65 nonprofit status under Section 501(c)(3) of the Internal Revenue Code and tax exempt
 66 status under Code Section 48-7-25.

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

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

78 (4) 'Qualified expenditures' means expenditures made by a qualified law enforcement
79 foundation:

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

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

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

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

89 (B) To cover any costs incurred by ~~the~~ any local law enforcement unit affiliated with
90 such law enforcement foundation for the operation of an emergency response team that
91 combines law enforcement officers and behavioral health specialists, provided that such
92 costs shall not include salaries or other regular compensation.

93 (5) 'Qualified law enforcement foundation' means any law enforcement foundation that:
94 ~~has been designated as the sole local law enforcement foundation for a single local law~~
95 ~~enforcement unit and has been certified~~

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

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

100 (ii) Is a law enforcement foundation which provides support to law enforcement state
101 wide.

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

105 (2) Subject to the aggregate limit provided in paragraph (1) of this subsection for taxable
106 years beginning on or after January 1, 2023, and ending on or before
107 December 31, ~~2027~~ 2031, each taxpayer shall be allowed a credit against the tax imposed
108 by this chapter for qualified contributions made by the taxpayer as follows:

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

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

113 (C) Anything to the contrary contained in subparagraph (A) or (B) of this paragraph
114 notwithstanding, in the case of an individual taxpayer who is a member of a limited
115 liability company duly formed under state law, a shareholder of a Subchapter 'S'
116 corporation, or a partner in a partnership, the actual amount of qualified contributions
117 it made or \$10,000.00 per tax year, whichever is less; provided, however, that tax
118 credits pursuant to this paragraph shall only be allowed for the portion of the income

119 on which such tax was actually paid by such member of the limited liability company,
120 shareholder of a Subchapter 'S' corporation, or partner in a partnership; or

121 (D) A corporation or other entity not provided for in subparagraphs (A) through (C)
122 of this paragraph shall be allowed a credit against the tax imposed by this chapter, for
123 qualified contributions in an amount not to exceed the actual amount of qualified
124 contributions made or ~~75~~ 30 percent of such corporation's or other entity's income tax
125 liability, whichever is less.

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

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

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

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

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

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

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

142 (d) Any valid law enforcement foundation as a qualified law enforcement foundation shall
143 be certified by the commissioner following the commissioner's receipt of a properly
144 completed application and after the commissioner has confirmed that a ~~single~~ local law
145 enforcement unit has validly designated the applicant as its ~~sole~~ law enforcement

146 foundation; provided, however, that such designation shall not be required for an applicant
147 that provides support to law enforcement state wide. Such application shall be prescribed
148 by the commissioner and shall include an agreement by the applicant to fully comply with
149 the terms and conditions of this Code section.

150 (e)(1) Prior to making a contribution to any qualified law enforcement foundation, the
151 taxpayer shall request preapproval by electronically notify notifying the department, in
152 a manner specified by the commissioner, of the total amount of contribution that such
153 taxpayer intends to make to such qualified law enforcement foundation.

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

161 (3) Within 60 days after receiving the preapproval notice issued by the commissioner
162 pursuant to paragraph (2) of this subsection, the taxpayer shall contribute the preapproved
163 amount to the qualified law enforcement foundation or such preapproved contribution
164 amount shall expire. The commissioner shall not include such expired amounts in
165 determining the remaining ~~amount~~ amounts available under the ~~aggregate limit~~ limits
166 provided in paragraph (1) of subsection (b) of this Code section for the respective
167 calendar year.

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

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

180 (3) The commissioner shall allow tax credits for any preapproved contributions made to
181 a ~~local~~ qualified law enforcement foundation at the time the contributions were made if
182 such foundation was a qualified law enforcement foundation at the time of the
183 commissioner's preapproval of the contributions and the taxpayer has otherwise complied
184 with this Code section.

185 (4)(A) For the period beginning on July 1 and ending on December 31 of each year,
186 to the extent that the aggregate amount of tax credits authorized by subsection (b) of
187 this Code section has not been reached, the commissioner shall preapprove, deny, or
188 prorate additional requested amounts on a first come, first served basis and shall
189 provide notice to such taxpayer and the qualified law enforcement foundation of such
190 preapproval, denial, or proration.

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

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

197 (A) A complete copy of its IRS Form 990 and other applicable attachments, or for any
198 qualified law enforcement foundation that is not required by federal law to file an IRS

199 Form 990, ~~such foundation shall submit to the commissioner~~ equivalent information on
200 a form prescribed by the commissioner; and

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

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

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

210 (iii) The total number and dollar value of all qualified expenditures made; and

211 (iv) A list of contributors, including the dollar value of each contribution and the
212 dollar value of each approved tax credit.

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

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

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

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

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

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

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

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

251 (4) Each law enforcement foundation that has had its status revoked and has been
252 delisted pursuant to this Code section; shall immediately cease all expenditures of funds

253 received relative to this Code section; and shall transfer all of such funds that are not yet
254 expended; to a properly operating qualified law enforcement foundation within 30
255 calendar days of its removal from the department's list of qualified law enforcement
256 foundations.

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

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

264 (l) The commissioner shall promulgate rules and regulations necessary to implement and
265 administer the provisions of this Code section."

266 **SECTION 3.**

267 This Act shall become effective on July 1, 2025, and shall be applicable to all taxable years
268 beginning on or after January 1, 2026.

269 **SECTION 4.**

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