

House Bill 1135

By: Representatives Hilton of the 48th, Jones of the 47th, Efstration of the 104th, Cannon of the 172nd, Townsend of the 179th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 2A of Title 20 of the Official Code of Georgia Annotated, relating to
2 student scholarship organizations, so as to provide for the State of Georgia to participate in
3 the federal tax credit program for contributions of individuals to scholarship granting
4 organizations; to designate the state revenue commissioner to make elections on behalf of
5 the State of Georgia with respect to federal tax benefits related to contributions of individuals
6 to scholarship granting organizations; to require the state revenue commissioner to provide
7 notice to the secretary of the treasury of the United States that the State of Georgia elects to
8 participate in such federal tax credit program and to include in such notice a list of qualifying
9 scholarship granting organizations; to prohibit state agencies from promulgating rules or
10 regulations; to make conforming changes; to amend Code Section 48-7-29.16 of the Official
11 Code of Georgia Annotated, relating to tax credits for contributions to student scholarship
12 organizations, so as to make a conforming change; to provide for legislative intent; to
13 provide for related matters; to provide for an effective date and applicability; to repeal
14 conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

16 **SECTION 1.**

17 It is the intent of the General Assembly that the State of Georgia participate in the federal tax
18 credit program established in Section 70411 of federal Pub. Law. No. 119-21.

19 **SECTION 2.**

20 Chapter 2A of Title 20 of the Official Code of Georgia Annotated, relating to student
21 scholarship organizations, is amended by replacing "chapter" with "article" wherever the
22 former term appears in:

- 23 (1) Code Section 20-2A-1, relating to definitions;
24 (2) Code Section 20-2A-2, relating to requirements for student scholarship organizations;
25 (3) Code Section 20-2A-2.1, relating to entities prohibited from being student scholarship
26 organizations; and
27 (4) Code Section 20-2A-7, relating to penalties for failure to comply with requirements of
28 chapter and violations.

29 **SECTION 3.**

30 Said chapter is further amended by designating Code Sections 20-2A-1 through 20-2A-7 as
31 Article 1 and by adding a new article to read as follows:

32 "ARTICLE 2

33 20-2A-20.

34 Reserved.

35 20-2A-21.

36 (a) The state revenue commissioner is designated to make elections on behalf of the State
37 of Georgia with respect to the federal tax credit program established in Section 70411 of
38 federal Pub. Law. No. 119-21, as provided for in this article.

39 (b) The state revenue commissioner shall comply with any requirements under
40 Section 70411 of federal Pub. Law. No. 119-21 and any applicable federal statutes,
41 regulations, or guidance in effect on December 31, 2026, including, but not limited to 26
42 U.S.C. Section 25F, to ensure that the state is eligible to participate in such federal tax
43 credit program in taxable years beginning after December 31, 2026.

44 (c) The state revenue commissioner shall:

45 (1) By January 1 of each year, transmit a notice to the secretary of the treasury of the
46 United States opting into the federal tax credit for contributions of individuals to
47 scholarship granting organizations that meet the requirements of such federal tax credit
48 program. Such notice shall include the commissioner's certification of his or her
49 authority to submit such notice. Such notice shall include a list of the scholarship
50 granting organizations located in this state that meet the requirements for a scholarship
51 granting organization under such federal tax credit program. Such list shall immediately
52 be published on the website of the Department of Revenue; and

53 (2) Accept applications from scholarship granting organizations throughout the year for
54 inclusion on the list submitted to the secretary of the treasury of the United States as
55 provided for in paragraph (1) of this subsection.

56 (d) No department, agency, board, commission, or authority of this state has authority to
57 adopt or promulgate any rule or regulation to implement this article."

58 **SECTION 4.**

59 Code Section 48-7-29.16 of the Official Code of Georgia Annotated, relating to tax credits
60 for contributions to student scholarship organizations, is amended by revising paragraph (3)
61 of subsection (a) as follows:

62 "(3) 'Qualified education expense' means the expenditure of funds by the taxpayer or
63 business enterprise during the tax year for which a credit under this Code section is
64 claimed and allowed to a student scholarship organization operating pursuant to Article 1
65 of Chapter 2A of Title 20 which are used for tuition and fees for a qualified school or
66 program."

67 **SECTION 5.**

68 This Act shall become effective upon its approval by the Governor or upon its becoming law
69 without such approval and shall apply to all taxable years beginning on or after January 1,
70 2027.

71 **SECTION 6.**

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