

House Bill 1326

By: Representatives Neal of the 79<sup>th</sup> and Jones of the 143<sup>rd</sup>

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 from income taxes, so as  
3 to provide for a tax credit for living wage jobs; to provide for amounts, conditions, and  
4 limitations; to provide for definitions; to provide for rules and regulations; to provide for  
5 related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
9 imposition, rate, computation, exemptions, and credits from income taxes, is amended by  
10 adding a new Code section to read as follows:

11 "48-7-40.38.

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

13 (1) 'Base wage' means the average hourly rate paid by the taxpayer to the employee in  
14 the 12 months before the taxpayer increased the hourly rate to a living wage.

15 (2) 'Full time' means a job that requires an average of at least 30 hours per week.

16 (3) 'Living wage' means an hourly rate of pay of \$15.00 or more.

- 17     (4) 'Living wage job' means a job that:  
18         (A) Is located in this state;  
19         (B) Is full time;  
20         (C) Pays a living wage on or after July 1, 2026; and  
21         (D) Had a base wage of \$10.00 per hour or less.
- 22     (b) An employer with 50 or fewer employees shall be allowed a credit against the tax  
23     imposed by this article for each 12 month period of employment of an individual in a living  
24     wage job. The amount of such credit shall be equal to the difference of the average hourly  
25     wage paid to the employee in such 12 month period and the base pay, multiplied by the  
26     number of hours worked by the employee in such 12 month period.
- 27     (c) The tax credit provided for in this Code section shall be subject to the following  
28     conditions and limitations:
- 29         (1) To be eligible for such credit, the taxpayer shall have a net increase in the total  
30         number of full-time employees in this state at the end of the taxable year for which the  
31         credit is claimed over the number of full-time jobs in this state at the end of the previous  
32         taxable year;
- 33         (2) Such credit shall be first claimed in the taxable year in which the employee  
34         completes 12 consecutive months of employment in the living wage job;
- 35         (3) No taxpayer shall be allowed such credit for more than five taxable years per living  
36         wage job; and
- 37         (4) In no event shall the credit provided for in this Code section for a taxable year exceed  
38         the taxpayer's income tax liability. Any unused portion of the credit provided for in this  
39         Code section shall be permitted to be carried forward and applied to such taxpayer's tax  
40         liability for the subsequent three years. The credit provided for in this Code section shall  
41         not be applied against such taxpayer's prior years' tax liabilities.
- 42     (d) The commissioner shall promulgate rules and regulations and forms necessary to  
43     implement and administer this Code section."

44

**SECTION 2.**

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