

The Senate Committee on Finance offered the following substitute to HB 169:

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 for income taxes, so as to
3 create a tax credit for certain employers that offer individual coverage health reimbursement
4 arrangements to employees; to provide for terms, conditions, and limitations; to provide for
5 preapproval; to provide for aggregate annual limits; to provide for rules and regulations; to
6 provide for definitions; to provide for a sunset; to provide for related matters; to provide for
7 a short title; to provide for an effective date and applicability; to repeal conflicting laws; and
8 for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 This Act shall be known and may be cited as the "Georgia Small Business Resiliency Act."

12 **SECTION 2.**

13 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
14 imposition, rate, computation, exemptions, and credits for income taxes, is amended by
15 revising Code Section 48-7-40.10, which is reserved, as follows:

16 "48-7-40.10.

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

18 (1) 'Covered employee' means an employee who is covered by an individual coverage
19 health reimbursement arrangement provided by a qualified taxpayer.

20 (2) 'Individual coverage health reimbursement arrangement' means a health
21 reimbursement arrangement established pursuant to 45 C.F.R. Section 146.123.

22 (3) 'Qualified taxpayer' means any taxpayer employing fewer than 50 employees that
23 offers each covered employee at least ten paid days off for vacation and personal
24 necessity, some form of paid parental leave, access to a health savings account, and an
25 individual coverage health reimbursement arrangement.

26 (b) For taxable years beginning on or after January 1, 2026, a qualified taxpayer shall be
27 allowed a tax credit against the tax imposed under this article where:

28 (1) The qualified taxpayer contributed at least \$200.00 per month to an individual
29 coverage health reimbursement arrangement for each covered employee; and

30 (2) The contribution made by the qualified taxpayer for each employee for which the
31 qualified taxpayer is seeking a credit pursuant to this Code section is equal to or greater
32 than the total amount of contributions to any employer sponsored health benefit plan
33 made by the qualified taxpayer for such employee in the previous taxable year.

34 (c)(1) The amount of the credit allowed pursuant to this Code section shall not exceed
35 an amount equal to:

36 (A) In the first three years a credit is claimed pursuant to this Code section, \$600.00
37 per covered employee;

38 (B) In the fourth year a credit is claimed pursuant to this Code section, \$400.00 per
39 covered employee; and

40 (C) In the fifth year a credit is claimed pursuant to this Code section, \$200.00 per
41 covered employee.

42 (2) No qualified taxpayer shall be allowed a tax credit pursuant to this Code section for
43 more than five total years.

44 (d) In no event shall the aggregate amount of tax credits allowed pursuant to this Code
45 section exceed \$10 million per year.

46 (e)(1) To be allowed a tax credit pursuant to this Code section, a taxpayer shall submit
47 an application for preapproval no later than October 1 of the year preceding the year in
48 which the credit pursuant to this Code section would be allowed.

49 (2) The department shall require preapproval applications to contain such information
50 as is necessary to substantiate a taxpayer's eligibility for tax credits allowed pursuant to
51 this Code section.

52 (3) The department shall review completed preapproval applications in the order in
53 which such applications were received; provided, however, that the department shall
54 prioritize the review of completed preapproval applications from qualified taxpayers that
55 have already claimed a credit pursuant to this Code section before any other preapproval
56 applications.

57 (4) The department shall approve properly completed and timely submitted preapproval
58 applications and shall issue preapproval certificates to approved taxpayers by
59 November 1 of each year, certifying the amount of credits each such taxpayer is eligible
60 to claim if the taxpayer meets the conditions of this Code section.

61 (f) If the qualified taxpayer allowed a tax credit pursuant to this Code section is a
62 pass-through entity and has no income tax liability pursuant to this article, such tax credit
63 may be claimed by its members, shareholders, or partners based on the percentage of such
64 qualified taxpayer's distributive income to which the member, shareholder, or partner is
65 entitled.

66 (g) In no event shall the total amount of a tax credit allowed to any qualified taxpayer
67 pursuant to this Code section exceed such taxpayer's income tax liability. No unused tax

68 credit shall be allowed the qualified taxpayer against succeeding years' tax liability. No
69 such credit shall be allowed the qualified taxpayer against prior years' tax liability.

70 (h) The department shall promulgate any rules and regulations necessary to implement and
71 administer the provisions of this Code section.

72 (i) This Code section shall stand repealed and reserved on December 31, 2030. Reserved."

73 **SECTION 3.**

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

76 **SECTION 4.**

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