

The House Committee on Ways & Means offers the following substitute to SB 446:

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:

16 **SECTION 1.**

17 The General Assembly finds and declares that:

- 18 (1) The state should continue and expand its support of parental choice in primary and
19 secondary education and provide a variety of pathways for families to meet the unique
20 educational needs of their children, including through participation in tax credit programs
21 that support student scholarships;
- 22 (2) It is the intent of the General Assembly that the State of Georgia participate in the
23 federal tax credit scholarship program established in Section 70411 of Pub. Law. No.
24 119-21; and
- 25 (3) Georgia's initial election to participate in the federal tax credit scholarship program was
26 made in January 2026, by Governor Brian P. Kemp's submission of notice of advance
27 election to participate under 26 U.S.C. Section 25F for 2027.

28 **SECTION 2.**

29 Chapter 2A of Title 20 of the Official Code of Georgia Annotated, relating to student
30 scholarship organizations, is amended by replacing "chapter" with "article" wherever the
31 former term appears in:

- 32 (1) Code Section 20-2A-1, relating to definitions;
- 33 (2) Code Section 20-2A-2, relating to requirements for student scholarship organizations;
- 34 (3) Code Section 20-2A-2.1, relating to entities prohibited from being student scholarship
35 organizations; and
- 36 (4) Code Section 20-2A-7, relating to penalties for failure to comply with requirements of
37 chapter and violations.

38 **SECTION 3.**

39 Said chapter is further amended by designating Code Sections 20-2A-1 through 20-2A-7 as
40 Article 1 and by adding a new article to read as follows:

41 "ARTICLE 242 20-2A-20.43 Reserved.44 20-2A-21.

45 (a) The state revenue commissioner is designated to make elections on behalf of the State
46 of Georgia with respect to the federal tax credit established in Section 70411 of federal
47 Pub. Law. No. 119-21, as provided for in this article.

48 (b) The state revenue commissioner shall comply with any requirements under
49 Section 70411 of federal Pub. Law No. 119-21 and any applicable federal statutes,
50 regulations, or guidance in effect on December 31, 2026, including, but not limited to, 26
51 U.S.C. Section 25F, to ensure that the state is eligible to participate in such federal tax
52 credit in taxable years beginning after December 31, 2026.

53 (c) The state revenue commissioner shall:

54 (1) Annually, on or before the date set by the secretary of the treasury of the United
55 States, provide official notice to the secretary opting into the federal tax credit for
56 contributions of individuals to scholarship granting organizations that meet the
57 requirements of such federal tax credit. In a manner prescribed by the secretary of the
58 treasury of the United States Department of Revenue, the commissioner shall provide
59 certification of his or her authority to submit such notice. Such notice shall include a list
60 of the scholarship granting organizations located in this state that meet the requirements
61 for a scholarship granting organization under such federal tax credit. Such list shall
62 immediately be published on the website of the Department of Revenue; and

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

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

70 **SECTION 4.**

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

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

79 **SECTION 5.**

80 This Act shall become effective upon its approval by the Governor or upon its becoming law
81 without such approval and shall apply to all taxable years beginning on or after January 1,
82 2027.

83 **SECTION 6.**

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