

The House Committee on Rules offers the following substitute to SB 515:

A BILL TO BE ENTITLED

AN ACT

1 To amend Part 9 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia
2 Annotated, relating to grants for educational programs under the "Quality Basic Education
3 Act," so as to increase the maximum number of participating teachers in the teacher
4 recruitment and retention tax credit program from 1,000 to 1,200 each year; to revise and
5 streamline provisions relative to such program; to reduce the amount of the annual tax credit
6 available to new participants from \$3,000.00 to \$2,500.00 after a date certain; to provide for
7 an exception; to repeal certain requirements for qualifying public schools; to provide for new
8 requirements for qualifying public schools based on school performance; to provide for
9 prioritized selection as necessary; to provide for rules and procedures; to extend deadline for
10 program applications; to provide for definitions; to amend Article 2 of Chapter 7 of Title 48
11 of the Official Code of Georgia Annotated, relating to income tax imposition, rate,
12 computation, exemptions, and credits, so as to revise tax credits for donation of real property
13 for conservation purposes; to revise required filings; to repeal provisions regarding the State
14 Properties Commission; to revise the aggregate amount of tax credits allowed; to extend the
15 date for acceptance of new applications; to repeal penalty provisions; to repeal a definition;
16 to provide for tax credit amounts; to provide that the total amount of tax credits shall not
17 exceed \$3 million in any fiscal year; to provide for related matters; to provide for effective
18 dates; to repeal conflicting laws; and for other purposes.

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

20 SECTION 1.

21 Part 9 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
 22 relating to grants for educational programs under the "Quality Basic Education Act," is
 23 amended by revising Code Section 20-2-251, relating to teacher recruitment and retention
 24 program, purpose, annual evaluation of program, and maximum participation, as follows:

25 "20-2-251.

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

27 (1) 'Department' means the Department of Education.

28 ~~(1.1) 'High-need subject area' means one of the three content areas for which there are~~
 29 ~~the greatest percentages of unfilled positions for classroom teachers in a RESA service~~
 30 ~~area as determined annually for each RESA service area by the department based upon~~
 31 ~~a five-year average review of a survey reported by local school systems to the~~
 32 ~~department.~~

33 ~~(2) 'Participating local school system' means a local school system that participates in the~~
 34 ~~program by receiving grant money from the state and disbursing it to participating~~
 35 ~~teachers.~~

36 ~~(3) 'Participating school' means a qualifying public school that has been selected by the~~
 37 ~~department to participate in the program.~~

38 ~~(4)~~(2) 'Participating teacher' means a teacher, as defined in subsection (a) of Code
 39 Section 20-2-942, who is eligible to participate and does participate in the program.

40 ~~(5)~~(3) 'Postsecondary educational institution' means a school which is:

41 (A) ~~A unit~~ An institution of the University System of Georgia, including any college
 42 or university under the government, control, and management of the Board of Regents
 43 of the University System of Georgia; or

44 (B) An independent or private college or university located in Georgia this state and
 45 eligible to be deemed an approved school as defined in ~~paragraph (2)~~ of Code Section
 46 20-3-411.

47 ~~(6)~~(4) 'Program' means the teacher recruitment and retention program provided for in this
 48 Code section.

49 ~~(7)~~(5) 'Qualifying public school' means a public school in this state that is designated by
 50 the department as qualified to participate in the program that is located in a rural territory
 51 in this state or a school that has performed in the lowest 5 percent of schools in this state
 52 as identified in accordance with the state-wide accountability system established in the
 53 state plan pursuant to the federal Every Student Succeeds Act.

54 ~~(8)~~(6) 'Recently hired' means a teacher, whether a new or experienced teacher, who has
 55 accepted his or her first school year employment contract to teach at a qualifying public
 56 school during the immediately preceding school year, whose employment contract was
 57 renewed for the current school year, and who remains an employee in good standing with
 58 such qualifying public school for the 2021-2022 school year, for the current school year,
 59 or for the immediately upcoming school year.

60 ~~(9)~~(7) 'Rural territory' means territory that is more than five miles from the nearest
 61 'urbanized area' and more than two and one-half miles from the nearest 'urban cluster' as
 62 such terms are defined in OMB Standards for Defining Metropolitan and Micropolitan
 63 Statistical Areas, 65 Fed. Reg. 82238.

64 ~~(10)~~'School year contract' means a contract of full-time employment between a teacher
 65 and a local board of education covering a full school year. A contract of employment for
 66 a portion of a school year shall not be counted as a school year contract, nor shall
 67 contracts of employment for portions of a school year be cumulated and treated as a
 68 school year contract. A contract of employment for any time outside a school year shall
 69 not be counted as a school year contract, nor shall contracts of employment for time
 70 outside a school year be cumulated and treated as a school year contract. A school year

71 ~~contract is deemed included within a contract of full-time employment between a teacher~~
72 ~~and a local board of education covering a full calendar or fiscal year.~~

73 ~~(11)(8)~~ (8) 'State board' means the State Board of Education.

74 (b)(1) The state board shall establish a teacher recruitment and retention program. The
75 purpose of such program shall be to encourage both new and experienced teachers to seek
76 employment ~~with qualifying public schools in high-need subject areas~~ at a qualifying
77 public school by providing for a tax credit as ~~provided for~~ set forth in Code Section
78 48-7-29.23 ~~to each participating teacher~~ in the amount of ~~\$3,000.00~~ \$2,500.00 per school
79 year for no more than five school years, which ~~must~~ shall be consecutive, subject to
80 conditions as provided for in this Code section, ~~and subject to the exception provided for~~
81 in paragraph (2) of this subsection. The state board is authorized to promulgate rules,
82 regulations, policies, and procedures appropriate and necessary to implement and
83 administer this program.

84 (2) No individual who was eligible to receive a \$3,000.00 tax credit under this Code
85 section in effect on December 31, 2026, shall have the amount of such tax credit reduced
86 pursuant to paragraph (1) of this subsection.

87 (c)(1) By ~~October~~ December 1 of each year, the ~~department shall determine which public~~
88 ~~schools in this state are qualifying public schools and shall publish a list of all qualifying~~
89 ~~public schools on the department's website. For purposes of the program, a school that~~
90 ~~has been designated as a qualifying public school shall be eligible for selection as a~~
91 ~~participating school for the current school year and for at least the immediately upcoming~~
92 ~~school year. The department shall develop criteria for the selection of no more than 100~~
93 ~~participating~~ qualifying public schools ~~from the total number of qualifying public schools~~
94 and shall publish such selection criteria simultaneously with the publication of the list of
95 qualifying public schools on the department's website; provided, however, that such
96 criteria shall include prioritizing: ~~qualifying public schools with teacher vacancies in~~
97 ~~high-need subject areas.~~

- 98 (A) Public schools that are turnaround eligible schools, as such term is defined in Code
 99 Section 20-14-45;
- 100 (B) Public schools on the separate list of public schools that performed in the lowest 25
 101 percent of all public schools required under Code Section 20-2B-29; and
- 102 (C) Comprehensive support and improvement (CSI) schools requiring mandatory
 103 state-led interventions pursuant to the federal Every Student Succeeds Act of 2015.
- 104 ~~(2) By December 1 of each year, the department shall select no more than 100~~
 105 ~~participating schools and shall publish a list of all participating schools on the~~
 106 ~~department's website. At this time, the department shall also publish a list of the~~
 107 ~~high-need subject areas as determined for each RESA service area. A school that has~~
 108 ~~been designated as a participating school shall be eligible to participate in the program~~
 109 ~~for the current school year and for at least the immediately upcoming school year. The~~
 110 ~~department shall determine the total number of participating teachers authorized for each~~
 111 ~~participating school, as well as the high-need subject areas, which may be filled for each~~
 112 ~~participating school.~~
- 113 ~~(3)~~(2) The department is authorized to receive applications from teachers who meet the
 114 eligibility criteria provided for in subsection (e) of this Code section and is authorized to
 115 share with participating local school systems and participating other public schools such
 116 applications and related materials submitted by teachers.
- 117 ~~(4)~~(3) The department is authorized to provide guidance and technical assistance to
 118 teachers, participating schools, and local school systems, and other public schools with
 119 participating schools regarding the program.
- 120 (d) The Office of Student Achievement, in consultation with the department, shall
 121 establish program objectives and shall annually measure and evaluate the program.
 122 ~~Beginning with the 2023-2024 school year, by December 1 of each year, the Office of~~
 123 ~~Student Achievement shall provide to the Governor, to the House Education Committee~~
 124 ~~and the Senate Committee on Education and Youth, and to the state board a report covering~~

125 ~~the immediately preceding school year and including, at a minimum, the following~~
126 ~~information:~~

127 ~~(1) The positions filled by participating teachers with corresponding information~~
128 ~~regarding the subject matter and grade or grades taught; and~~

129 ~~(2) The length of time participating teachers have been participating in the program.~~

130 (e)(1) In order to be eligible to participate in the program, a teacher shall:

131 (A) Have been recently hired by a qualifying public school and shall have as his or her
132 primary responsibility the academic instruction and support of students in the areas of
133 mathematics; special education; career, technical, and agricultural education; or
134 reading, writing, or English language arts; provided, however, that such teachers in the
135 area of reading, writing, or English language arts shall hold a current dyslexia or
136 reading endorsement approved by the Professional Standards Commission ~~been~~
137 ~~recently hired to teach in a high-need subject area at a participating school;~~

138 (B) Have attained a bachelor's degree in education from a postsecondary educational
139 institution with a teacher certification program approved by the Georgia Professional
140 Standards Commission; and

141 (C) Hold a valid five-year induction or professional certificate issued by the Georgia
142 Professional Standards Commission.

143 (2) Teachers who meet the eligibility criteria provided for in paragraph (1) of this
144 subsection and who wish to participate in the program shall submit to the department a
145 completed application to participate in the such program, on a form and in a manner
146 prescribed by the department. ~~Each application shall, at a minimum, include:~~

147 ~~(A) A copy of the teacher's school year contract to teach at a participating school; and~~

148 ~~(B) Written verification from the principal or other school personnel of the~~
149 ~~participating school that the teacher was recently hired as defined in this Code section.~~

150 (3)(A) Eligible teachers who complete the application process prescribed by the
151 department shall be accepted to participate in the program on annual basis, subject to

152 continuation of the program and the provisions of subsection (g) of this Code section
153 and except for good cause shown by the department.

154 (B) A teacher who is accepted by the department to participate in the program shall be
155 allowed to continue as a participating teacher in the program on an annual basis for up
156 to five school years, which must be consecutive, provided that he or she remains
157 employed pursuant to a school year an employment contract as a teacher at the same
158 school continuously, ~~regardless of whether the school remains a participating or~~
159 ~~qualifying public school and regardless of whether the participating teacher's subject~~
160 ~~area remains a high-need subject area,~~ and subject to continuation of the program and
161 the provisions of subsection (g) of this Code section and except for good cause shown
162 by the department.

163 (C) A participating teacher who is involuntarily transferred to another school within
164 the same ~~participating~~ local school system shall be eligible to continue participating in
165 the program on the same terms and conditions as provided in subparagraph (B) of this
166 paragraph. A participating teacher who voluntarily transfers to another school shall not
167 be eligible to continue participating in the program effective immediately upon the
168 transfer.

169 (D) ~~A participating teacher who receives an annual summative performance evaluation~~
170 ~~rating of 'Ineffective,' as provided for in Code Section 20-2-210, shall be permanently~~
171 ~~ineligible to participate in the program upon the conclusion of the school year in which~~
172 ~~he or she received such rating.~~

173 (E) A participating teacher who lawfully takes a leave of absence pursuant to any state
174 or federal law shall retain eligibility to continue participating in the program, provided
175 that he or she remains continuously employed pursuant to an employment a school year
176 contract as a teacher at the same school ~~continuously~~.

177 (f) By July 31 of each year, the department shall notify the state revenue commissioner of
 178 each participating teacher who has satisfied all terms and conditions of the program for the
 179 immediately preceding school year.

180 (g) The number of participating teachers in the program in any school year shall be limited
 181 to ~~1,000 participating teachers~~ 1,200 state wide. In the event that applications exceed 1,200
 182 participating teachers state wide, the department, in consultation with the Professional
 183 Standards Commission and the Office of Student Achievement, shall develop and
 184 implement rules and procedures for a selection plan with priority consideration given to
 185 participating teachers at qualifying public schools in a rural territory. The department shall
 186 publish such rules and procedures on its website. In the discretion of the department,
 187 participation in the program may be determined according to the following order of
 188 priority:

189 (1) ~~Participating teachers shall be prioritized over teachers not yet participating in the~~
 190 ~~program; and~~

191 (2) ~~Among teachers participating in the program, those who are currently teaching a~~
 192 ~~high-need subject area shall be prioritized over those who are not teaching a high-need~~
 193 ~~subject area, and those with greater seniority in the program shall be prioritized over~~
 194 ~~those with less seniority.~~

195 (h) No new applications for the program shall be accepted after December 31, ~~2026~~ 2031."

196 **SECTION 2.**

197 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
 198 income tax imposition, rate, computation, exemptions, and credits, is amended by revising
 199 Code Section 48-7-29.12, relating to tax credits for donation of real property for conservation
 200 purposes, as follows:

201 "48-7-29.12.

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

- 203 (1) 'Conservation easement' means a nonpossessory interest in real property imposing
204 limitations or affirmative obligations, the purposes of which are consistent with at least
205 two conservation purposes.
- 206 (2) 'Conservation purpose' means any of the following:
- 207 (A) Water quality protection for wetlands, rivers, streams, or lakes;
 - 208 (B) Protection of wildlife habitat consistent with state wildlife conservation policies;
 - 209 (C) Protection of outdoor recreation consistent with state outdoor recreation policies;
 - 210 (D) Protection of prime agricultural or forestry lands; and
 - 211 (E) Protection of cultural sites, heritage corridors, or archeological and historic
212 resources.
- 213 (3) 'Donated property' means the real property of which a qualified donation is made
214 pursuant to this Code section.
- 215 (4) 'Eligible donor' means any person who owns an interest in a qualified donation.
- 216 (5) 'Fair market value' means the value of the donated property as determined pursuant
217 to subsections ~~(c.1)~~ (d) and ~~(c.2)~~ (e) of this Code section.
- 218 (6) 'Qualified donation' means the fee simple conveyance to the state; a county, a
219 municipality, or a consolidated government of this state; the federal government; or a
220 bona fide charitable nonprofit organization qualified under the Internal Revenue Code
221 and, beginning on January 1, 2014, accredited by the Land Trust Accreditation
222 Commission of 100 percent of all right, title, and interest in the entire parcel of donated
223 real property, and the donation is accepted by such state, county, municipality,
224 consolidated government, federal government, or bona fide charitable nonprofit
225 organization for use in a manner consistent with at least two conservation purposes. Such
226 term shall also include the donation to and acceptance by the state; a county, a
227 municipality, or a consolidated government of this state; the federal government; or a
228 bona fide charitable nonprofit organization qualified under the Internal Revenue Code
229 and, beginning on January 1, 2014, accredited by the Land Trust Accreditation

230 Commission of a conservation easement. Any real property which is otherwise required
231 to be dedicated pursuant to local government regulations or ordinances or to increase
232 building density levels shall not be eligible as a qualified donation under this Code
233 section. Any real property which is used for or associated with the playing of golf or is
234 planned to be so used or associated shall not be eligible as a qualified donation under this
235 Code section.

236 (7) 'Related person' ~~has the meaning provided by~~ shall have the same meaning as set
237 forth in Code Section 48-7-28.3.

238 (8) 'Substantial valuation misstatement' means a valuation such that the claimed value
239 of any property on the appraisal as submitted to the ~~State Properties Commission~~
240 Department of Natural Resources is 150 percent or more of the amount determined to be
241 the correct amount of such valuation ~~pursuant to subsections (c.1) and (c.2) of this Code~~
242 section by the Department of Natural Resources.

243 (b)(1) A taxpayer shall be allowed a state income tax credit against the tax imposed by
244 Code Section 48-7-20 or 48-7-21 for each qualified donation under this Code section.

245 (2) Except as otherwise provided in paragraph (3) of this subsection and in
246 subsection ~~(d)~~(f) of this Code section, such credit shall be limited to an amount not to
247 exceed the lesser of ~~\$500,000.00, 25 percent~~ \$1 million, 50 percent of the fair market
248 value of the donated real property as fair market value is established for the year in which
249 the donation occurred, or ~~25~~ 50 percent of the difference between the fair market value
250 and the amount paid to the donor if the donation is effected by a sale of property for less
251 than fair market value as established for the year in which the donation occurred.

252 (3) Except as otherwise provided in subsection ~~(d)~~(f) of this Code section, in the case of
253 a taxpayer whose net income is determined under Code Section 48-7-23, the aggregate
254 total credit allowed to all partners in a partnership shall be limited to an amount not to
255 exceed the lesser of ~~\$500,000.00, 25 percent~~ \$1 million, 50 percent of the fair market
256 value of the donated real property as fair market value is established for the year in which

257 the donation occurred, or ~~25~~ 50 percent of the difference between the fair market value
258 and the amount paid to the donor if the donation is effected by a sale of property for less
259 than fair market value as established for the year in which the donation occurred.

260 (c) No tax credit shall be allowed under this Code section unless the taxpayer files with
261 the taxpayer's income tax return ~~a copy of the State Property Commission's determination~~
262 ~~and~~ a copy of a certification issued by the Department of Natural Resources that the
263 donated property is suitable for conservation purposes and meets the following additional
264 requirements, where applicable:

265 (1) Subdivision is prohibited for a donated property of less than 500 acres and limited
266 to one subdivision for a donated property of 500 acres or more;

267 (2) New construction on donated property of structures, roads, impoundments, ditches,
268 dumping, or any other activity that would harm the protected conservation values of such
269 donation is prohibited on such property;

270 (3) New construction on donated property within 150 feet of any perennial or
271 intermittent stream is prohibited;

272 (4) A buffer of at least 100 feet on each side of any perennial streams on donated
273 property which ensures at least 75 percent tree canopy evenly distributed after harvest is
274 maintained and a buffer of at least 50 feet on each side of any intermittent streams on
275 donated property which ensures at least 75 percent tree canopy evenly distributed after
276 harvest is maintained;

277 (5) Timber and agricultural activities undertaken on the donated property are prohibited
278 unless in accordance with best management practices published by the State Forestry
279 Commission or the Soil and Water Conservation Commission, as the case may be;

280 (6) New construction on donated property causing more than 1 percent of such property's
281 total surface area to be covered by impervious surfaces is prohibited;

282 (7) Mining on the property is prohibited; and

283 (8) Planting on the donated property of non-native invasive species listed in Category 1,
284 Category 1 Alert, or Category 2 of the 'List of Non-Native Invasive Plants in Georgia'
285 developed by the Georgia Exotic Pest Council is prohibited.

286 ~~(c.1)~~(d) For each application for certification, the Department of Natural Resources shall
287 require submission of an appraisal of the qualified donation by the taxpayer along with a
288 nonrefundable \$5,000.00 application fee; provided, however, that the nonrefundable
289 application fee for property donated to the state shall be 1 percent of the total value of the
290 donation, unless such donation is being made to qualify the state for a federal or state grant.
291 The appraisal required by this subsection shall be a full narrative appraisal and include:

292 (1) A certification page, as established by the Uniform Standards of Professional
293 Appraisal Practice, signed by the appraiser; and

294 (2) An affidavit signed by the appraiser which includes a statement specifying:

295 (A) The value of the unencumbered property, the total value of the qualified donation
296 in gross, and an accompanying statement identifying the methods used to determine
297 such values;

298 (B) Whether a subdivision analysis was used in the appraisal;

299 (C) Whether the landowner or related persons own any other property, the value of
300 which is increased as a result of the donation; and

301 (D) That the appraiser is certified pursuant to Chapter 39A of Title 43.

302 Appraisals received by the Department of Natural Resources shall be reviewed by the
303 Department of Natural Resources to determine whether the appraisal contains a substantial
304 valuation misstatement. In reviewing appraisals, the Department of Natural Resources may
305 conduct its own appraisal of the property; hire an independent, third-party appraiser to
306 conduct an appraisal of the property; or require that the applicant submit an additional
307 appraisal from an independent, third-party appraiser. If the Department of Natural
308 Resources determines that an appraisal contains a substantial valuation misstatement, the
309 Department of Natural Resources shall report the appraiser who prepared the appraisal to

310 ~~the Georgia Real Estate Commission for investigation and, if warranted, disciplinary action~~
311 ~~forwarded to the State Properties Commission for review. The State Properties~~
312 ~~Commission shall approve the appraisal amount submitted or recommend a lower amount~~
313 ~~based on its review and inform the Department of Natural Resources of its determination.~~
314 ~~The State Properties Commission shall be authorized to promulgate any rules and~~
315 ~~regulations necessary to administer the provisions of this subsection. Any appraisal~~
316 ~~deemed to contain a substantial valuation misstatement shall be submitted to the Georgia~~
317 ~~Real Estate Commission for further investigation and disciplinary action. Upon receipt of~~
318 ~~the State Properties Commission's determination, the Department of Natural Resources~~
319 ~~may proceed with the certification process.~~

320 ~~(c.2)(e)~~ The Board of Natural Resources shall promulgate any rules and regulations
321 necessary to implement and administer subsections (c) and ~~(c.1)(d)~~ of this Code section.
322 A final determination by the Department of Natural Resources ~~or the State Properties~~
323 ~~Commission~~ shall be subject to review and appeal under Chapter 13 of Title 50, the
324 'Georgia Administrative Procedure Act.'

325 ~~(d)(f)(1)~~ In no event shall the total amount of any tax credit under this Code section for
326 a taxable year exceed the taxpayer's income tax liability. In no event shall the total
327 amount of the tax credit allowed to a taxpayer under subsection (b) of this Code section
328 exceed ~~\$250,000.00~~ \$500,000.00 with respect to tax liability determined under Code
329 Section 48-7-20 or ~~\$500,000.00~~ \$1 million with respect to tax liability determined under
330 Code Section 48-7-21. Any unused tax credit shall be allowed to be carried forward to
331 apply to the taxpayer's succeeding five years' tax liability. However, the amount in
332 excess of such annual dollar limits shall not be eligible for carryover to the taxpayer's
333 succeeding years' tax liability nor shall such excess amount be claimed by or reallocated
334 to any other taxpayer. No such tax credit shall be allowed the taxpayer against prior
335 years' tax liability.

336 (2) Only one qualified donation may be made with respect to any real property that was,
337 in the five years prior to donation, within the same tax parcel of record, except that a
338 subsequent donation may be made by a person who is not a related person with respect
339 to any prior eligible donors of any portion of such tax parcel.

340 (3)(A) Beginning on January 1, 2016, and ending on December 31, 2021, the aggregate
341 amount of tax credits allowed under this Code section shall not exceed \$30 million per
342 calendar year. For the period beginning on June 1, 2022, and ending on
343 December 31, 2026, the aggregate amount of tax credits allowed under this Code
344 section shall not exceed \$4 million per calendar year. For the period beginning on
345 June 1, 2026, and ending on December 31, 2031, the aggregate amount of tax credits
346 allowed under this Code section shall not exceed \$4 million per calendar year. The
347 Department of Natural Resources shall accept no new applications for the tax credits
348 allowed under this Code section after December 31, ~~2026~~ 2031.

349 (B) Prior to any renewal of the exemption for donations of real property beyond the
350 date authorized by subparagraph (A) of this paragraph, the Department of Natural
351 Resources shall provide a report to the Governor, the President of the Senate, the
352 Speaker of the House of Representatives, and the chairpersons of the House Committee
353 on Ways and Means and the Senate Finance Committee on the activity of the program
354 occurring during the preceding years. The report shall include, but not be limited to:

- 355 (i) The number of applications and the total number of acres donated;
356 (ii) The value of the qualified donations accepted into the program and which two of
357 the five conservation purposes contained in paragraph (2) of subsection (a) of this
358 Code section were the basis for the qualification of the property;
359 (iii) The aggregate amount of income tax credits granted pursuant to this Code
360 section; and
361 (iv) A listing of the direct and indirect benefits to the state due to the donation of land
362 for conservation purposes.

363 ~~(d.1)~~(g) Any tax credits under this Code section earned by a taxpayer in the taxable years
364 beginning on or after January 1, 2013, and previously claimed but not used by such
365 taxpayer against such taxpayer's income tax may be transferred or sold in whole or in part
366 by such taxpayer to another Georgia taxpayer, subject to the following conditions:

367 (1) The transferor may make only a single transfer or sale of tax credits earned in a
368 taxable year; however, the transfer or sale may involve one or more transferees;

369 (2) The transferor shall submit to the department a written notification of any transfer or
370 sale of tax credits within 30 days after the transfer or sale of such tax credits. The
371 notification shall include such transferor's tax credit balance prior to transfer, the
372 remaining balance after transfer, all tax identification numbers for each transferee, the
373 date of transfer, the amount transferred, and any other information required by the
374 department;

375 (3) Failure to comply with this subsection shall result in the disallowance of the tax
376 credit until the taxpayer is in full compliance;

377 (4) Any unused credit may be carried forward to subsequent taxable years provided that
378 the transfer or sale of this tax credit does not extend the time in which such tax credit can
379 be used. The carry-forward period for tax credit that is transferred or sold shall begin on
380 the date on which the tax credit was originally earned; and

381 (5) A transferee shall have only such rights to claim and use the tax credit that were
382 available to the transferor at the time of the transfer. To the extent that such transferor
383 did not have rights to claim and use the tax credit at the time of the transfer, the
384 department shall either disallow the tax credit claimed by the transferee or recapture the
385 tax credit from the transferee. The transferee's recourse is against the transferor.

386 ~~(e)(1) Whenever:~~

387 ~~(A) Any person prepares an appraisal of the value of property and knows, or~~
388 ~~reasonably should have known, that the appraisal would be used in connection with a~~
389 ~~return or a claim for refund claiming a tax credit under this Code section; and~~

390 ~~(B) The claimed value of the property on such appraisal as submitted to the State~~
391 ~~Properties Commission results in a substantial valuation misstatement with respect to~~
392 ~~such property for purposes of claiming a tax credit under this Code section;~~
393 ~~then such person shall pay a penalty in the amount determined under paragraph (2) of this~~
394 ~~subsection.~~

395 ~~(2) The amount of the penalty imposed under paragraph (1) of this subsection on any~~
396 ~~person with respect to an appraisal shall be equal to the lesser of:~~

397 ~~(A) The greater of:~~

398 ~~(i) Twenty-five percent of the difference between the amount of the tax credit~~
399 ~~claimed on the taxpayer's return or claim for refund and the amount of the tax credit~~
400 ~~to which the taxpayer is actually entitled, to the extent the difference is attributable~~
401 ~~to the misstatement described in paragraph (1) of this subsection; or~~

402 ~~(ii) Ten thousand dollars; or~~

403 ~~(B) One hundred twenty-five percent of the gross income received by the person~~
404 ~~described in paragraph (1) of this subsection for the preparation of the appraisal.~~

405 ~~(3) No penalty shall be imposed under paragraph (1) of this subsection if the person~~
406 ~~establishes to the satisfaction of the commissioner that the value established in the~~
407 ~~appraisal was more likely than not the proper value.~~

408 ~~(4) Except as otherwise provided, the penalty provided by this subsection shall be in~~
409 ~~addition to any other penalties provided by law. The amount of any penalty under this~~
410 ~~subsection shall be assessed within three years after the return or claim for refund with~~
411 ~~respect to which the penalty is assessed was filed, and no proceeding in court without~~
412 ~~assessment for the collection of such penalty shall be begun after the expiration of such~~
413 ~~period. Any claim for refund of an overpayment of the penalty assessed under this~~
414 ~~subsection shall be filed within three years from the time the penalty was paid.~~

415 ~~(f)(h)~~ No credit shall be allowed under this Code section with respect to any amount
416 deducted from taxable net income by the taxpayer as a charitable contribution.

417 ~~(g)~~(i) The commissioner shall promulgate any rules and regulations necessary to
 418 implement and administer this Code section."

419 **SECTION 3.**

420 Said article is further amended in Code Section 48-7-29.23, relating to tax credits for teachers
 421 in the teacher recruitment and retention program, by revising subsection (a) and adding a new
 422 subsection to read as follows:

423 "(a) A taxpayer who is designated by the Department of Education as a participating
 424 teacher in the teacher recruitment and retention program provided for in Code
 425 Section 20-2-251 shall be allowed a credit against the tax imposed by Code
 426 Section 48-7-20 ~~in an amount equal to \$3,000.00~~ as follows:

427 (1) For individuals designated by the Department of Education as participating teachers
 428 on or after January 1, 2027, \$2,500.00, except as provided in paragraph (2) of this
 429 subsection; and

430 (2) For individuals designated by the Department of Education as participating teachers
 431 on or before December 31, 2026, and for the duration of their eligibility to participate in
 432 such program, \$3,000.00."

433 "(b.1) In no event shall the total amount of tax credits under this Code section
 434 exceed \$3 million in any fiscal year. In the event that such amount is not sufficient to pay
 435 the full tax credit to each eligible recipient, the tax credit for each eligible recipient shall
 436 be reduced on a pro rata basis."

437 **SECTION 4.**

438 (a) Except as otherwise provided in subsection (b) of this section, this Act shall become
 439 effective upon its approval by the Governor or upon its becoming law without such approval.

440 (b) Sections 1 and 3 of this Act shall become effective on January 1, 2027.

441

SECTION 5.

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