

ADOPTED

Representative Sainz of the 180th et al. offer the following amendment:

1 *Amend the Senate substitute to HB 266 (LC 50 1224S) by replacing "all" with "certain" on*
2 *line 2.*

3 *By replacing line 4 with the following:*

4 thereof; to revise a tax credit for contributions to law enforcement foundations; to expand
5 the number of foundations that qualify; to expand the qualified expenditures; to increase
6 the annual amount of contributions allowed; to reduce a cap for certain entities; to extend
7 the sunset date; to remove the carry forward authorization; to provide for procedures; to
8 provide for related matters; to provide for effective dates and applicability; to

9 *By replacing lines 11 through 26 with the following:*

10 "(5.1)(A) ~~Up to \$17,500.00 of income~~ Income received by an individual who is less
11 than ~~62~~ 65 years of age paid to such individual as retirement benefits from military
12 service in the armed forces of the United States or the reserve components thereof ~~and~~
13 ~~an additional amount of up to \$17,500.00 of such income, provided that he or she has~~
14 ~~Georgia earned income otherwise included in his or her Georgia taxable net income in~~
15 ~~an amount that exceeds \$17,500.00~~ in an amount that shall not exceed \$65,000.00.

16 (B) In the case of a married couple filing jointly, each spouse who is otherwise
17 qualified for an exclusion allowed by this paragraph shall be individually entitled to
18 exclude retirement income received by that spouse up to the exclusion amount.

19 (C) The exclusions provided for in this paragraph shall not apply to or affect and shall
20 be in addition to those adjustments to net income provided for under any other
21 paragraph of this subsection; provided, however, that no individual shall be allowed an

22 exclusion provided for in this paragraph in addition to any exclusion provided for in
 23 paragraph (5) of this subsection;"

24 **SECTION 2.**

25 Said chapter is further amended in Code Section 48-7-29.25, relating to income tax credits
 26 for contributions to law enforcement foundations, as follows:

27 "48-7-29.25.

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

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

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

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

46 (4) 'Qualified expenditures' means expenditures made by a qualified law enforcement
 47 foundation:

- 48 (A)(i) For salary supplements paid no more than twice annually or training provided
 49 directly to law enforcement officers and other employees employed by ~~the~~ any local
 50 law enforcement unit affiliated with such qualified law enforcement foundation; or
 51 (ii) For the purchase, lease, maintenance, or improvement of equipment to be used
 52 by such officers or employees;
- 53 (iii) For the purchase or lease of supplies and materials for technology updates,
 54 including computer hardware and software; or
- 55 (iv) For the lease of facilities or purchase of goods or services to be used for the
 56 promotion of community engagement; or
- 57 (B) To cover any costs incurred by ~~the~~ any local law enforcement unit affiliated with
 58 such law enforcement foundation for the operation of an emergency response team that
 59 combines law enforcement officers and behavioral health specialists, provided that such
 60 costs shall not include salaries or other regular compensation.
- 61 (5) 'Qualified law enforcement foundation' means any law enforcement foundation that;
 62 ~~has been designated as the sole local law enforcement foundation for a single local law~~
 63 ~~enforcement unit and has been certified~~
- 64 (A) Has been certified and listed by the commissioner pursuant to subsection (d) of this
 65 Code section; and
- 66 (B)(i) Has been designated as the law enforcement foundation for a local law
 67 enforcement unit or combination of neighboring local law enforcement units; or
- 68 (ii) Is a law enforcement foundation which provides support to law enforcement state
 69 wide.
- 70 (b)(1) The aggregate amount of tax credits allowed under this Code section shall not
 71 exceed \$75 million per calendar year. Each qualified law enforcement foundation shall
 72 be limited to accepting \$3 million per year of contributions made under this Code section.
- 73 (2) Subject to the aggregate limit provided in paragraph (1) of this subsection for taxable
 74 years beginning on or after January 1, 2023, and ending on or before

75 December 31, ~~2027~~ 2031, each taxpayer shall be allowed a credit against the tax imposed
76 by this chapter for qualified contributions made by the taxpayer as follows:

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

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

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

89 (D) A corporation or other entity not provided for in subparagraphs (A) through (C)
90 of this paragraph shall be allowed a credit against the tax imposed by this chapter, for
91 qualified contributions in an amount not to exceed the actual amount of qualified
92 contributions made or ~~75~~ 50 percent of such corporation's or other entity's income tax
93 liability, whichever is less.

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

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

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

- 102 (2) The current list of all qualified law enforcement foundations and their affiliate law
103 enforcement units;
- 104 (3) The total amount of tax credits remaining and available for preapproval for each year;
- 105 (4) A web based method for taxpayers seeking the preapproval status for contributions;
106 and
- 107 (5) The information received by the department from each qualified law enforcement
108 foundation pursuant to paragraph (1) of subsection (g) except for division (g)(1)(B)(iv)
109 of this Code section.
- 110 (d) Any valid law enforcement foundation as a qualified law enforcement foundation shall
111 be certified by the commissioner following the commissioner's receipt of a properly
112 completed application and after the commissioner has confirmed that a ~~single~~ local law
113 enforcement unit has validly designated the applicant as its ~~sole~~ law enforcement
114 foundation; provided, however, that such designation shall not be required for an applicant
115 that provides support to law enforcement state wide. Such application shall be prescribed
116 by the commissioner and shall include an agreement by the applicant to fully comply with
117 the terms and conditions of this Code section.
- 118 (e)(1) Prior to making a contribution to any qualified law enforcement foundation, the
119 taxpayer shall request preapproval by electronically ~~notify~~ notifying the department, in
120 a manner specified by the commissioner, of the total amount of contribution that such
121 taxpayer intends to make to such qualified law enforcement foundation.
- 122 (2) Within 30 days after receiving a request for preapproval of contributions, the
123 commissioner shall preapprove, deny, or prorate requested amounts on a first come, first
124 served basis and shall provide notice to such taxpayer and the qualified law enforcement
125 foundation of such preapproval, denial, or proration. Such notices shall not require any
126 signed release or notarized approval by the taxpayer. The preapproval of contributions
127 by the commissioner shall be based ~~solely~~ on the availability of tax credits subject to the
128 limits established under paragraph (1) of subsection (b) of this Code section.

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

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

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

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

153 (4)(A) For the period beginning on July 1 and ending on December 31 of each year,
154 to the extent that the aggregate amount of tax credits authorized by subsection (b) of
155 this Code section has not been reached, the commissioner shall preapprove, deny, or

156 prorate additional requested amounts on a first come, first served basis and shall
157 provide notice to such taxpayer and the qualified law enforcement foundation of such
158 preapproval, denial, or proration.

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

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

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

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

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

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

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

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

181 (2) Except for the information published in accordance with paragraph (c) or (h) of this
182 Code section, all information or reports relative to this Code section that were provided

183 by qualified law enforcement foundations to the department shall be confidential taxpayer
184 information, governed by Code Sections 48-2-15, 48-7-60, and 48-7-61, whether such
185 information relates to the contributor or the qualified law enforcement foundation.

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

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

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

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

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

208 (2) A qualified law enforcement foundation that fails to comply with any of the
209 requirements under this Code section shall be given written notice by the department of

210 such failure to comply by certified mail and shall have 90 days from the receipt of such
211 notice to correct all deficiencies.

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

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

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

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

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

234

SECTION 3.

235

(a) Except as provided in subsection (b) of this section, this Act shall become effective on July 1, 2025, and shall be applicable to all taxable years beginning on or after January 1, 2026.

236

237

238

(b) Section 1 of this Act shall become effective on January 1, 2027, and shall be applicable to all taxable years beginning on or after January 1, 2027.

239

240

SECTION 4.