

House Bill 1468

By: Representative Clark of the 108th

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapters 7 and 8 of Title 48 and Chapter 8 of Title 33 of the Official Code of
2 Georgia Annotated, relating to income taxes, sales and use taxes, and fees and taxes relative
3 to insurance, respectively, so as to create the Georgia Property Tax Fairness Fund; to require
4 that high-technology data center and insurance premium tax collections be deposited into
5 such fund; to provide for the issuance of credits from such fund against the income tax
6 liability of taxpayers residing in qualifying homes; to provide for the repeal of sales and use
7 tax exemptions for high-technology data centers and insurance companies; to provide
8 definitions; to provide constitutional authorization; to provide for the calculation, application,
9 and limitations on tax credits; to provide for rules and regulations; to provide for
10 recoverability; to provide for the repeal of insurance premium tax credits and abatements;
11 to provide for conforming changes; to provide for a contingent effective date and automatic
12 repeal; to provide for related matters; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I
SECTION 1-1.

14
15
16 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
17 is amended by adding a new Code section to read as follows:

18 "48-7-43.

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

20 (1) 'Fair market value of property' shall have the same meaning as set forth in Code
21 Section 48-5-2.

22 (2) 'Fiscal authority' means the individual authorized to collect ad valorem taxes for a
23 county or municipality which levies ad valorem taxes.

24 (3) 'Georgia Property Tax Fairness Fund' or 'fund' means the state treasury fund
25 established in this Code section.

26 (4) 'High-technology data center' means a facility, campus of facilities, or array of
27 interconnected facilities which house working servers and that are developed to cool,
28 secure, and connect data associated with applications and services.

29 (5) 'Home' means a single-family residence or a multifamily residence, including all
30 improvements thereon.

31 (6) 'Insurance premium tax collections' means any collections from the tax levied under
32 the provisions of Code Section 33-8-4.

33 (7) 'Qualifying home' means a home in which there resides:

34 (A) A taxpayer who, in the prior fiscal year, received either the standard deduction
35 provided under division (a)(1)(B)(i) of Code Section 48-7-27 with a federal adjusted
36 gross income below \$120,000.00 or the standard deduction provided under
37 division (a)(1)(B)(ii) of Code Section 48-7-27 with a federal adjusted gross income
38 below \$60,000.00 and made aggregate ad valorem property tax payments and

39 homeowners' insurance premium payments for the prior fiscal year exceeding 5 percent
40 of such taxpayer's federal adjusted gross income for the prior fiscal year; or

41 (B) A tenant whose rent for the prior fiscal year exceeds 33 percent of such tenant's
42 federal adjusted gross income for the prior fiscal year.

43 (8) 'Rent' means the aggregate annual amount paid by a tenant to an owner of real estate
44 for the right to possess such real estate.

45 (9) 'Tenant' means a person who accepts the right to possess real estate belonging to an
46 owner of real estate for a fixed time or at the will of the grantor where there exists a
47 contract, express or implied, providing for payment from such person to such owner for
48 the right to possession of such real estate.

49 (b) This Code section is enacted pursuant to Article III, Section IX, Paragraph VI(s) of the
50 Constitution to provide a mechanism for the state to use increased insurance premium tax
51 collections to reduce the burden upon taxpayers.

52 (c) The state treasurer shall establish a separate fund in the state treasury that shall be
53 known as the Georgia Property Tax Fairness Fund and shall consist of insurance premium
54 tax collections and high-technology data center sales and use tax collections, appropriations
55 by the General Assembly, and moneys from any other source dedicated to the fund for
56 resident tax relief. Moneys held in the fund shall be expended by the department solely as
57 provided in this Code section.

58 (d) On or before December 31 of each taxable year, the department shall issue a credit
59 against the income tax liability of each taxpayer residing in a qualifying home in an amount
60 equal to the amount such liability exceeded:

61 (1) For a taxpayer residing in a qualifying home under subparagraph (a)(7)(A) of this
62 Code section, 5 percent of such taxpayer's federal adjusted gross income for the prior
63 year; or

64 (2) For a taxpayer residing in a qualifying home under subparagraph (a)(7)(B) of this
65 Code section, 33 percent of such tenant's federal adjusted gross income for the prior fiscal
66 year.

67 (e) Credit amounts computed under subsection (d) of this Code section shall be applied to
68 reduce the otherwise applicable income tax liability of all taxpayers residing in qualifying
69 homes on a dollar-for-dollar basis. All taxpayers residing in qualifying homes in this state
70 shall receive an identical reduction in such taxpayers' otherwise applicable income tax
71 liability.

72 (f)(1) Notwithstanding the provisions of subsection (d) of this Code section, any sales
73 and use tax collected from a high-technology data center by a fiscal authority shall be
74 applied to reduce the ad valorem tax bill on homesteads in the taxing jurisdiction within
75 which the high-technology data center is located before such proceeds may be used for
76 any other purpose.

77 (2) Each fiscal authority collecting a tax under the provisions of this subsection shall
78 provide an adjustment credit on the ad valorem tax bill of each qualifying home within
79 the taxing jurisdiction of the high-technology data center from which the tax was
80 collected up to the taxpayer's ad valorem property tax liability on the homestead;
81 provided, however, that the credit granted shall not in any case exceed \$2,500.00 and that
82 the fair market value of property qualifying for the adjustment credit provided under this
83 subsection may not exceed \$500,000.00.

84 (3) Credit amounts computed under paragraph (1) of this subsection shall be applied to
85 reduce the otherwise applicable ad valorem tax liability for all qualifying homes in the
86 taxing jurisdiction of the high-technology data center on a dollar-for-dollar basis. All
87 qualifying homes within a taxing jurisdiction shall receive an identical reduction in such
88 homes' otherwise applicable ad valorem tax liability.

89 (g) The total amount of the tax credits allowed pursuant to this Code section for a taxable
90 year may exceed the taxpayer's income tax liability. Such tax credits allowed in excess of
91 a taxpayer's income tax liability shall be refundable to such taxpayer.

92 (h) The commissioner shall promulgate forms and adopt rules and regulations necessary
93 for the administration of this Code section.

94 (i) Any credit under this Code section which is erroneously or illegally granted shall be
95 recoverable by the fiscal authority granting such credit in the same manner as any other
96 delinquent tax."

97 **PART II**

98 **SECTION 2-1.**

99 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use
100 taxes, is amended by repealing and reenacting paragraph (68.1) of Code Section 48-8-3,
101 relating to exemptions relative to state sales and use taxes, to read as follows:

102 "(68.1) After the effective date of this Act, no new certificates of exemption from sales
103 and use tax to a high-technology data center or a high-technology data center customer
104 shall be issued pursuant to the former provisions of this paragraph as they existed prior
105 to the effective date of this Act; provided, however, that any certificate of exemption
106 issued prior to the effective date of this Act shall continue to be governed by the
107 provisions of this paragraph as it existed immediately prior to the effective date of this
108 Act;"

109 **SECTION 2-2.**

110 Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees and taxes
111 relative to insurance, is amended by repealing Code Section 33-8-4.1, relating to state
112 insurance premiums tax credits for insurance companies located in certain counties

113 designated as less developed areas and authority of commissioner of community affairs and
114 Commissioner.

115 **SECTION 2-3.**

116 Said chapter is further amended by repealing Code Section 33-8-4.2, relating to assignment,
117 carryover, and liability regarding tax credits.

118 **SECTION 2-4.**

119 Said chapter is further amended by repealing and reserving Code Section 33-8-5, relating to
120 abatement or reduction of tax on insurance premiums.

121 **SECTION 2-5.**

122 Said chapter is further amended by repealing subsections (e) and (f) of Code Section 33-8-8,
123 relating to preemption of taxation of insurance companies by state, exceptions, and collection
124 of license fees by municipal corporations.

125 **SECTION 2-6.**

126 Said chapter is further amended by revising paragraph (1) of subsection (b) of Code
127 Section 33-8-8.1, relating to county and municipal corporation taxes on life insurance
128 companies, as follows:

129 "(1) There is imposed a county tax for county purposes on each life insurance company
130 doing business within the state, which tax shall be based solely upon gross direct
131 premiums, as defined in Code Section 33-8-4, which are received during the preceding
132 calendar year from policies insuring persons residing within the unincorporated area of
133 the counties pursuant to the provisions of this Code section. The rate of such tax shall
134 be 1 percent of such premiums, ~~except that such tax shall not apply to the gross direct~~
135 ~~premiums of an insurance company which qualifies, pursuant to Code Section 33-8-5, for~~

136 ~~the reduction to one-half of 1 percent of the state tax imposed by Code Section 33-8-4.~~
137 The tax imposed by this Code section shall not apply to annuity considerations; and"

138 **PART III**
139 **SECTION 3-1.**

140 This Act shall become effective on January 1, 2027, only if an amendment to the
141 Constitution of Georgia authorizing the General Assembly to provide by general law for the
142 establishment and maintenance of the Georgia Property Tax Fairness Fund is ratified by the
143 voters at the November, 2026, state-wide general election. If such an amendment is not so
144 ratified, then this Act shall not become effective and shall stand repealed on January 1, 2027.

145 **SECTION 3-2.**
146 All laws and parts of laws in conflict with this Act are repealed.