

The Senate Committee on Economic Development and Tourism offered the following substitute to HB 376:

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 the imposition, rate, computation, exemptions, and credits for state income tax,
3 so as to revise a tax credit for the rehabilitation of certified structures; to increase the amount
4 of expenditures required for certain certified structures to qualify; to provide for credit
5 amounts and limits; to provide for related matters; to provide for an effective date and
6 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 the
10 imposition, rate, computation, exemptions, and credits for state income tax, is amended in
11 Code Section 48-7-29.8, relating to tax credits for the rehabilitation of historic structures, by
12 revising paragraph (5) of subsection (a) and subsections (b) and (c) as follows:

13 "(5) 'Substantial rehabilitation' means rehabilitation of a certified structure for which the
14 qualified rehabilitation expenditures, at least 5 percent of which must be allocable to the
15 exterior during the 24 month period selected by the taxpayer ending with or within the
16 taxable year, exceed:

17 (A) For a historic home, the lesser of \$25,000.00 or 50 percent of the adjusted basis of
 18 the property as defined in subparagraph (a)(1)(B) of Code Section 48-5-7.2; or, in the
 19 case of a historic home located in a target area, \$5,000.00; or

20 (B) For any other certified structure, the greater of ~~\$5,000.00~~ \$25,000.00 or the
 21 adjusted basis of the property."

22 "(b)(1) A taxpayer shall be allowed a tax credit against the tax imposed by this chapter
 23 in the year that the certified rehabilitation is placed in service, which may be up to two
 24 years after the end of the taxable year for which the credit was originally reserved:

25 ~~(1)(A)~~ In the case of a historic home, equal to 25 percent of qualified rehabilitation
 26 expenditures, except that, in the case of a historic home located within a target area, an
 27 additional credit equal to 5 percent of qualified rehabilitation expenditures shall be
 28 allowed; and

29 ~~(2)(B)~~ In the case of any other certified structure, equal to:

30 (i) Twenty-five 25 percent of qualified rehabilitation expenditures for credits
 31 approved prior to January 1, 2026; or

32 (ii) Twenty percent of qualified rehabilitation expenditures for credits approved on
 33 or after January 1, 2026, except that, in the case of any other certified structure
 34 located in a county having a population of less than 50,000 according to the United
 35 States decennial census of 2010 or any such future census, an additional credit equal
 36 to 10 percent of qualified rehabilitation expenditures shall be allowed.

37 (2) Qualified rehabilitation expenditures may only be counted once in determining the
 38 amount of the tax credit available, and more than one entity may shall not claim a credit
 39 for the same qualified rehabilitation expenditures."

40 "(c)(1) In no event shall credits for a historic home exceed \$100,000.00 in any 120 month
 41 period.

42 (2) The maximum credit for any other individual certified structure shall be \$5 million
 43 for any taxable year, except in the case that the project creates 200 or more full-time,

44 permanent jobs or \$5 million in annual payroll within two years of the placed in service
45 date, in which case the project is eligible for credits up to ~~\$10~~ \$15 million for an
46 individual certified structure. In no event shall more than one application for any
47 individual certified structure under this paragraph be approved in any 120 month
48 period.

49 (3)(A) In no event shall credits issued under this Code section for historic homes
50 exceed \$5 million in aggregate per year.

51 (B) In no event shall credits issued under this Code section for certified structures other
52 than historic homes exceed ~~\$30~~ \$60 million in aggregate per year.

53 (C) On and after January 1, 2030, in no event shall credits be issued under this Code
54 section."

55 **SECTION 2.**

56 This Act shall become effective on July 1, 2026, and shall be applicable to all taxable years
57 beginning on or after January 1, 2026.

58 **SECTION 3.**

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