

House Bill 134 (AS PASSED HOUSE AND SENATE)

By: Representatives Camp of the 135<sup>th</sup>, Jasperse of the 11<sup>th</sup>, Burchett of the 176<sup>th</sup>, Corbett of the 174<sup>th</sup>, Williams of the 148<sup>th</sup>, and others

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

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

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

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

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

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

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

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

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

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

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

116 **SECTION 3.**

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

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

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

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

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

138 (2.1) 'Establishment' means an economic unit at a single physical location where  
139 business is conducted or where services or industrial operations are performed. If more  
140 than one business activity is conducted at the establishment, then only those jobs engaged  
141 in the qualifying activity will be eligible for the tax credit provided by this Code section.

142 (2.2) 'Forestry manufacturing' means any business with an establishment in this state that  
143 is certified by the state revenue commissioner in consultation with the director of the  
144 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived  
145 biomass, wood residuals, or forestry by-products, from domestically sourced virgin  
146 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,  
147 bio-based chemicals, bioenergy, or other value-added products that support or derive  
148 economic value from the forest products supply chain, regardless of the establishment's  
149 primary North American Industry Classification System code.

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

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

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

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

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

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

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

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

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

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

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

191 **SECTION 4.**

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

196 “(0.5) 'Forestry manufacturing' means any business with an establishment in this state  
197 that is certified by the state revenue commissioner in consultation with the director of the  
198 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived  
199 biomass, wood residuals, or forestry by-products, from domestically sourced virgin  
200 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,  
201 bio-based chemicals, bioenergy, or other value-added products that support or derive  
202 economic value from the forest products supply chain, regardless of the establishment's  
203 primary North American Industry Classification System code.”

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

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

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

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

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

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

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

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

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

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

257 **SECTION 5.**

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

262 "(0.5) 'Forestry manufacturing' means any business with an establishment in this state  
263 that is certified by the state revenue commissioner in consultation with the director of the  
264 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived  
265 biomass, wood residuals, or forestry by-products, from domestically sourced virgin  
266 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,  
267 bio-based chemicals, bioenergy, or other value-added products that support or derive  
268 economic value from the forest products supply chain, regardless of the establishment's  
269 primary North American Industry Classification System code."

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

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

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

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

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

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

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

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

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

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

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

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

323 **SECTION 6.**

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

328 “(0.5) 'Forestry manufacturing' means any business with an establishment in this state  
329 that is certified by the state revenue commissioner in consultation with the director of the  
330 State Forestry Commission as an establishment that utilizes wood fiber, forest-derived  
331 biomass, wood residuals, or forestry by-products, from domestically sourced virgin  
332 timber, as a primary feedstock in the manufacture of forest products, renewable fuels,  
333 bio-based chemicals, bioenergy, or other value-added products that support or derive  
334 economic value from the forest products supply chain, regardless of the establishment's  
335 primary North American Industry Classification System code.”

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

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

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

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

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

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

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

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

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

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

389 **SECTION 7.**

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

391 "48-7-40.4A.

392 (a) Except as otherwise provided in subsection (b) of this Code section, the aggregate  
393 amount of tax credits allowed to forestry manufacturers pursuant to Code Sections 48-7-40,  
394 48-7-40.1, 48-7-40.2, 48-7-40.3, and 48-7-40.4 shall not exceed \$250 million.

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

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

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

404 **SECTION 8.**

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

407 **SECTION 9.**

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