

ADOPTED

Representative Petrea of the 166th offers the following amendment:

1 *Amend HB 134 (LC 59 0315S) by replacing lines 1 through the end with the following:*

2 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
3 relating to imposition, rate, computation, exemptions, and credits relative to income taxes,
4 so as to provide for various tax credits for forestry manufacturing facilities; to provide for
5 transfer of tax credits and conditions; to provide for reporting; to provide for aggregate
6 maximum amounts of tax credits; to require approval of future amendments by a two-thirds'
7 vote of each chamber of the General Assembly; to provide for effective dates and automatic
8 repeals; to provide for definitions; to provide for a short title; to provide for related matters;
9 to provide for an effective date and applicability; to repeal conflicting laws; and for other
10 purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

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

14 **SECTION 2.**

15 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
16 imposition, rate, computation, exemptions, and credits relative to income taxes, is amended
17 in Code Section 48-7-40, relating to designation of counties as less developed areas and tax
18 credits for certain business enterprises, by revising paragraph (2) of subsection (a) and adding
19 new paragraphs, revising paragraph (2) of subsection (e), and adding a new subsection to
20 read as follows:

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

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

40 "(4.1) 'Forestry manufacturing' or 'forestry manufacturer' means any business with an
41 establishment in this state that is certified by the state revenue commissioner in
42 consultation with the director of the State Forestry Commission as an establishment that
43 utilizes wood fiber, forest-derived biomass, wood residuals, or forestry by-products, from
44 domestically sourced virgin timber, as a primary feedstock in the manufacture of forest
45 products, renewable fuels, bio-based chemicals, bioenergy, or other value-added products
46 that support or derive economic value from the forest products supply chain, regardless
47 of the establishment's primary North American Industry Classification System code."

48 “(2) Existing business enterprises and, for taxable years beginning on or after January 1,
49 2026, and prior to January 1, 2031, forestry manufacturers shall be allowed an additional
50 tax credit for taxes imposed under this article equal to \$500.00 per eligible new full-time
51 employee job the first year in which the new full-time employee job is created. The
52 additional credit shall be claimed in the first taxable year in which the new full-time
53 employee job is created. The number of new full-time employee jobs shall be determined
54 by comparing the monthly average number of full-time employees subject to Georgia
55 income tax withholding for the taxable year with the corresponding period of the prior
56 taxable year. In tier 1 counties, those existing business enterprises and forestry
57 manufacturers that increase employment by five or more shall be eligible for the credit.
58 In tier 2 counties, only those existing business enterprises and forestry manufacturers that
59 increase employment by ten or more shall be eligible for the credit. In tier 3 counties,
60 only those existing business enterprises and forestry manufacturers that increase
61 employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those
62 existing business enterprises and forestry manufacturers that increase employment by 25
63 or more shall be eligible for the credit. The average wage of the new jobs created must
64 be above the average wage of the county that has the lowest average wage of any county
65 in the state to qualify as reported in the most recently available annual issue of the
66 Georgia Employment and Wages Averages Report of the Department of Labor. To
67 qualify for a credit under this paragraph, the employer must make health insurance
68 coverage available to the employee filling the new full-time job; provided, however, that
69 nothing in this paragraph shall be construed to require the employer to pay for all or any
70 part of health insurance coverage for such an employee in order to claim the credit
71 provided for in this paragraph if such employer does not pay for all or any part of health
72 insurance coverage for other employees. Credit shall not be allowed during a year if the
73 net employment increase falls below the number required in such tier. Any credit
74 generated and utilized for years prior to the year in which the net employment increase

75 falls below the number required in such tier shall not be affected. The state revenue
76 commissioner shall adjust the credit allowed each year for net new employment
77 fluctuations above the minimum level of the number required in such tier. This
78 paragraph shall apply only to new eligible full-time jobs created in taxable years
79 beginning on or after January 1, 2006, and ending no later than taxable years beginning
80 prior to January 1, 2011."

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

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

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

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

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

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

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

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

117 **SECTION 3.**

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

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

122 (1) 'Broadcasting' means the transmission or licensing of audio, video, text, or other
123 programming content to the general public, subscribers, or to third parties via radio,
124 television, cable, satellite, or the internet or IP and includes motion picture and sound
125 recording, editing, production, postproduction, and distribution. Such term is limited to
126 establishments classified under the 2007 North American Industry Classification System

127 Codes 515, broadcasting; 519, internet publishing and broadcasting; 517,
128 telecommunications; and 512, motion picture and sound recording industries.

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

139 (2.1) 'Establishment' means an economic unit at a single physical location where
140 business is conducted or where services or industrial operations are performed. If more
141 than one business activity is conducted at the establishment, then only those jobs engaged
142 in the qualifying activity will be eligible for the tax credit provided by this Code section.

143 (2.2) 'Forestry manufacturing' means any business with an establishment in this state that
144 is certified by the state revenue commissioner in consultation with the director of the
145 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived
146 biomass, wood residuals, or forestry by-products, from domestically sourced virgin
147 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,
148 bio-based chemicals, bioenergy, or other value-added products that support or derive
149 economic value from the forest products supply chain, regardless of the establishment's
150 primary North American Industry Classification System code.

151 (3) 'New full-time employee job' means a newly created position of employment that was
152 not previously located in this state, requires a minimum of 35 hours a week, and pays at
153 or above the average wage earned in the county with the lowest average wage earned in

154 this state, as reported in the most recently available annual issue of the Georgia
155 Employment and Wages Averages Report of the Department of Labor.”

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

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

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

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

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

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

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

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

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

192 **SECTION 4.**

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

197 "(0.5) 'Forestry manufacturing' means any business with an establishment in this state
198 that is certified by the state revenue commissioner in consultation with the director of the
199 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived
200 biomass, wood residuals, or forestry by-products, from domestically sourced virgin
201 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,
202 bio-based chemicals, bioenergy, or other value-added products that support or derive
203 economic value from the forest products supply chain, regardless of the establishment's
204 primary North American Industry Classification System code."

205 “(b)(1) In the case of a taxpayer which has operated for the immediately preceding three
206 years an existing manufacturing or telecommunications facility or a manufacturing or
207 telecommunications support facility in this state in a tier 1 county designated pursuant to
208 Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this
209 article in an amount equal to 5 percent of the cost of all qualified investment property
210 purchased or acquired by the taxpayer in such year, subject to the conditions and
211 limitations set forth in this Code section. In the event such qualified investment property
212 purchased or acquired by the taxpayer in such year consists of recycling machinery or
213 equipment, a recycling manufacturing facility, pollution control or prevention machinery
214 or equipment, a pollution control or prevention facility, or the conversion from defense
215 to domestic production, the amount of such credit shall be equal to 8 percent.

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

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

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

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

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

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

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

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

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

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SECTION 5.

Said article is further is amended in Code Section 48-7-40.3, relating to tax credits for existing manufacturing and telecommunications facilities in tier 2 counties, by adding a new paragraph to subsection (a), revising subsection (b), and adding a new subsection to read as follows:

“(0.5) 'Forestry manufacturing' means any business with an establishment in this state that is certified by the state revenue commissioner in consultation with the director of the State Forestry Commission as an establishment that utilizes wood fiber, forest-derived biomass, wood residuals, or forestry by-products, from domestically sourced virgin timber, as a primary feedstock in the manufacture of forest products, renewable fuels, bio-based chemicals, bioenergy, or other value-added products that support or derive economic value from the forest products supply chain, regardless of the establishment's primary North American Industry Classification System code.”

“(b)(1) In the case of a taxpayer which has operated for the immediately preceding three years an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in this state in a tier 2 county designated pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax imposed under this article in an amount equal to 3 percent of the cost of all qualified investment property purchased or acquired by the taxpayer in such year, subject to the conditions and limitations set forth in this Code section. In the event such qualified investment property purchased or acquired by the taxpayer in such year consists of recycling machinery or equipment, a recycling manufacturing facility, pollution control or prevention machinery or equipment, a pollution control or prevention facility, or the conversion from defense to domestic production, the amount of such credit shall be equal to 5 percent.

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

285 to 10 percent of the cost of all qualified investment property purchased or acquired by the
286 taxpayer in such year, subject to the conditions and limitations set forth in this Code
287 section."

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

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

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

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

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

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

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

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

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

324 **SECTION 6.**

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

329 "(0.5) 'Forestry manufacturing' means any business with an establishment in this state
330 that is certified by the state revenue commissioner in consultation with the director of the
331 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived
332 biomass, wood residuals, or forestry by-products, from domestically sourced virgin
333 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,
334 bio-based chemicals, bioenergy, or other value-added products that support or derive
335 economic value from the forest products supply chain, regardless of the establishment's
336 primary North American Industry Classification System code."

337 "(b)(1) In the case of a taxpayer which has operated for the immediately preceding three
338 years an existing manufacturing or telecommunications facility or manufacturing or
339 telecommunications support facility in this state in a tier 3 or a tier 4 county designated
340 pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax imposed
341 under this article in an amount equal to 1 percent of the cost of all qualified investment
342 property purchased or acquired by the taxpayer in such year, subject to the conditions and
343 limitations set forth in this Code section. In the event such qualified investment property
344 purchased or acquired by the taxpayer in such year consists of recycling machinery or
345 equipment, a recycling manufacturing facility, pollution control or prevention machinery
346 or equipment, a pollution control or prevention facility, or the conversion from defense
347 to domestic production, the amount of such credit shall be equal to 3 percent.

348 (2) In the case of a taxpayer which has operated a forestry manufacturer facility in this
349 state in a tier 3 or a tier 4 county designated pursuant to Code Section 48-7-40, there shall
350 be allowed a credit against the tax imposed under this article in an amount equal to 3
351 percent of the cost of all qualified investment property purchased or acquired by the
352 taxpayer in such year, subject to the conditions and limitations set forth in this Code
353 section."

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

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

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

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

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

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

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

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

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SECTION 7.

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

"48-7-40.4A.

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

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

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

(d) The department may promulgate such regulations as necessary and advisable for the administration of Code Sections 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, and 48-7-40.4."

SECTION 8.

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

SECTION 9.

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