

The House Committee on Ways & Means offers the following substitute to HB 1135:

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 for contributions of individuals to scholarship granting organizations;  
4 to designate the state revenue commissioner to make elections on behalf of the State of  
5 Georgia with respect to federal tax benefits related to contributions of individuals to  
6 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 and to include in such notice a list of qualifying  
9 scholarship granting organizations; to restrict 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:

H. B. 1135 (SUB)

- 1 -

16 **SECTION 1.**

17 It is the intent of the General Assembly that the State of Georgia participate in the federal tax  
18 credit 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 established in Section 70411 of federal  
38 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 in taxable years beginning after December 31, 2026.

44 (c) The state revenue commissioner shall:

45 (1) Annually, on or before the date set by the secretary of the treasury of the United  
46 States, provide official notice to the secretary opting into the federal tax credit for  
47 contributions of individuals to scholarship granting organizations that meet the  
48 requirements of such federal tax credit. In a manner prescribed by the secretary of the  
49 treasury of the United States Department of Revenue, the commissioner shall provide  
50 certification of his or her authority to submit such notice. Such notice shall include a list  
51 of the scholarship granting organizations located in this state that meet the requirements  
52 for a scholarship granting organization under such federal tax credit. Such list shall  
53 immediately be published on the website of the Department of Revenue; and

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

57 (d) No department, agency, board, commission, or authority of this state has authority to  
58 adopt or promulgate any rule or regulation that expands, interprets, limits, or is otherwise  
59 not aligned with federal law, regulations, and guidance relative to the federal tax credits  
60 provided for in this Code section."

61 **SECTION 4.**

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

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

70 **SECTION 5.**

71 This Act shall become effective upon its approval by the Governor or upon its becoming law  
72 without such approval and shall apply to all taxable years beginning on or after January 1,  
73 2027.

74 **SECTION 6.**

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