

The Senate Committee on Finance offered the following substitute to HB 1085:

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 relative to income taxes,  
3 so as to provide for various tax credits for forestry manufacturing facilities; to provide for  
4 transfer of tax credits and conditions; to provide for reporting; to provide for aggregate  
5 maximum amounts of tax credits; to require approval of future amendments by a two-thirds'  
6 vote of each chamber of the General Assembly; to provide for effective dates and automatic  
7 repeals; to provide for definitions; to provide for a short title; to provide for related matters;  
8 to provide for an effective date and applicability; to repeal conflicting laws; and for other  
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Keep Georgia Forested Act."

13 **SECTION 2.**

14 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
15 imposition, rate, computation, exemptions, and credits relative to income taxes, is amended

16 in Code Section 48-7-40, relating to designation of counties as less developed areas and tax  
17 credits for certain business enterprises, by revising paragraph (2) of subsection (a) and adding  
18 new paragraphs, revising paragraph (2) of subsection (e), and adding a new subsection to  
19 read as follows:

20 "(2) 'Business enterprise' means any business or the headquarters of any such business  
21 which is engaged in manufacturing, including, but not limited to, the manufacturing of  
22 alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and electric  
23 vehicle enterprises, warehousing and distribution, processing, telecommunications,  
24 broadcasting, tourism, research and development industries, biomedical manufacturing,  
25 forestry manufacturing, and services for the elderly and persons with disabilities. Such  
26 term shall not include retail businesses. Businesses are eligible for the tax credit provided  
27 by this Code section at an individual establishment of the business based on the  
28 classification of the individual establishment under the North American Industry  
29 Classification System. ~~For purposes of this Code section, the term 'establishment' means~~  
30 ~~an economic unit at a single physical location where business is conducted or where~~  
31 ~~services or industrial operations are performed. If more than one business activity is~~  
32 ~~conducted at the establishment, then only those jobs engaged in the qualifying activity~~  
33 ~~will be eligible for the tax credit provided by this Code section."~~

34 "(3.1) 'Establishment' means an economic unit at a single physical location where  
35 business is conducted or where services or industrial operations are performed. If more  
36 than one business activity is conducted at the establishment, then only those jobs engaged  
37 in the qualifying activity shall be eligible for the tax credit provided by this Code  
38 section."

39 "(4.1) 'Forestry manufacturing' or 'forestry manufacturer' means any business or the  
40 headquarters of such business with an establishment in this state:

41 (A) Classified under 2022 North American Industry Classification System Subsectors  
42 321, wood product manufacturing; 322, paper manufacturing or North American

43 Industrial Classification industry code 33711, wood kitchen cabinet and countertop  
44 manufacturing or specific code 221117, biomass electric power generation 325193,  
45 ethyl alcohol manufacturing; 325194, cyclic crude, intermediate, and gum and wood  
46 chemical manufacturing; 325199, all other basic organic chemical manufacturing;  
47 337211, wood office furniture manufacturing; and 337212, custom architectural  
48 woodwork and millwork manufacturing; or

49 (B) That utilizes wood fiber, forest-derived biomass, wood residuals, or forestry  
50 by-products as a primary feedstock in the manufacture of forest products, renewable  
51 fuels, bio-based chemicals, bioenergy, or other value-added products that support or  
52 derive economic value from the forest products supply chain, regardless of the  
53 establishment's primary North American Industry Classification System code."

54 "(2) Existing business enterprises and, for taxable years beginning on or after January 1,  
55 2026, and prior to January 1, 2031, forestry manufacturers shall be allowed an additional  
56 tax credit for taxes imposed under this article equal to \$500.00 per eligible new full-time  
57 employee job the first year in which the new full-time employee job is created. The  
58 additional credit shall be claimed in the first taxable year in which the new full-time  
59 employee job is created. The number of new full-time employee jobs shall be determined  
60 by comparing the monthly average number of full-time employees subject to Georgia  
61 income tax withholding for the taxable year with the corresponding period of the prior  
62 taxable year. In tier 1 counties, those existing business enterprises and forestry  
63 manufacturers that increase employment by five or more shall be eligible for the credit.  
64 In tier 2 counties, only those existing business enterprises and forestry manufacturers that  
65 increase employment by ten or more shall be eligible for the credit. In tier 3 counties,  
66 only those existing business enterprises and forestry manufacturers that increase  
67 employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those  
68 existing business enterprises and forestry manufacturers that increase employment by 25  
69 or more shall be eligible for the credit. The average wage of the new jobs created must

70 be above the average wage of the county that has the lowest average wage of any county  
71 in the state to qualify as reported in the most recently available annual issue of the  
72 Georgia Employment and Wages Averages Report of the Department of Labor. To  
73 qualify for a credit under this paragraph, the employer must make health insurance  
74 coverage available to the employee filling the new full-time job; provided, however, that  
75 nothing in this paragraph shall be construed to require the employer to pay for all or any  
76 part of health insurance coverage for such an employee in order to claim the credit  
77 provided for in this paragraph if such employer does not pay for all or any part of health  
78 insurance coverage for other employees. Credit shall not be allowed during a year if the  
79 net employment increase falls below the number required in such tier. Any credit  
80 generated and utilized for years prior to the year in which the net employment increase  
81 falls below the number required in such tier shall not be affected. The state revenue  
82 commissioner shall adjust the credit allowed each year for net new employment  
83 fluctuations above the minimum level of the number required in such tier. This  
84 paragraph shall apply only to new eligible full-time jobs created in taxable years  
85 beginning on or after January 1, 2006, and ending no later than taxable years beginning  
86 prior to January 1, 2011."

87 "(n)(1) Any credits earned under this Code section by a forestry manufacturer for taxable  
88 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and  
89 previously claimed but not used by such forestry manufacturer against its income tax or  
90 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided  
91 within this Code section, and in addition to the assignability provisions of Code  
92 Section 48-7-42, may be transferred or sold in whole or in part by such forestry  
93 manufacturer to another Georgia taxpayer, subject to the following conditions:

94 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits  
95 earned in a taxable year; however, the transfer or sale may involve one or more  
96 transferees; and

97 (B) Such forestry manufacturer shall submit to the department a written notification  
98 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax  
99 credits. The notification shall include such forestry manufacturer's tax credit balance  
100 prior to the transfer, the remaining balance after transfer, all tax identification numbers  
101 for each transferee, the date of the transfer, the amount transferred, and any other  
102 information required by the department.

103 (2) Failure to comply with this subsection shall result in disallowance of the tax credit  
104 until the forestry manufacturer is in full compliance.

105 (3) The transfer or sale of this tax credit shall not extend the time in which such tax  
106 credit can be used. The carry-forward period for a tax credit that is transferred or sold  
107 shall begin on the date in which the tax credit was originally earned.

108 (4) A transferee shall have only such rights to claim and use the tax credit as were  
109 available to the transferor at the time of the transfer. To the extent that such transferor  
110 did not have rights to claim or use the tax credit at the time of the transfer, the department  
111 shall either disallow the tax credit claimed by the transferee or recapture the tax credit  
112 from the transferee. The transferee's recourse is against the transferor.

113 (5) The department shall prepare an annual report of the total amount of credits  
114 transferred by forestry manufacturers pursuant to this Code section for the prior year.  
115 The report required under this paragraph shall be completed no later than December 31  
116 of each year and presented to each member of the House Committee on Ways and Means  
117 and the Senate Finance Committee.

118 (6) This subsection shall stand repealed by operation of law on the last moment of  
119 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall  
120 not impair or affect a forestry manufacturer's ability to transfer an unused credit after  
121 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable  
122 years before December 31, 2030."

123

**SECTION 3.**

124 Said article is further is amended in Code Section 48-7-40.1, relating to tax credits for  
125 business enterprises in less developed areas, by revising subsection (a) and adding a new  
126 subsection to read as follows:

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

128 (1) 'Broadcasting' means the transmission or licensing of audio, video, text, or other  
129 programming content to the general public, subscribers, or to third parties via radio,  
130 television, cable, satellite, or the internet or IP and includes motion picture and sound  
131 recording, editing, production, postproduction, and distribution. Such term is limited to  
132 establishments classified under the 2007 North American Industry Classification System  
133 Codes 515, broadcasting; 519, internet publishing and broadcasting; 517,  
134 telecommunications; and 512, motion picture and sound recording industries.

135 (2) 'Business enterprise' means any business or the headquarters of any such business  
136 which is engaged in manufacturing, including, but not limited to, the manufacturing of  
137 alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and electric  
138 vehicle enterprises, warehousing and distribution, processing, telecommunications,  
139 broadcasting, tourism, biomedical manufacturing, forestry manufacturing, and research  
140 and development industries. Such term shall not include retail businesses. Businesses  
141 are eligible for the tax credit provided by this Code section at an individual establishment  
142 of the business based on the classification of the individual establishment under the North  
143 American Industry Classification System. ~~For purposes of this Code section, the term~~  
144 ~~'establishment'~~

145 (2.1) 'Establishment' means an economic unit at a single physical location where  
146 business is conducted or where services or industrial operations are performed. If more  
147 than one business activity is conducted at the establishment, then only those jobs engaged  
148 in the qualifying activity will be eligible for the tax credit provided by this Code section.

149 (2.2) 'Forestry manufacturing' means any business or the headquarters of such business  
150 with an establishment in this state:

151 (A) Classified under 2022 North American Industry Classification System  
152 Subsectors 321, wood product manufacturing; 322, paper manufacturing or North  
153 American Industrial Classification industry code 33711, wood kitchen cabinet and  
154 countertop manufacturing or specific code 221117, biomass electric power  
155 generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude, intermediate,  
156 and gum and wood chemical manufacturing; 325199, all other basic organic chemical  
157 manufacturing; 337211, wood office furniture manufacturing; and 337212, custom  
158 architectural woodwork and millwork manufacturing; or

159 (B) That utilizes wood fiber, forest-derived biomass, wood residuals, or forestry  
160 by-products as a primary feedstock in the manufacture of forest products, renewable  
161 fuels, bio-based chemicals, bioenergy, or other value-added products that support or  
162 derive economic value from the forest products supply chain, regardless of the  
163 establishment's primary North American Industry Classification System code.

164 (3) 'New full-time employee job' means a newly created position of employment that was  
165 not previously located in this state, requires a minimum of 35 hours a week, and pays at  
166 or above the average wage earned in the county with the lowest average wage earned in  
167 this state, as reported in the most recently available annual issue of the Georgia  
168 Employment and Wages Averages Report of the Department of Labor."

169 "(l)(1) Any credits earned under this Code section by a forestry manufacturer for taxable  
170 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and  
171 previously claimed but not used by such forestry manufacturer against its income tax or  
172 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided  
173 within this Code section, and in addition to the assignability provisions of Code  
174 Section 48-7-42, may be transferred or sold in whole or in part by such forestry  
175 manufacturer to another Georgia taxpayer, subject to the following conditions:

176 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits  
177 earned in a taxable year; however, the transfer or sale may involve one or more  
178 transferees; and

179 (B) Such forestry manufacturer shall submit to the department a written notification  
180 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax  
181 credits. The notification shall include such forestry manufacturer's tax credit balance  
182 prior to the transfer, the remaining balance after transfer, all tax identification numbers  
183 for each transferee, the date of the transfer, the amount transferred, and any other  
184 information required by the department.

185 (2) Failure to comply with this subsection shall result in disallowance of the tax credit  
186 until the forestry manufacturer is in full compliance.

187 (3) The transfer or sale of this tax credit shall not extend the time in which such tax  
188 credit can be used. The carry-forward period for a tax credit that is transferred or sold  
189 shall begin on the date in which the tax credit was originally earned.

190 (4) A transferee shall have only such rights to claim and use the tax credit as were  
191 available to the transferor at the time of the transfer. To the extent that such transferor  
192 did not have rights to claim or use the tax credit at the time of the transfer, the department  
193 shall either disallow the tax credit claimed by the transferee or recapture the tax credit  
194 from the transferee. The transferee's recourse is against the transferor.

195 (5) The department shall prepare an annual report of the total amount of credits  
196 transferred by forestry manufacturers pursuant to this Code section for the prior year.  
197 The report required under this paragraph shall be completed no later than December 31  
198 of each year and presented to each member of the House Committee on Ways and Means  
199 and the Senate Finance Committee.

200 (6) This subsection shall stand repealed by operation of law on the last moment of  
201 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall  
202 not impair or affect a forestry manufacturer's ability to transfer an unused credit after

203 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable  
204 years before December 31, 2030."

205 **SECTION 4.**

206 Said article is further amended in Code Section 48-7-40.2, relating to tax credits for existing  
207 manufacturing and telecommunications facilities in tier 1 counties, by adding a new  
208 paragraph to subsection (a), revising subsection (b), and adding a new subsection to read as  
209 follows:

210 "(0.5) 'Forestry manufacturing' means any business or the headquarters of such business  
211 with an establishment in this state:

212 (A) Classified under 2022 North American Industry Classification System  
213 Subsectors 321, wood product manufacturing; 322, paper manufacturing or North  
214 American Industrial Classification industry code 33711, wood kitchen cabinet and  
215 countertop manufacturing or specific code 221117, biomass electric power  
216 generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude, intermediate,  
217 and gum and wood chemical manufacturing; 325199, all other basic organic chemical  
218 manufacturing; 337211, wood office furniture manufacturing; and 337212, custom  
219 architectural woodwork and millwork manufacturing; or

220 (B) That utilizes wood fiber, forest-derived biomass, wood residuals, or forestry  
221 by-products as a primary feedstock in the manufacture of forest products, renewable  
222 fuels, bio-based chemicals, bioenergy, or other value-added products that support or  
223 derive economic value from the forest products supply chain, regardless of the  
224 establishment's primary North American Industry Classification System code."

225 "(b)(1) In the case of a taxpayer which has operated for the immediately preceding three  
226 years an existing manufacturing or telecommunications facility or a manufacturing or  
227 telecommunications support facility in this state in a tier 1 county designated pursuant to  
228 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this

229 article in an amount equal to 5 percent of the cost of all qualified investment property  
230 purchased or acquired by the taxpayer in such year, subject to the conditions and  
231 limitations set forth in this Code section. In the event such qualified investment property  
232 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
233 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
234 or equipment, a pollution control or prevention facility, or the conversion from defense  
235 to domestic production, the amount of such credit shall be equal to 8 percent.

236 (2) In the case of a taxpayer which operates a forestry manufacturing facility in this state  
237 in a tier 1 county designated pursuant to Code Section 48-7-40, there shall be allowed a  
238 credit against the tax imposed under this article for taxable years beginning on or after  
239 January 1, 2026, and prior to January 1, 2031, in an amount equal to 15 percent of the  
240 cost of all qualified investment property purchased or acquired by the taxpayer in such  
241 year, subject to the conditions and limitations set forth in this Code section."

242 "(e)(1) Any credits earned under this Code section by a forestry manufacturer for taxable  
243 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and  
244 previously claimed but not used by such forestry manufacturer against its income tax or  
245 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided  
246 within this Code section, and in addition to the assignability provisions of Code  
247 Section 48-7-42, may be transferred or sold in whole or in part by such forestry  
248 manufacturer to another Georgia taxpayer, subject to the following conditions:

249 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits  
250 earned in a taxable year; however, the transfer or sale may involve one or more  
251 transferees; and

252 (B) Such forestry manufacturer shall submit to the department a written notification  
253 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax  
254 credits. The notification shall include such forestry manufacturer's tax credit balance  
255 prior to the transfer, the remaining balance after transfer, all tax identification numbers

256 for each transferee, the date of the transfer, the amount transferred, and any other  
257 information required by the department.

258 (2) Failure to comply with this subsection shall result in disallowance of the tax credit  
259 until the forestry manufacturer is in full compliance.

260 (3) The transfer or sale of this tax credit shall not extend the time in which such tax  
261 credit can be used. The carry-forward period for a tax credit that is transferred or sold  
262 shall begin on the date in which the tax credit was originally earned.

263 (4) A transferee shall have only such rights to claim and use the tax credit as were  
264 available to the transferor at the time of the transfer. To the extent that such transferor  
265 did not have rights to claim or use the tax credit at the time of the transfer, the department  
266 shall either disallow the tax credit claimed by the transferee or recapture the tax credit  
267 from the transferee. The transferee's recourse is against the transferor.

268 (5) The department shall prepare an annual report of the total amount of credits  
269 transferred by forestry manufacturers pursuant to this Code section for the prior year.  
270 The report required under this paragraph shall be completed no later than December 31  
271 of each year and presented to each member of the House Committee on Ways and Means  
272 and the Senate Finance Committee.

273 (6) This subsection shall stand repealed by operation of law on the last moment of  
274 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall  
275 not impair or affect a forestry manufacturer's ability to transfer an unused credit after  
276 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable  
277 years before December 31, 2030."

278 **SECTION 5.**

279 Said article is further is amended in Code Section 48-7-40.3, relating to tax credits for  
280 existing manufacturing and telecommunications facilities in tier 2 counties, by adding a new

281 paragraph to subsection (a), revising subsection (b), and adding a new subsection to read as  
282 follows:

283 “(0.5) 'Forestry manufacturing' means any business or the headquarters of such business  
284 with an establishment in this state:

285 (A) Classified under 2022 North American Industry Classification System  
286 Subsectors 321, wood product manufacturing; 322, paper manufacturing or North  
287 American Industrial Classification industry code 33711, wood kitchen cabinet and  
288 countertop manufacturing or specific code 221117, biomass electric power  
289 generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude, intermediate,  
290 and gum and wood chemical manufacturing; 325199, all other basic organic chemical  
291 manufacturing; 337211, wood office furniture manufacturing; and 337212, custom  
292 architectural woodwork and millwork manufacturing; or

293 (B) That utilizes wood fiber, forest-derived biomass, wood residuals, or forestry  
294 by-products as a primary feedstock in the manufacture of forest products, renewable  
295 fuels, bio-based chemicals, bioenergy, or other value-added products that support or  
296 derive economic value from the forest products supply chain, regardless of the  
297 establishment's primary North American Industry Classification System code.”

298 “(b)(1) In the case of a taxpayer which has operated for the immediately preceding three  
299 years an existing manufacturing or telecommunications facility or manufacturing or  
300 telecommunications support facility in this state in a tier 2 county designated pursuant to  
301 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this  
302 article in an amount equal to 3 percent of the cost of all qualified investment property  
303 purchased or acquired by the taxpayer in such year, subject to the conditions and  
304 limitations set forth in this Code section. In the event such qualified investment property  
305 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
306 equipment, a recycling manufacturing facility, pollution control or prevention machinery

307 or equipment, a pollution control or prevention facility, or the conversion from defense  
308 to domestic production, the amount of such credit shall be equal to 5 percent.

309 (2) In the case of a taxpayer which has operated a forestry manufacturing facility in this  
310 state in a tier 2 county designated pursuant to Code Section 48-7-40, there shall be  
311 allowed a credit against the tax imposed under this article in an amount equal  
312 to 10 percent of the cost of all qualified investment property purchased or acquired by the  
313 taxpayer in such year, subject to the conditions and limitations set forth in this Code  
314 section."

315 "(e)(1) Any credits earned under this Code section by a forestry manufacturer for taxable  
316 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and  
317 previously claimed but not used by such forestry manufacturer against its income tax or  
318 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided  
319 within this Code section, and in addition to the assignability provisions of Code  
320 Section 48-7-42, may be transferred or sold in whole or in part by such forestry  
321 manufacturer to another Georgia taxpayer, subject to the following conditions:

322 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits  
323 earned in a taxable year; however, the transfer or sale may involve one or more  
324 transferees; and

325 (B) Such forestry manufacturer shall submit to the department a written notification  
326 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax  
327 credits. The notification shall include such forestry manufacturer's tax credit balance  
328 prior to the transfer, the remaining balance after transfer, all tax identification numbers  
329 for each transferee, the date of the transfer, the amount transferred, and any other  
330 information required by the department.

331 (2) Failure to comply with this subsection shall result in disallowance of the tax credit  
332 until the forestry manufacturer is in full compliance.

333 (3) The transfer or sale of this tax credit shall not extend the time in which such tax  
334 credit can be used. The carry-forward period for a tax credit that is transferred or sold  
335 shall begin on the date in which the tax credit was originally earned.

336 (4) A transferee shall have only such rights to claim and use the tax credit as were  
337 available to the transferor at the time of the transfer. To the extent that such transferor  
338 did not have rights to claim or use the tax credit at the time of the transfer, the department  
339 shall either disallow the tax credit claimed by the transferee or recapture the tax credit  
340 from the transferee. The transferee's recourse is against the transferor.

341 (5) The department shall prepare an annual report of the total amount of credits  
342 transferred by forestry manufacturers pursuant to this Code section for the prior year.  
343 The report required under this paragraph shall be completed no later than December 31  
344 of each year and presented to each member of the House Committee on Ways and Means  
345 and the Senate Finance Committee.

346 (6) This subsection shall stand repealed by operation of law on the last moment of  
347 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall  
348 not impair or affect a forestry manufacturer's ability to transfer an unused credit after  
349 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable  
350 years before December 31, 2030."

351 **SECTION 6.**

352 Said article is further is amended in Code Section 48-7-40.4, relating to tax credits for  
353 existing manufacturing and telecommunications facilities or manufacturing and  
354 telecommunications support facilities in tier 3 or 4 counties, by adding a new paragraph to  
355 subsection (a), revising subsection (b), and adding a new subsection to read as follows:

356 "(0.5) 'Forestry manufacturing' means any business or the headquarters of such business  
357 with an establishment in this state:

358 (A) Classified under 2022 North American Industry Classification System  
359 Subsectors 321, wood product manufacturing; 322, paper manufacturing or North  
360 American Industrial Classification industry code 33711, wood kitchen cabinet and  
361 countertop manufacturing or specific code 221117, biomass electric power  
362 generation 325193, ethyl alcohol manufacturing; 325194, cyclic crude, intermediate,  
363 and gum and wood chemical manufacturing; 325199, all other basic organic chemical  
364 manufacturing; 337211, wood office furniture manufacturing; and 337212, custom  
365 architectural woodwork and millwork manufacturing; or

366 (B) That utilizes wood fiber, forest-derived biomass, wood residuals, or forestry  
367 by-products as a primary feedstock in the manufacture of forest products, renewable  
368 fuels, bio-based chemicals, bioenergy, or other value-added products that support or  
369 derive economic value from the forest products supply chain, regardless of the  
370 establishment's primary North American Industry Classification System code."

371 "(b)(1) In the case of a taxpayer which has operated for the immediately preceding three  
372 years an existing manufacturing or telecommunications facility or manufacturing or  
373 telecommunications support facility in this state in a tier 3 or a tier 4 county designated  
374 pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax imposed  
375 under this article in an amount equal to 1 percent of the cost of all qualified investment  
376 property purchased or acquired by the taxpayer in such year, subject to the conditions and  
377 limitations set forth in this Code section. In the event such qualified investment property  
378 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
379 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
380 or equipment, a pollution control or prevention facility, or the conversion from defense  
381 to domestic production, the amount of such credit shall be equal to 3 percent.

382 (2) In the case of a taxpayer which has operated a forestry manufacturer facility in this  
383 state in a tier 3 or a tier 4 county designated pursuant to Code Section 48-7-40, there shall  
384 be allowed a credit against the tax imposed under this article in an amount equal to 3

385 percent of the cost of all qualified investment property purchased or acquired by the  
386 taxpayer in such year, subject to the conditions and limitations set forth in this Code  
387 section."

388 "(e)(1) Any credits earned under this Code section by a forestry manufacturer for taxable  
389 years beginning on or after January 1, 2026, and prior to January 1, 2031, and before and  
390 previously claimed but not used by such forestry manufacturer against its income tax or  
391 as credit against quarterly or monthly payment under Code Section 48-7-103 as provided  
392 within this Code section, and in addition to the assignability provisions of Code  
393 Section 48-7-42, may be transferred or sold in whole or in part by such forestry  
394 manufacturer to another Georgia taxpayer, subject to the following conditions:

395 (A) Such forestry manufacturer may make only a single transfer or sale of tax credits  
396 earned in a taxable year; however, the transfer or sale may involve one or more  
397 transferees; and

398 (B) Such forestry manufacturer shall submit to the department a written notification  
399 of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax  
400 credits. The notification shall include such forestry manufacturer's tax credit balance  
401 prior to the transfer, the remaining balance after transfer, all tax identification numbers  
402 for each transferee, the date of the transfer, the amount transferred, and any other  
403 information required by the department.

404 (2) Failure to comply with this subsection shall result in disallowance of the tax credit  
405 until the forestry manufacturer is in full compliance.

406 (3) The transfer or sale of this tax credit shall not extend the time in which such tax  
407 credit can be used. The carry-forward period for a tax credit that is transferred or sold  
408 shall begin on the date in which the tax credit was originally earned.

409 (4) A transferee shall have only such rights to claim and use the tax credit as were  
410 available to the transferor at the time of the transfer. To the extent that such transferor  
411 did not have rights to claim or use the tax credit at the time of the transfer, the department

412 shall either disallow the tax credit claimed by the transferee or recapture the tax credit  
413 from the transferee. The transferee's recourse is against the transferor.

414 (5) The department shall prepare an annual report of the total amount of credits  
415 transferred by forestry manufacturers pursuant to this Code section for the prior year.  
416 The report required under this paragraph shall be completed no later than December 31  
417 of each year and presented to each member of the House Committee on Ways and Means  
418 and the Senate Finance Committee.

419 (6) This subsection shall stand repealed by operation of law on the last moment of  
420 December 31, 2030. The automatic repeal of this subsection on December 31, 2030, shall  
421 not impair or affect a forestry manufacturer's ability to transfer an unused credit after  
422 January 1, 2031, that such taxpayer accrued pursuant to this Code section for taxable  
423 years before December 31, 2030."

424 **SECTION 7.**

425 Said article is further amended by adding a new Code section to read as follows:

426 "48-7-40.4A.

427 (a) Except as otherwise provided in subsection (b) of this Code section, the aggregate  
428 amount of tax credits allowed to forestry manufacturers pursuant to Code Sections 48-7-40,  
429 48-7-40.1, 48-7-40.2, 48-7-40.3, and 48-7-40.4 shall not exceed \$250 million per year.

430 (b) The aggregate amount of tax credits allowed to forestry manufacturers in tier 3 and  
431 tier 4 counties pursuant to Code Sections 48-7-40 and 48-7-40.4 shall not exceed \$100  
432 million per year.

433 (c) No renewal or extension of tax credits allowed to forestry manufacturers pursuant to  
434 Code Sections 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, and 48-7-40.4 shall become  
435 effective unless approved by two-thirds of the members elected to each chamber of the  
436 General Assembly in a roll-call vote."

437

**SECTION 8.**

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

440

**SECTION 9.**

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