

House Bill 1085

By: Representatives Petrea of the 166th, Burns of the 159th, Cannon of the 172nd, Burchett of the 176th, Buckner of the 137th, and others

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 relative to income taxes,
3 so as to provide for various tax credits for forestry manufacturing facilities; to provide for
4 transfer of tax credits and conditions; to provide for reporting; to provide for effective dates
5 and automatic repeals; to provide for definitions; to provide for related matters; to provide
6 for an effective date and applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
10 imposition, rate, computation, exemptions, and credits relative to income taxes, is amended
11 in Code Section 48-7-40, relating to designation of counties as less developed areas and tax
12 credits for certain business enterprises, by revising paragraph (2) of subsection (a) and adding
13 new paragraphs, revising paragraph (2) of subsection (e), and adding a new subsection to
14 read as follows:

15 "(2) 'Business enterprise' means any business or the headquarters of any such business
16 which is engaged in manufacturing, including, but not limited to, the manufacturing of

17 alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and electric
18 vehicle enterprises, warehousing and distribution, processing, telecommunications,
19 broadcasting, tourism, research and development industries, biomedical manufacturing,
20 forestry manufacturing, and services for the elderly and persons with disabilities. Such
21 term shall not include retail businesses. Businesses are eligible for the tax credit provided
22 by this Code section at an individual establishment of the business based on the
23 classification of the individual establishment under the North American Industry
24 Classification System. ~~For purposes of this Code section, the term 'establishment' means~~
25 ~~an economic unit at a single physical location where business is conducted or where~~
26 ~~services or industrial operations are performed. If more than one business activity is~~
27 ~~conducted at the establishment, then only those jobs engaged in the qualifying activity~~
28 ~~will be eligible for the tax credit provided by this Code section."~~

29 "(3.1) 'Establishment' means an economic unit at a single physical location where
30 business is conducted or where services or industrial operations are performed. If more
31 than one business activity is conducted at the establishment, then only those jobs engaged
32 in the qualifying activity shall be eligible for the tax credit provided by this Code
33 section."

34 "(4.1) 'Forestry manufacturing' or 'forestry manufacturer' means any business or the
35 headquarters of such business with an establishment in this state:

36 (A) Classified under 2022 North American Industry Classification System Subsectors
37 321, wood product manufacturing; 322, paper manufacturing or North American
38 Industrial Classification industry code 33711, wood kitchen cabinet and countertop
39 manufacturing or specific code 221117, biomass electric power generation 325193,
40 ethyl alcohol manufacturing; 325194, cyclic crude, intermediate, and gum and wood
41 chemical manufacturing; 325199, all other basic organic chemical manufacturing;
42 337211, wood office furniture manufacturing; and 337212, custom architectural
43 woodwork and millwork manufacturing; or

44 (B) That utilizes wood fiber, forest-derived biomass, wood residuals, or forestry
45 by-products as a primary feedstock in the manufacture of forest products, renewable
46 fuels, bio-based chemicals, bioenergy, or other value-added products that support or
47 derive economic value from the forest products supply chain, regardless of the
48 establishment's primary North American Industry Classification System code."

49 "(2) Existing business enterprises and, for taxable years beginning on or after January 1,
50 2026, and prior to January 1, 2031, forestry manufacturers shall be allowed an additional
51 tax credit for taxes imposed under this article equal to \$500.00 per eligible new full-time
52 employee job the first year in which the new full-time employee job is created. The
53 additional credit shall be claimed in the first taxable year in which the new full-time
54 employee job is created. The number of new full-time employee jobs shall be determined
55 by comparing the monthly average number of full-time employees subject to Georgia
56 income tax withholding for the taxable year with the corresponding period of the prior
57 taxable year. In tier 1 counties, those existing business enterprises and forestry
58 manufacturers that increase employment by five or more shall be eligible for the credit.
59 In tier 2 counties, only those existing business enterprises and forestry manufacturers that
60 increase employment by ten or more shall be eligible for the credit. In tier 3 counties,
61 only those existing business enterprises and forestry manufacturers that increase
62 employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those
63 existing business enterprises and forestry manufacturers that increase employment by 25
64 or more shall be eligible for the credit. The average wage of the new jobs created must
65 be above the average wage of the county that has the lowest average wage of any county
66 in the state to qualify as reported in the most recently available annual issue of the
67 Georgia Employment and Wages Averages Report of the Department of Labor. To
68 qualify for a credit under this paragraph, the employer must make health insurance
69 coverage available to the employee filling the new full-time job; provided, however, that
70 nothing in this paragraph shall be construed to require the employer to pay for all or any

71 part of health insurance coverage for such an employee in order to claim the credit
72 provided for in this paragraph if such employer does not pay for all or any part of health
73 insurance coverage for other employees. Credit shall not be allowed during a year if the
74 net employment increase falls below the number required in such tier. Any credit
75 generated and utilized for years prior to the year in which the net employment increase
76 falls below the number required in such tier shall not be affected. The state revenue
77 commissioner shall adjust the credit allowed each year for net new employment
78 fluctuations above the minimum level of the number required in such tier. This
79 paragraph shall apply only to new eligible full-time jobs created in taxable years
80 beginning on or after January 1, 2006, and ending no later than taxable years beginning
81 prior to January 1, 2011."

82 "(n)(1) Any credits earned under this Code section by a forestry manufacturer for taxable
83 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and
84 previously claimed but not used by such forestry manufacturer against its income tax or
85 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided
86 within this Code section, and in addition to the assignability provisions of Code Section
87 48-7-42, may be transferred or sold in whole or in part by such forestry manufacturer to
88 another Georgia taxpayer, subject to the following conditions:

89 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits
90 earned in a taxable year; however, the transfer or sale may involve one or more
91 transferees; and

92 (B) Such forestry manufacturer shall submit to the department a written notification
93 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax
94 credits. The notification shall include such forestry manufacturer's tax credit balance
95 prior to the transfer, the remaining balance after transfer, all tax identification numbers
96 for each transferee, the date of the transfer, the amount transferred, and any other
97 information required by the department.

- 98 (2) Failure to comply with this subsection shall result in disallowance of the tax credit
99 until the forestry manufacturer is in full compliance.
- 100 (3) The transfer or sale of this tax credit shall not extend the time in which such tax
101 credit can be used. The carry-forward period for a tax credit that is transferred or sold
102 shall begin on the date in which the tax credit was originally earned.
- 103 (4) A transferee shall have only such rights to claim and use the tax credit as were
104 available to the transferor at the time of the transfer. To the extent that such transferor
105 did not have rights to claim or use the tax credit at the time of the transfer, the department
106 shall either disallow the tax credit claimed by the transferee or recapture the tax credit
107 from the transferee. The transferee's recourse is against the transferor.
- 108 (5) The department shall prepare an annual report of the total amount of credits
109 transferred by forestry manufacturers pursuant to this Code section for the prior year.
110 The report required under this paragraph shall be completed no later than December 31
111 of each year and presented to each member of the House Committee on Ways and Means
112 and the Senate Finance Committee.
- 113 (6) This subsection shall stand repealed by operation of law on the last moment of
114 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall
115 not impair or affect a forestry manufacturer's ability to transfer an unused credit after
116 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable
117 years before December 31, 2030."

118 **SECTION 2.**

119 Said article is further is amended in Code Section 48-7-40.1, relating to tax credits for
120 business enterprises in less developed areas, by revising subsection (a) and adding a new
121 subsection to read as follows:

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

123 (1) 'Broadcasting' means the transmission or licensing of audio, video, text, or other
124 programming content to the general public, subscribers, or to third parties via radio,
125 television, cable, satellite, or the internet or IP and includes motion picture and sound
126 recording, editing, production, postproduction, and distribution. Such term is limited to
127 establishments classified under the 2007 North American Industry Classification System
128 Codes 515, broadcasting; 519, internet publishing and broadcasting; 517,
129 telecommunications; and 512, motion picture and sound recording industries.

130 (2) 'Business enterprise' means any business or the headquarters of any such business
131 which is engaged in manufacturing, including, but not limited to, the manufacturing of
132 alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and electric
133 vehicle enterprises, warehousing and distribution, processing, telecommunications,
134 broadcasting, tourism, biomedical manufacturing, forestry manufacturing, and research
135 and development industries. Such term shall not include retail businesses. Businesses
136 are eligible for the tax credit provided by this Code section at an individual establishment
137 of the business based on the classification of the individual establishment under the North
138 American Industry Classification System. ~~For purposes of this Code section, the term~~
139 ~~'establishment'~~

140 (2.1) 'Establishment' means an economic unit at a single physical location where
141 business is conducted or where services or industrial operations are performed. If more
142 than one business activity is conducted at the establishment, then only those jobs engaged
143 in the qualifying activity will be eligible for the tax credit provided by this Code section.

144 (2.2) 'Forestry manufacturing' means any business or the headquarters of such business
145 with an establishment in this state classified under 2022 North American Industry
146 Classification System Subsectors 321, wood product manufacturing; 322, paper
147 manufacturing or North American Industrial Classification industry code 33711, wood
148 kitchen cabinet and countertop manufacturing or specific code 221117, biomass electric
149 power generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude,

150 intermediate, and gum and wood chemical manufacturing; 325199, all other basic organic
151 chemical manufacturing; 337211, wood office furniture manufacturing; and 337212,
152 custom architectural woodwork and millwork manufacturing.

153 (3) 'New full-time employee job' means a newly created position of employment that was
154 not previously located in this state, requires a minimum of 35 hours a week, and pays at
155 or above the average wage earned in the county with the lowest average wage earned in
156 this state, as reported in the most recently available annual issue of the Georgia
157 Employment and Wages Averages Report of the Department of Labor."

158 "(1)(1) Any credits earned under this Code section by a forestry manufacturer for taxable
159 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and
160 previously claimed but not used by such forestry manufacturer against its income tax or
161 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided
162 within this Code section, and in addition to the assignability provisions of Code Section
163 48-7-42, may be transferred or sold in whole or in part by such forestry manufacturer to
164 another Georgia taxpayer, subject to the following conditions:

165 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits
166 earned in a taxable year; however, the transfer or sale may involve one or more
167 transferees; and

168 (B) Such forestry manufacturer shall submit to the department a written notification
169 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax
170 credits. The notification shall include such forestry manufacturer's tax credit balance
171 prior to the transfer, the remaining balance after transfer, all tax identification numbers
172 for each transferee, the date of the transfer, the amount transferred, and any other
173 information required by the department.

174 (2) Failure to comply with this subsection shall result in disallowance of the tax credit
175 until the forestry manufacturer is in full compliance.

176 (3) The transfer or sale of this tax credit shall not extend the time in which such tax
177 credit can be used. The carry-forward period for a tax credit that is transferred or sold
178 shall begin on the date in which the tax credit was originally earned.

179 (4) A transferee shall have only such rights to claim and use the tax credit as were
180 available to the transferor at the time of the transfer. To the extent that such transferor
181 did not have rights to claim or use the tax credit at the time of the transfer, the department
182 shall either disallow the tax credit claimed by the transferee or recapture the tax credit
183 from the transferee. The transferee's recourse is against the transferor.

184 (5) The department shall prepare an annual report of the total amount of credits
185 transferred by forestry manufacturers pursuant to this Code section for the prior year.
186 The report required under this paragraph shall be completed no later than December 31
187 of each year and presented to each member of the House Committee on Ways and Means
188 and the Senate Finance Committee.

189 (6) This subsection shall stand repealed by operation of law on the last moment of
190 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall
191 not impair or affect a forestry manufacturer's ability to transfer an unused credit after
192 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable
193 years before December 31, 2030."

194 **SECTION 3.**

195 Said article is further amended in Code Section 48-7-40.2, relating to tax credits for existing
196 manufacturing and telecommunications facilities in tier 1 counties, by adding a new
197 paragraph to subsection (a), revising subsection (b), and adding a new subsection to read as
198 follows:

199 “(0.5) 'Forestry manufacturing' means any business or the headquarters of such business
200 with an establishment in this state classified under 2022 North American Industry
201 Classification System Subsectors 321, wood product manufacturing; 322, paper

202 manufacturing or North American Industrial Classification industry code 33711, wood
203 kitchen cabinet and countertop manufacturing or specific code 221117, biomass electric
204 power generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude,
205 intermediate, and gum and wood chemical manufacturing; 325199, all other basic organic
206 chemical manufacturing; 337211, wood office furniture manufacturing; and 337212,
207 custom architectural woodwork and millwork manufacturing."

208 "(b)(1) In the case of a taxpayer which has operated for the immediately preceding three
209 years an existing manufacturing or telecommunications facility or a manufacturing or
210 telecommunications support facility in this state in a tier 1 county designated pursuant to
211 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this
212 article in an amount equal to 5 percent of the cost of all qualified investment property
213 purchased or acquired by the taxpayer in such year, subject to the conditions and
214 limitations set forth in this Code section. In the event such qualified investment property
215 purchased or acquired by the taxpayer in such year consists of recycling machinery or
216 equipment, a recycling manufacturing facility, pollution control or prevention machinery
217 or equipment, a pollution control or prevention facility, or the conversion from defense
218 to domestic production, the amount of such credit shall be equal to 8 percent.

219 (2) In the case of a taxpayer which operates a forestry manufacturing facility in this state
220 in a tier 1 county designated pursuant to Code Section 48-7-40, there shall be allowed a
221 credit against the tax imposed under this article for taxable years beginning on or after
222 January 1, 2026, and prior to January 1, 2031, in an amount equal to 8 percent of the cost
223 of all qualified investment property purchased or acquired by the taxpayer in such year,
224 subject to the conditions and limitations set forth in this Code section."

225 "(e)(1) Any credits earned under this Code section by a forestry manufacturer for taxable
226 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and
227 previously claimed but not used by such forestry manufacturer against its income tax or
228 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided

229 within this Code section, and in addition to the assignability provisions of Code Section
230 48-7-42, may be transferred or sold in whole or in part by such forestry manufacturer to
231 another Georgia taxpayer, subject to the following conditions:

232 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits
233 earned in a taxable year; however, the transfer or sale may involve one or more
234 transferees; and

235 (B) Such forestry manufacturer shall submit to the department a written notification
236 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax
237 credits. The notification shall include such forestry manufacturer's tax credit balance
238 prior to the transfer, the remaining balance after transfer, all tax identification numbers
239 for each transferee, the date of the transfer, the amount transferred, and any other
240 information required by the department.

241 (2) Failure to comply with this subsection shall result in disallowance of the tax credit
242 until the forestry manufacturer is in full compliance.

243 (3) The transfer or sale of this tax credit shall not extend the time in which such tax
244 credit can be used. The carry-forward period for a tax credit that is transferred or sold
245 shall begin on the date in which the tax credit was originally earned.

246 (4) A transferee shall have only such rights to claim and use the tax credit as were
247 available to the transferor at the time of the transfer. To the extent that such transferor
248 did not have rights to claim or use the tax credit at the time of the transfer, the department
249 shall either disallow the tax credit claimed by the transferee or recapture the tax credit
250 from the transferee. The transferee's recourse is against the transferor.

251 (5) The department shall prepare an annual report of the total amount of credits
252 transferred by forestry manufacturers pursuant to this Code section for the prior year.
253 The report required under this paragraph shall be completed no later than December 31
254 of each year and presented to each member of the House Committee on Ways and Means
255 and the Senate Finance Committee.

256 (6) This subsection shall stand repealed by operation of law on the last moment of
257 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall
258 not impair or affect a forestry manufacturer's ability to transfer an unused credit after
259 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable
260 years before December 31, 2030."

261 **SECTION 4.**

262 Said article is further is amended in Code Section 48-7-40.3, relating to tax credits for
263 existing manufacturing and telecommunications facilities in tier 2 counties, by adding a new
264 paragraph to subsection (a), revising subsection (b), and adding a new subsection to read as
265 follows:

266 "(0.5) 'Forestry manufacturing' means any business or the headquarters of such business
267 with an establishment in this state classified under 2022 North American Industry
268 Classification System Subsectors 321, wood product manufacturing; 322, paper
269 manufacturing or North American Industrial Classification industry code 33711, wood
270 kitchen cabinet and countertop manufacturing or specific code 221117, biomass electric
271 power generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude,
272 intermediate, and gum and wood chemical manufacturing; 325199, all other basic organic
273 chemical manufacturing; 337211, wood office furniture manufacturing; and 337212,
274 custom architectural woodwork and millwork manufacturing."

275 "(b)(1) In the case of a taxpayer which has operated for the immediately preceding three
276 years an existing manufacturing or telecommunications facility or manufacturing or
277 telecommunications support facility in this state in a tier 2 county designated pursuant to
278 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this
279 article in an amount equal to 3 percent of the cost of all qualified investment property
280 purchased or acquired by the taxpayer in such year, subject to the conditions and
281 limitations set forth in this Code section. In the event such qualified investment property

282 purchased or acquired by the taxpayer in such year consists of recycling machinery or
283 equipment, a recycling manufacturing facility, pollution control or prevention machinery
284 or equipment, a pollution control or prevention facility, or the conversion from defense
285 to domestic production, the amount of such credit shall be equal to 5 percent.

286 (2) In the case of a taxpayer which has operated a forestry manufacturing facility in this
287 state in a tier 2 county designated pursuant to Code Section 48-7-40, there shall be
288 allowed a credit against the tax imposed under this article in an amount equal to 5 percent
289 of the cost of all qualified investment property purchased or acquired by the taxpayer in
290 such year, subject to the conditions and limitations set forth in this Code section."

291 "(e)(1) Any credits earned under this Code section by a forestry manufacturer for taxable
292 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and
293 previously claimed but not used by such forestry manufacturer against its income tax or
294 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided
295 within this Code section, and in addition to the assignability provisions of Code Section
296 48-7-42, may be transferred or sold in whole or in part by such forestry manufacturer to
297 another Georgia taxpayer, subject to the following conditions:

298 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits
299 earned in a taxable year; however, the transfer or sale may involve one or more
300 transferees; and

301 (B) Such forestry manufacturer shall submit to the department a written notification
302 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax
303 credits. The notification shall include such forestry manufacturer's tax credit balance
304 prior to the transfer, the remaining balance after transfer, all tax identification numbers
305 for each transferee, the date of the transfer, the amount transferred, and any other
306 information required by the department.

307 (2) Failure to comply with this subsection shall result in disallowance of the tax credit
308 until the forestry manufacturer is in full compliance.

309 (3) The transfer or sale of this tax credit shall not extend the time in which such tax
310 credit can be used. The carry-forward period for a tax credit that is transferred or sold
311 shall begin on the date in which the tax credit was originally earned.

312 (4) A transferee shall have only such rights to claim and use the tax credit as were
313 available to the transferor at the time of the transfer. To the extent that such transferor
314 did not have rights to claim or use the tax credit at the time of the transfer, the department
315 shall either disallow the tax credit claimed by the transferee or recapture the tax credit
316 from the transferee. The transferee's recourse is against the transferor.

317 (5) The department shall prepare an annual report of the total amount of credits
318 transferred by forestry manufacturers pursuant to this Code section for the prior year.
319 The report required under this paragraph shall be completed no later than December 31
320 of each year and presented to each member of the House Committee on Ways and Means
321 and the Senate Finance Committee.

322 (6) This subsection shall stand repealed by operation of law on the last moment of
323 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall
324 not impair or affect a forestry manufacturer's ability to transfer an unused credit after
325 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable
326 years before December 31, 2030."

327 **SECTION 5.**

328 Said article is further is amended in Code Section 48-7-40.4, relating to tax credits for
329 existing manufacturing and telecommunications facilities or manufacturing and
330 telecommunications support facilities in tier 3 or 4 counties, by adding a new paragraph to
331 subsection (a), revising subsection (b), and adding a new subsection to read as follows:

332 "(0.5) 'Forestry manufacturing' means any business or the headquarters of such business
333 with an establishment in this state classified under 2022 North American Industry
334 Classification System Subsectors 321, wood product manufacturing; 322, paper

335 manufacturing or North American Industrial Classification industry code 33711, wood
336 kitchen cabinet and countertop manufacturing or specific code 221117, biomass electric
337 power generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude,
338 intermediate, and gum and wood chemical manufacturing; 325199, all other basic organic
339 chemical manufacturing; 337211, wood office furniture manufacturing; and 337212,
340 custom architectural woodwork and millwork manufacturing."

341 "(b)(1) In the case of a taxpayer which has operated for the immediately preceding three
342 years an existing manufacturing or telecommunications facility or manufacturing or
343 telecommunications support facility in this state in a tier 3 or a tier 4 county designated
344 pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax imposed
345 under this article in an amount equal to 1 percent of the cost of all qualified investment
346 property purchased or acquired by the taxpayer in such year, subject to the conditions and
347 limitations set forth in this Code section. In the event such qualified investment property
348 purchased or acquired by the taxpayer in such year consists of recycling machinery or
349 equipment, a recycling manufacturing facility, pollution control or prevention machinery
350 or equipment, a pollution control or prevention facility, or the conversion from defense
351 to domestic production, the amount of such credit shall be equal to 3 percent.

352 (2) In the case of a taxpayer which has operated a forestry manufacturer facility in this
353 state in a tier 3 or a tier 4 county designated pursuant to Code Section 48-7-40, there shall
354 be allowed a credit against the tax imposed under this article in an amount equal to 1
355 percent of the cost of all qualified investment property purchased or acquired by the
356 taxpayer in such year, subject to the conditions and limitations set forth in this Code
357 section. In the event such qualified investment property purchased or acquired by the
358 taxpayer in such year consists of recycling machinery or equipment, a recycling
359 manufacturing facility, pollution control or prevention machinery or equipment, a
360 pollution control or prevention facility, or the conversion from defense to domestic
361 production, the amount of such credit shall be equal to 3 percent."

362 “(e)(1) Any credits earned under this Code section by a forestry manufacturer for taxable
363 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and
364 previously claimed but not used by such forestry manufacturer against its income tax or
365 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided
366 within this Code section, and in addition to the assignability provisions of Code Section
367 48-7-42, may be transferred or sold in whole or in part by such forestry manufacturer to
368 another Georgia taxpayer, subject to the following conditions:

369 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits
370 earned in a taxable year; however, the transfer or sale may involve one or more
371 transferees; and

372 (B) Such forestry manufacturer shall submit to the department a written notification
373 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax
374 credits. The notification shall include such forestry manufacturer's tax credit balance
375 prior to the transfer, the remaining balance after transfer, all tax identification numbers
376 for each transferee, the date of the transfer, the amount transferred, and any other
377 information required by the department.

378 (2) Failure to comply with this subsection shall result in disallowance of the tax credit
379 until the forestry manufacturer is in full compliance.

380 (3) The transfer or sale of this tax credit shall not extend the time in which such tax
381 credit can be used. The carry-forward period for a tax credit that is transferred or sold
382 shall begin on the date in which the tax credit was originally earned.

383 (4) A transferee shall have only such rights to claim and use the tax credit as were
384 available to the transferor at the time of the transfer. To the extent that such transferor
385 did not have rights to claim or use the tax credit at the time of the transfer, the department
386 shall either disallow the tax credit claimed by the transferee or recapture the tax credit
387 from the transferee. The transferee's recourse is against the transferor.

388 (5) The department shall prepare an annual report of the total amount of credits
389 transferred by forestry manufacturers pursuant to this Code section for the prior year.
390 The report required under this paragraph shall be completed no later than December 31
391 of each year and presented to each member of the House Committee on Ways and Means
392 and the Senate Finance Committee.

393 (6) This subsection shall stand repealed by operation of law on the last moment of
394 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall
395 not impair or affect a forestry manufacturer's ability to transfer an unused credit after
396 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable
397 years before December 31, 2030."

398 **SECTION 6.**

399 This Act shall become effective on July 1, 2026, and shall be applicable to taxable years
400 beginning on or after January 1, 2027.

401 **SECTION 7.**

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