

## Senate Bill 6

By: Senators Albers of the 56th, Hufstetler of the 52nd, Mullis of the 53rd, Gooch of the 51st, Strickland of the 17th and others

**AS PASSED**

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 28 of the Official Code of Georgia Annotated, relating to the General  
2 Assembly, so as to provide for economic analyses to be conducted for certain tax benefits  
3 upon request by the chairpersons of the House Committee on Ways and Means and the  
4 Senate Finance Committee; to provide for limits; to provide for summaries to be attached to  
5 related fiscal notes; to amend Title 48 of the Official Code of Georgia Annotated, relating  
6 to revenue and taxation, so as to provide for a tax credit for medical equipment and supplies  
7 manufacturers and pharmaceutical and medicine manufacturers; to provide for definitions;  
8 to provide for conditions and limitations on certain tax credits; to provide for an effective  
9 date and applicability; to change jobs limits and revise the requirements for such tax credit  
10 for certain projects; to provide for tax credits for high-impact aerospace defense projects; to  
11 revise a job tax credit; to allow such tax credit to be taken in conjunction with certain other  
12 tax credits; to revise a manufacturing tax credit; to provide for reporting; to amend Code  
13 Section 48-7-40.34 of the Official Code of Georgia Annotated, relating to tax credit for Class  
14 III railroads and reporting, so as to extend an income tax credit for expenditures on the  
15 maintenance of railroad track owned or leased by Class III railroads; to amend Title 48 of the  
16 Official Code of Georgia Annotated, relating to revenue and taxation, so as to extend the  
17 sunset date for the exemption for projects of regional significance; to exempt sales of tickets,  
18 fees, or charges for admission to certain fine arts performances or exhibitions from sales and

19 use taxes; to provide for automatic repeal; to renew a sales tax exemption for maintenance  
20 and replacement parts used in machinery or equipment that is used to mix, agitate, and  
21 transport freshly mixed concrete; to extend the sunset provision for an exemption for sales  
22 taxes on certain tangible personal property sold or used to maintain, refit, or repair a boat  
23 during a single event; to revise certain tax credits for the rehabilitation of historic structures;  
24 to revise the aggregate cap; to provide for definitions; to repeal Section 2 of Ga. L. 2015, p.  
25 1340, approved May 12, 2015; to revise a limitation on business enterprises eligible for a tax  
26 credit for research and development; to revise an exemption for the sale or lease of certain  
27 computer equipment; to provide for clarification, with respect to a sales tax exemption for  
28 certain computer equipment, that the exclusion for telephone central office equipment or  
29 other voice data transport technology in subdivision (68)(C)(ii)(I) of Code Section 48-8-3,  
30 which became effective October 1, 2002, includes any wireline or wireless  
31 telecommunication system; to provide for reporting; to provide for an automatic repeal; to  
32 provide for related matters; to provide for short titles; to provide for an effective date; to  
33 repeal conflicting laws; and for other purposes.

34 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

35 **PART I**  
36 **SECTION 1-1.**

37 Part I of this Act shall be known and may be cited as the "Tax Credit Return on Investment  
38 Act of 2021." Parts II through IV of this Act shall be known and may be cited as the  
39 "Georgia Economic Renewal Act of 2021." Part V of this Act shall be known and may be  
40 cited as the "Georgia Economic Recovery Act of 2021."

**SECTION 1-2.**

41

42 Title 28 of the Official Code of Georgia Annotated, relating to the General Assembly, is  
43 amended by adding a new Code section to read as follows:

44 "28-5-41.1.

45 (a) An economic analysis shall include, but not be limited to, a good faith estimate as a  
46 result of the law or proposed law, on an annual basis for five years thereafter, of the  
47 following, on both a direct and indirect basis:

48 (1) Net change in state revenue;

49 (2) Net change in state expenditures, which shall include, but not be limited to, costs of  
50 administering the bill;

51 (3) Net change in economic activity; and

52 (4) If applicable, any net change in public benefit.

53 (b) On or before May 1 of each year, the chairperson of the House Committee on Ways  
54 and Means and the chairperson of the Senate Finance Committee may each request up to  
55 five economic analyses, which requests shall be transmitted to the Department of Audits  
56 and Accounts. The Department of Audits and Accounts shall contract with one or more  
57 independent auditors to complete all such analyses on or before December 1 of the year in  
58 which such analysis was requested. Each such request shall be limited to one existing  
59 provision of law or proposed law and shall specify one particular exemption, exclusion, or  
60 deduction from the base of a tax; credit against a tax; deferral of a tax; a rebate of taxes  
61 paid; tax abatement; or preferential tax rate to be analyzed.

62 (c) Copies of each completed economic analysis shall be provided to the House Budget  
63 and Research Office and the Senate Budget and Evaluation Office.

64 (d) If a fiscal note is requested pursuant to Code Section 28-5-42 and a relevant economic  
65 analysis has been conducted within one year of such request, the Office of Planning and  
66 Budget may prepare a summary of such economic analysis and attach it with the requested  
67 fiscal note.

68 (e) An economic analysis shall be conducted on the performance and outcomes of Code  
69 Section 33-1-25, which shall be completed by December 1, 2021."

70 **PART II**  
71 **SECTION 2-1.**

72 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
73 amended by adding a new Code section to read as follows:

74 "48-7-40.1B.

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

76 (1) 'Establishment' means an economic unit at a single physical location where business  
77 is conducted or where services or industrial operations are performed.

78 (2) 'Medical equipment and supplies manufacturer' means any business which is engaged  
79 in the manufacturing of medical equipment and supplies in this state. Such term shall be  
80 limited to establishments classified under the North American Industry Classification  
81 System (NAICS) Industry Code 3391 - Medical Equipment and Supplies Manufacturing.

82 Such term shall not include retail businesses that sell medical equipment or supplies.

83 (3) 'Pharmaceutical and medicine manufacturer' means any business which is engaged  
84 in the manufacturing of pharmaceuticals or medicine in this state. Such term shall be  
85 limited to establishments classified under the North American Industry Classification  
86 System (NAICS) Industry Code 3254 - Pharmaceutical and Medicine Manufacturing.

87 Such term shall not include retail businesses that sell pharmaceuticals or medicine.

88 (b)(1) When any medical equipment and supplies manufacturer or pharmaceutical and  
89 medicine manufacturer is qualified to claim a job tax credit pursuant to Code Section  
90 48-7-40 or 48-7-40.1, for a qualifying job created on or after July 1, 2021, there shall be  
91 allowed an additional \$1,250.00 per job tax credit against the tax imposed under this  
92 article for those qualifying jobs to the extent that they are engaged in the qualifying

93 activities of manufacturing medical equipment or supplies or manufacturing  
94 pharmaceuticals or medicine in this state during the taxable year. Such medical  
95 equipment and supplies manufacturer or pharmaceutical and medicine manufacturer shall  
96 be eligible for such additional per job tax credit at an individual establishment of the  
97 business. If more than one business activity is conducted at an establishment, then only  
98 the jobs engaged in the qualifying activities of manufacturing medical equipment or  
99 supplies or manufacturing pharmaceuticals or medicine in this state shall be eligible for  
100 such additional per job tax credit.

101 (2) The additional tax credit provided for in paragraph (1) of this subsection shall be  
102 claimed separately from the job tax credit under Code Section 48-7-40 or 48-7-40.1 but  
103 shall, except as provided in this Code section, be allowed subject to the conditions and  
104 limitations set forth in Code Section 48-7-40 or 48-7-40.1 and shall be in addition to the  
105 credit allowed under Code Section 48-7-40 or 48-7-40.1; provided, however, that the  
106 amount allowed to offset taxes imposed by this article shall be 100 percent; and provided,  
107 further, that when such tax credit exceeds a business enterprise's liability for taxes  
108 imposed by this article in a taxable year, the excess may be taken as a credit against such  
109 business enterprise's quarterly or monthly payment under Code Section 48-7-103 in the  
110 same manner as provided under Code Section 48-7-40 or 48-7-40.1 but not subject to the  
111 dollar limitations provided therein. Additionally, such tax credit shall be disallowed  
112 during any year in which a business enterprise does not qualify as a medical equipment  
113 and supplies manufacturer or as a pharmaceutical and medicine manufacturer.

114 (3) The additional tax credit provided for in paragraph (1) of this subsection may be used  
115 in conjunction with the tax credit provided for under Code Section 48-7-40.15.

116 (c) The additional tax credit provided for under paragraph (1) of subsection (b) of this  
117 Code section shall be subject to the following conditions and limitations:

118 (1) Any tax credit claimed under subsection (b) of this Code section but not used in any  
119 taxable year may be carried forward for ten years from the close of the taxable year in  
120 which the qualified jobs were established; and

121 (2) No taxpayer shall be eligible for the tax credit provided for under subsection (b) of  
122 this Code section for any job for which the taxpayer claims the tax credit provided for  
123 under Code Section 48-7-40.1A, or for any job claimed pursuant to Code Section 48-7-40  
124 or 48-7-40.1 prior to July 1, 2021.

125 (d) This Code section shall be effective as of July 1, 2021, and shall be applicable to  
126 taxable years beginning on or after January 1, 2021."

127 **SECTION 2-2.**

128 Said title is further amended in Code Section 48-7-40.1A, relating to job tax credit for PPE  
129 manufacturers, by adding a new paragraph to subsection (c) to read as follows:

130 "(3) No taxpayer shall be eligible for the tax credit provided for under subsection (b) of  
131 this Code section for any job for which the taxpayer claims the tax credit provided for  
132 under Code Section 48-7-40.1B."

133 **SECTION 2-3.**

134 Said title is further amended by revising subsections (g), (i), and (p) of Code Section  
135 48-7-40.24, relating to conditions for taking job tax credit by business enterprises and  
136 calculating credit, as follows:

137 "(g) To qualify for the credit provided by this Code section, a new full-time job must be  
138 created by the close of the seventh taxable year following the business enterprise's  
139 withholding start date, unless the purchase or acquisition of qualified investment property  
140 is made as provided in paragraph (5) of subsection (a) of this Code section, in which case  
141 a new full-time job must be created by the close of the eighth taxable year following the  
142 business enterprise's withholding start date based on a \$600 million qualified investment

143 or the end of the tenth taxable year based on an \$800 million qualified investment. ~~In no~~  
144 ~~event may a credit be claimed under this Code section for more than 4,500 new full-time~~  
145 ~~employee jobs created by any one project, provided, however, that the taxpayer may claim~~  
146 ~~the credits provided by Code Sections 48-7-40 and 48-7-40.1 for any such additional jobs~~  
147 ~~if the taxpayer meets the terms and conditions thereof."~~

148 "~~(i)(1)~~ Except as provided in subsection (g) of this Code section and paragraph (2) of this  
149 subsection, a taxpayer who is entitled to and takes credits provided by this Code section  
150 for a qualified project shall not be allowed to take any of the credits authorized by Code  
151 Section 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.6, 48-7-40.7,  
152 48-7-40.8, 48-7-40.9, 48-7-40.10, ~~48-7-40.11~~, 48-7-40.15, 48-7-40.17, or 48-7-40.18 for  
153 jobs, investments, child care, or ground-water usage shifts created by, arising from,  
154 related to, or connected in any way with the same project. Provided such taxpayer  
155 otherwise qualifies, such taxpayer may take any credit authorized by Code Section  
156 48-7-40.5 for the costs of retraining an employee located at the site or sites of such  
157 project or the facility or facilities resulting therefrom, but only for costs incurred more  
158 than five years after the date the facility or facilities first become operational.

159 (2) On and after July 1, 2021, a taxpayer who is entitled to and takes credits authorized  
160 by this Code section for a high-impact aerospace defense project as such term is defined  
161 in Code Section 48-7-40.25 may also take the credits authorized by Code Section  
162 48-7-40.17 for such project; provided, however, that the taxpayer may not take the credits  
163 authorized by this Code section and Code Section 48-7-40.17 with respect to such project  
164 in the same taxable year."

165 "(p) Any taxpayer whose qualified project is certified on or after June 30, 2021, pursuant  
166 to paragraph (2) of subsection (b) of this Code section that subsequently claims the tax  
167 credit available under subsection (d) of this Code section in connection with the qualified  
168 project shall report annually to a panel composed of the commissioner of community  
169 affairs, the commissioner of economic development, and the director of the Office of

170 Planning and Budget, the total number of such taxpayer's full-time employees working at  
171 the qualified project and the total amount of qualified investment property made into the  
172 qualified project. Such reports shall be due by December 31 of each year. This annual  
173 reporting requirement will extend through the end of the recapture period as defined in  
174 paragraph (13) of subsection (a) of this Code section.

175 (q) Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, such panel shall  
176 compile the annual reports provided pursuant to paragraph (p) of this Code section, and  
177 beginning June 30, 2026, and every two years thereafter, shall furnish a compiled report  
178 to the chairperson of the House Committee on Ways and Means and the chairperson of the  
179 Senate Finance Committee. Such compiled report shall aggregate the annual reports  
180 supplied by taxpayers whose qualified projects are subject to the reporting requirement in  
181 subsection (p) of this Code section.

182 (r) The commissioner shall promulgate any rules and regulations necessary to implement  
183 and administer this Code section."

184 **SECTION 2-4.**

185 Said title is further amended by revising Code Section 48-7-40.25, relating to conditions for  
186 credit for business enterprises with existing manufacturing facilities and calculating credit,  
187 as follows:

188 "48-7-40.25.

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

190 (1) 'Business enterprise' means any business or the headquarters of any such business  
191 which is engaged in manufacturing. Such term shall not include retail businesses.

192 (2) 'Force majeure' means any:

193 (A) Explosions, implosions, fire, conflagrations, accidents, or contamination;

194 (B) Unusual and unforeseeable weather conditions such as floods, torrential rain, hail,  
195 tornadoes, hurricanes, lightning, or other natural calamities or acts of God;



196 (C) Acts of war (whether or not declared), carnage, blockade, or embargo;  
197 (D) Acts of public enemy, acts or threats of terrorism or threats from terrorists, riot,  
198 public disorder, or violent demonstrations;  
199 (E) Strikes or other labor disturbances; or  
200 (F) Expropriation, requisition, confiscation, impoundment, seizure, nationalization, or  
201 compulsory acquisition of the site of a qualified project or any part thereof;  
202 but such term shall not include any event or circumstance that could have been prevented,  
203 overcome, or remedied in whole or in part by the taxpayer through the exercise of  
204 reasonable diligence and due care, nor shall such term include the unavailability of funds.  
205 (3) 'Full-time employee' means an individual holding a full-time employee job.  
206 (4) 'Full-time employee job' and 'full-time job' mean employment of an individual which:  
207 (A)(i) With respect to a qualified project, is located in this state at the  
208 manufacturing facility resulting from such a qualified project; and  
209 (ii) With respect to a high-impact aerospace defense project certified pursuant to  
210 paragraph (2) of subsection (b) of this Code section on or after July 1, 2021, is located  
211 in this state and results from such project;  
212 (B) Involves a regular work week of 35 hours or more;  
213 (C) Has no predetermined end date; and  
214 (D) Pays at or above the average wage of the county with the lowest average wage in  
215 the state, as reported in the most recently available annual issue of the Georgia  
216 Employment and Wages Averages Report of the Department of Labor.  
217 For purposes of this paragraph, leased employees will be considered employees of the  
218 company using their services, and such persons may be counted in determining the  
219 company's credits under this Code section if their employment otherwise meets the  
220 definition of full-time job contained herein. In addition, an individual's employment shall  
221 not be deemed to have a predetermined end date solely by virtue of a mandatory  
222 retirement age set forth in a company policy of general application. The employment of

223 any individual in a bona fide executive, administrative, or professional capacity, within  
224 the meaning of Section 13 of the federal Fair Labor Standards Act of 1938, as amended,  
225 29 U.S.C. Section 213(a)(1), as such act existed on January 1, 2002, shall not be deemed  
226 to have a predetermined end date solely by virtue of the fact that such employment is  
227 pursuant to a fixed-term contract, provided that such contract is for a term of not less than  
228 one year.

229 (4.1) 'High-impact aerospace defense project' means a qualified project with the  
230 additional limitations that it is:

231 (A) To be constructed by a business enterprise that is a prime aerospace defense  
232 contractor with greater than 40 percent of its revenues derived from sales to the United  
233 States government in its most recently completed tax year; and

234 (B) Certified by the commissioner of economic development as materially supportive  
235 of the mission of the Georgia Joint Defense Commission and the Governor's Defense  
236 Initiative. In making such a certification, the commissioner shall consider whether the  
237 project will support the goals of the Georgia Joint Defense Commission set forth in  
238 paragraphs (2), (3), and (4) of Code Section 20-4-121.

239 (5) 'Investment requirement' means the requirement that:

240 (A) With respect to a qualified project, a minimum of \$800 million in qualified  
241 investment property shall have been purchased or acquired for use in such a qualified  
242 project and be in service; or

243 (B) With respect to a high-impact aerospace defense project certified pursuant to  
244 paragraph (2) of subsection (b) of this Code section on or after July 1, 2021, a minimum  
245 of \$500 million in qualified investment property shall have been purchased or acquired  
246 for use in such project and be in service.

247 (6) 'Job maintenance requirement' means the requirement that the monthly average  
248 number of full-time employees employed by the business enterprise during the first 60  
249 months of the recapture period must equal or exceed 90 percent of the job requirement.

- 250 (7) 'Job requirement' means the requirement that:
- 251 (A) With respect to a qualified project, the number of full-time employees must equal
- 252 or exceed 1,800; or
- 253 (B) With respect to a high-impact aerospace defense project certified pursuant to
- 254 paragraph (2) of subsection (b) of this Code section on or after July 1, 2021, the number
- 255 of full-time employees must equal or exceed 1,000.
- 256 (8) 'Qualified investment property' means all real and personal property purchased or
- 257 acquired by a taxpayer for use in a qualified project, including, but not limited to,
- 258 amounts expended on land acquisition, improvements, buildings, building improvements,
- 259 and machinery and equipment to be used in the manufacturing facility.
- 260 (9) 'Qualified project' means the construction of a new manufacturing facility in this
- 261 state. For purposes of this paragraph, the term 'manufacturing facility' means a single
- 262 facility, including contiguous parcels of land, improvements to such land, buildings,
- 263 building improvements, and any machinery or equipment that is used in the process of
- 264 making, fabricating, constructing, forming, or assembling a product from components or
- 265 from raw, unfinished, or semifinished materials, and any support facility. For purposes
- 266 of this paragraph, the term 'support facility' means any warehouses, distribution centers,
- 267 storage facilities, research and development facilities, laboratories, repair and
- 268 maintenance facilities, corporate offices, sales or marketing offices, computer operations
- 269 facilities, or administrative offices that are contiguous to the manufacturing facility that
- 270 results from a qualified project, constructed or expanded as part of the same such project,
- 271 and designed primarily for activities supporting the manufacturing operations at such
- 272 manufacturing facility.
- 273 (10) 'Recapture period' means the period of ten consecutive taxable years that
- 274 commences after the taxable year in which the taxpayer has met both the investment
- 275 requirement and the job requirement.

276 (b) A business enterprise that has operated an existing manufacturing facility in this state  
277 for the immediately three preceding years and that is planning a qualified project shall be  
278 allowed to take the credit provided by this Code section under the following conditions:

279 (1) An application is filed with the commissioner that:

280 (A) Describes the qualified project to be undertaken by the business enterprise,  
281 including when such project will commence;

282 (B) Certifies that such project will meet the investment requirement and the job  
283 requirement prescribed by this Code section, stating when the business enterprise  
284 expects to meet such requirements; and

285 (C) With respect to a high-impact aerospace defense project, certifies that the taxpayer  
286 will purchase or acquire a minimum of \$800 million in qualified investment property  
287 and will employ at least 1,800 full-time employees, stating when the business enterprise  
288 expects to meet such requirements; and

289 ~~(D)~~ Certifies that during the recapture period applicable to such project the business  
290 enterprise will meet the job maintenance requirement prescribed by this Code section;  
291 and

292 (2) Following the commissioner's referral of the application to a panel composed of the  
293 commissioner of community affairs, the commissioner of economic development, and the  
294 director of the Office of Planning and Budget, said panel, after reviewing the application,  
295 certifies that the new facility will have a significant beneficial economic effect on the  
296 region for which it is planned. The panel shall make its determination within 30 days  
297 after receipt from the commissioner of the taxpayer's application and any necessary  
298 supporting documentation. Although the panel's certification may be based upon other  
299 criteria, a project that meets the minimum job and investment requirements specified in  
300 paragraph (1) of this subsection will have a significant beneficial economic effect on the  
301 region for which it is planned if one of the following additional criteria is met:

- 302 (A) The full-time employee jobs ~~that will be located at the manufacturing facility~~  
303 resulting from such project will pay average wages that are, as determined by the  
304 Georgia Department of Labor for all jobs, for the county in question:
- 305 (i) Twenty percent above such average wage for projects located in tier 1 counties;
  - 306 (ii) Ten percent above such average wage for projects located in tier 2 counties; or
  - 307 (iii) Five percent above such average wage for projects located in tier 3 or tier 4  
308 counties; or
- 309 (B) The project demonstrates high growth potential based upon the prior year's Georgia  
310 net taxable income growth of over 20 percent from the previous year, if the taxpayer's  
311 Georgia net taxable income in each of the two preceding years also grew by 20 percent  
312 or more.
- 313 (c) Any lease for a period of five years or longer of any real or personal property used in  
314 a new manufacturing facility which would otherwise constitute qualified investment  
315 property shall be treated as the purchase or acquisition thereof by the lessee. The taxpayer  
316 may treat the full value of the leased property as qualified investment property in the year  
317 in which the lease becomes binding on the lessor and the taxpayer.
- 318 (d) A business enterprise whose application is approved shall be allowed a credit against  
319 the tax imposed under this article in an amount equal to 6 percent of the cost of all qualified  
320 investment property purchased or acquired by the business enterprise in such year, subject  
321 to the conditions and limitations set forth in this Code section. Where the amount of such  
322 credit exceeds a business enterprise's liability for such taxes in a taxable year, the excess  
323 may be taken as a credit against such business enterprise's quarterly or monthly payment  
324 under Code Section 48-7-103. The taxpayer may file an election with the commissioner  
325 to take such credit against quarterly or monthly payments under Code Section 48-7-103  
326 that become due before the due date of the income tax return on which such credit may be  
327 claimed. In the event of such an election, the commissioner shall confirm with the taxpayer  
328 a date, which shall not be later than 30 days after receipt of the taxpayer's election, when

329 the taxpayer may begin to take the credit against such quarterly or monthly payments.  
330 Each employee whose employer receives credit against such business enterprise's quarterly  
331 or monthly payment under Code Section 48-7-103 shall receive credit against his or her  
332 income tax liability under Code Section 48-7-20 for the corresponding taxable year for the  
333 full amount which would be credited against such liability prior to the application of the  
334 credit provided for in this subsection. Credits against quarterly or monthly payments under  
335 Code Section 48-7-103 and credits against liability under Code Section 48-7-20 established  
336 by this subsection shall not constitute income to the taxpayer.

337 (e) The credit granted under subsection (d) of this Code section shall be subject to the  
338 following conditions and limitations:

339 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
340 property must occur no sooner than ~~April 1, 2003~~ the date of application by the taxpayer  
341 for the qualified project pursuant to paragraph (1) of subsection (b) of this Code section.

342 The credit may be taken beginning with the taxable year in which the taxpayer has met  
343 both the investment requirement and the job requirement, and for such first year the credit  
344 may include qualified investment property purchased or acquired in prior years but after  
345 ~~March 31, 2003~~ the date of application by the taxpayer for the qualified project pursuant  
346 to paragraph (1) of subsection (b) of this Code section. For each year in which a taxpayer  
347 claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia income  
348 tax return which will set forth the following information, as a minimum:

- 349 (A) A description of the qualified project;  
350 (B) The amount of qualified investment property acquired during the taxable year;  
351 (C) The amount of tax credit claimed for the taxable year;  
352 (D) The amount of qualified investment property acquired in prior taxable years;  
353 (E) Any tax credit previously taken by the taxpayer against Georgia income tax  
354 liabilities or the taxpayer's quarterly or monthly payments under Code Section  
355 48-7-103;

- 356 (F) The amount of tax credit carried over from prior years;
- 357 (G) The amount of tax credit utilized by the taxpayer in the current taxable year;
- 358 (H) The amount of tax credit to be carried over to subsequent tax years; and
- 359 (I) The monthly average number of full-time jobs during the taxable year;
- 360 (2) Any credit claimed under this Code section but not fully used in the manner  
361 prescribed in subsection (d) of this Code section may be carried forward for 15 years  
362 from the close of the later of:
- 363 (A) The taxable year in which the qualified investment property was acquired; or
- 364 (B) The taxable year in which both the job requirement and investment requirement are  
365 satisfied.
- 366 The sale, merger, acquisition, or bankruptcy of any business enterprise shall not create  
367 new eligibility in any succeeding business entity but any unused investment tax credit  
368 may be transferred and continued by any transferee of the business enterprise;
- 369 (3) In the initial year in which the taxpayer claims the credit granted in subsection (d) of  
370 this Code section, the taxpayer shall include in the description of the project required by  
371 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
372 ~~the taxpayer has met both the investment requirement and project includes the acquisition~~  
373 ~~of qualified investment property having an aggregate cost equal to or exceeding \$800~~  
374 ~~million and that the job requirement was satisfied~~ during such year; and
- 375 (4) The utilization of the credit granted in subsection (d) of this Code section shall have  
376 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
377 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
378 such assets for the purpose of depreciation.
- 379 (f)(1) Except as provided in paragraph (2) of this subsection, in ~~in~~ no event may credits  
380 exceeding \$50 million in the aggregate be claimed under this Code section with respect  
381 to any one project.

382 (2) In no event shall a taxpayer claim credits exceeding \$100 million in the aggregate  
383 under this Code section with respect to a high-impact aerospace defense project.

384 (g)(1) Except as provided in paragraph (2) of this subsection, a A taxpayer who is  
385 entitled to and takes credits provided by this Code section with respect to a qualified  
386 project shall not be allowed to take any of the credits authorized by Code Section  
387 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.6, 48-7-40.7, 48-7-40.8,  
388 48-7-40.9, 48-7-40.10, ~~48-7-40.11~~, 48-7-40.15, 48-7-40.17, 48-7-40.18, or 48-7-40.24  
389 with respect to jobs, investments, child care, or ground-water usage shifts created by,  
390 arising from, related to, or connected in any way with the same project. Such taxpayer  
391 may take any credit authorized by Code Section 48-7-40.5 for the cost of retraining an  
392 employee located at the site of such project or the manufacturing facility resulting  
393 therefrom, but only with respect to costs incurred more than five years after the date the  
394 manufacturing facility first becomes operational.

395 (2) A taxpayer who is entitled to and takes credits authorized by this Code section for a  
396 high-impact aerospace defense project certified pursuant to paragraph (2) of  
397 subsection (b) of this Code section on or after July 1, 2021, may also take the credits  
398 authorized by Code Sections 48-7-40.17 and 48-7-40.24 for such project.

399 (h)(1) ~~Not~~ With respect to each qualified project, not more than 60 days after the close  
400 of the fifth taxable year within the recapture period, the taxpayer shall file a report, using  
401 such form and providing such information as the commissioner may reasonably require,  
402 concerning whether it met the job maintenance requirement. If the taxpayer ~~has failed~~  
403 fails to meet the job maintenance requirement, ~~the~~ such taxpayer ~~will~~ shall forfeit ~~the~~ its  
404 right to all credits provided by this Code section for such project.

405 (2) Within 60 days after the close of the tenth taxable year within the recapture period,  
406 any taxpayer that takes a credit allowed under this Code section with respect to a  
407 high-impact aerospace defense project shall file a report, using such form and providing  
408 such information as the commissioner may reasonably require, which establishes that the



409 taxpayer purchased or acquired at least \$800 million in qualified investment property and  
410 employs at least 1,800 full-time employees with respect to such high-impact aerospace  
411 defense project. If the taxpayer fails to establish that such objectives were met by the  
412 close of the tenth taxable year within the recapture period, such taxpayer shall forfeit its  
413 right to all credits provided by this Code section for such project.

414 (3) A taxpayer that forfeits such its right as provided in paragraph (1) or (2) of this  
415 subsection is liable for all past taxes imposed by this article and all past payments under  
416 Code Section 48-7-103 that were forgone by the state as a result of the credits provided  
417 by this Code section, plus interest at the rate established by Code Section 48-2-40  
418 computed from the date such taxes or payments would have been due if the credits had  
419 not been taken. No later than 90 days after notification by the commissioner that the  
420 taxpayer has failed to meet the job maintenance requirement or the objectives required  
421 of a high-impact aerospace defense project, the taxpayer shall file amended income tax  
422 and withholding tax returns for all affected periods that recalculate those liabilities  
423 without regard to the forfeited credits and shall pay any additional amounts shown on  
424 such returns, with interest as provided herein.

425 (i) A taxpayer who fails to meet the job maintenance requirement or the objectives  
426 required of a high-impact aerospace defense project because of force majeure may petition  
427 the commissioner for relief from such requirement. Such a petition must be made with and  
428 at the same time as the report required by subsection (h) of this Code section. If the  
429 commissioner determines that force majeure materially affected the taxpayer's ability to  
430 meet the job maintenance requirement, but that the portion of any year so affected was six  
431 months or less, the commissioner shall calculate the taxpayer's monthly average number  
432 of full-time employees for purposes of subsection (h) of this Code section by disregarding  
433 the affected months. If the commissioner determines that the affected portion of any such  
434 year was more than six months, the taxable year shall be disregarded in its entirety for

435 purposes of the job maintenance requirement and the recapture period applicable to the  
436 qualified project shall be extended for an additional year.

437 (j) If the manufacturing facility resulting from a qualified project is abandoned at any time  
438 during the recapture period, the taxpayer will forfeit the right to all credits provided by this  
439 Code section for such project. A taxpayer that forfeits such right is liable for all past taxes  
440 imposed by this article and all past payments under Code Section 48-7-103 that were  
441 forgone by the state as a result of the credits provided by this Code section, plus interest  
442 at the rate established by Code Section 48-2-40 computed from the date such taxes or  
443 payments would have been due if the credits had not been taken. For purposes of this  
444 subsection, a manufacturing facility will be considered abandoned if there is, for any reason  
445 other than force majeure, a complete cessation of manufacturing operations for a period of  
446 12 consecutive months or more during the recapture period. Not more than 60 days after  
447 the close of the recapture period, the taxpayer shall file a report, using such form and  
448 providing such information as the commissioner may require, concerning whether such an  
449 abandonment occurred. No later than 90 days after notification by the commissioner that  
450 an abandonment occurred, the taxpayer shall file amended income tax and withholding tax  
451 returns for all affected periods that recalculate those liabilities without regard to the  
452 forfeited credits and shall pay any additional amounts shown on such returns, with interest  
453 as provided herein.

454 (k) Unless more time is allowed therefor by Code Section 48-7-82 or 48-2-49, the  
455 commissioner may make any assessment attributable to the forfeiture of credits claimed  
456 under this Code section for the periods covered by any amended returns filed by a taxpayer  
457 pursuant to subsections (h) and (j) of this Code section within one year from the date such  
458 returns are filed. If the taxpayer fails to file the reports or any amended return required by  
459 subsections (h) and (j) of this Code section, the commissioner may assess additional tax or  
460 other amounts attributable to the forfeiture of credits claimed under this Code section at  
461 any time.

462 (l) The commissioner shall promulgate any rules and regulations necessary to implement  
463 and administer this Code section."

464 **PART III**  
465 **SECTION 3-1.**

466 Reserved.

467 **PART IV**  
468 **SECTION 4-1.**

469 Code Section 48-7-40.34 of the Official Code of Georgia Annotated, relating to tax credit for  
470 Class III railroads and reporting, is amended by revising subsections (c) through (h) as  
471 follows:

472 "(c)(1) The credit given under this Code section shall only be allowed once for each mile  
473 of railroad track in each taxable year.

474 (2) Such credit shall be given for each taxable year beginning on or after  
475 January 1, 2019, and ending on or before December 30, ~~2023~~ 2026, in which the  
476 conditions of this Code section have been met.

477 (d) If a credit is given under this Code section with respect to any railroad track, the basis  
478 of such railroad track shall be reduced by the amount of the credit so allowed.

479 (e) The tax credits given to a Class III railroad by this Code section that are not used by  
480 such Class III railroad shall be freely assignable one time between January 1, 2019, and  
481 January 1, ~~2024~~ 2027, by written agreement to a taxpayer subject to the tax imposed by this  
482 chapter.

483 (f) On or before September 1 of 2020 and annually thereafter until ~~2024~~ 2027, the  
484 commissioner shall issue a report to the chairpersons of the Senate Finance Committee and

485 the House Committee on Ways and Means concerning the tax credit created by this Code  
 486 section, which shall include the following statistics for the preceding taxable year:

487 (1) The total number of taxpayers that claimed a credit provided by this Code section;  
 488 and

489 (2) The number and total value of all credits earned and all credits applied during such  
 490 tax year pursuant to this Code section.

491 (g) The commissioner shall promulgate such forms, rules, and regulations as are necessary  
 492 to implement and administer the provisions of this Code section.

493 (h) This Code section shall be automatically repealed on January 1, ~~2024~~ 2027."

494

## PART V

495

### SECTION 5-1.

496 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
 497 relating to general provisions regarding sales and use taxes, is amended by revising  
 498 paragraph (93) of Code Section 48-8-3, relating to exemptions from sales and use taxes, as  
 499 follows:

500 "(93)(A) For the period commencing January 1, 2012, until June 30, ~~2021~~ 2023, sales  
 501 of tangible personal property used for and in the construction of a competitive project  
 502 of regional significance.

503 (B) The exemption provided in subparagraph (A) of this paragraph shall apply to  
 504 purchases made during the entire time of construction of the competitive project of  
 505 regional significance so long as such project meets the definition of a competitive  
 506 project of regional significance within the period commencing January 1, 2012, until  
 507 June 30, ~~2021~~ 2023.

508 (C) The department shall not be required to pay interest on any refund claims filed for  
509 local sales and use taxes paid on purchases made prior to the implementation of this  
510 paragraph.

511 (D) As used in this paragraph, the term 'competitive project of regional significance'  
512 means the location or expansion of some or all of a business enterprise's operations in  
513 this state where the commissioner of economic development determines that the project  
514 would have a significant regional impact. The commissioner of economic development  
515 shall promulgate regulations in accordance with the provisions of this paragraph  
516 outlining the guidelines to be applied in making such determination;"

517 **SECTION 5-2.**

518 Said part is further amended by revising paragraph (100) of Code Section 48-8-3, relating  
519 to exemptions from sales and use taxes, as follows:

520 "(100)(A) Sales of tickets, fees, or charges for admission to a fine arts performance or  
521 exhibition conducted within a facility in this state that is owned or operated by an  
522 organization which is exempt from taxation under Section 501(c)(3) of the Internal  
523 Revenue Code, or a museum of cultural significance, if such organization's or museum's  
524 mission is to advance the arts in this state and to provide arts, educational, and  
525 culturally significant programming and exhibits for the benefit and enrichment of the  
526 citizens of this state.

527 (B) As used in this paragraph, the term 'fine arts' means music performed by a  
528 symphony orchestra, poetry, photography, ballet, dance, opera, theater, dramatic arts,  
529 painting, sculpture, ceramics, drawing, watercolor, graphics, printmaking, and  
530 architecture.

531 (C) This paragraph shall stand repealed and reserved on December 31, 2022 Reserved;"

532

**SECTION 5-3.**

533 Said part is further amended in Code Section 48-8-3.2, relating to sales tax exemptions for  
534 manufacturers, definitions, exemption, applicability, and examples, by revising paragraph  
535 (12) of subsection (e) as follows:

536 "~~(12) Until July 1, 2020~~ For the period commencing on July 1, 2021, and ending on June  
537 30, 2026, maintenance and replacement parts for machinery or equipment, stationary or in  
538 transit, used to mix, agitate, and transport freshly mixed concrete in a plastic and  
539 unhardened state, including but not limited to mixers and components, engines and  
540 components, interior and exterior operational controls and components, hydraulics and  
541 components, all structural components, and all safety components, provided that sales and  
542 use taxes on motor fuel used as energy in a concrete mixer truck shall not be exempt or  
543 refundable; and"

544

**SECTION 5-4.**

545 Said part is further amended by revising Code Section 48-8-3.4, relating to maximum amount  
546 of sales and use tax on boats, annual reporting, and termination, as follows:

547 "48-8-3.4.

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

549 (1) 'Boat' means a vehicle used or capable of being used as a means of transportation on  
550 the water.

551 (2) 'Event' means an uninterrupted period of time beginning when a boat arrives at a  
552 maintenance, refit, or repair facility in this state and ending when such boat departs such  
553 facility.

554 (b) Notwithstanding any other provision of this article, the maximum amount of sales and  
555 use tax imposed and collected to maintain, refit, or repair a boat in this state during a single  
556 event shall not exceed \$35,000.00.

557 (c) The commissioner shall promulgate any rules and regulations necessary to implement  
558 and administer this Code section, including, but not limited to, calling for an annual report  
559 to be issued to the department and the chairpersons of the House Committee on Ways and  
560 Means and the Senate Finance Committee that contains the following:

561 (1) The number of full-time and part-time positions created by the seller during the  
562 preceding tax year;

563 (2) The average salary of individuals employed in the reported positions; and

564 (3) The total revenue generated and sales and use taxes collected from qualifying events  
565 during the preceding year.

566 (d) This Code section shall be automatically repealed on June 30, ~~2025~~ 2031."

567

## **PART VI**

568

### **SECTION 6-1.**

569 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the  
570 imposition, rate, and computation and exemptions from state income taxes, is amended by  
571 revising Code Section 48-7-29.8, relating to tax credits for the rehabilitation of historic  
572 structures, as follows:

573 "48-7-29.8.

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

575 (1) 'Certified rehabilitation' means repairs or alterations to a certified structure which are  
576 certified by the Department of Community Affairs as meeting the United States Secretary  
577 of the Interior's Standards for Rehabilitation or the Georgia Standards for Rehabilitation  
578 as provided by the Department of Community Affairs.

579 (2) 'Certified structure' means a historic building or structure that is located within a  
580 national historic district, individually listed on the National Register of Historic Places,  
581 individually listed in the Georgia Register of Historic Places, or is certified by the

582 Department of Community Affairs as contributing to the historic significance of a  
583 Georgia Register Historic District.

584 (3) 'Historic home' means a certified structure which, or any portion of which is or will,  
585 within a reasonable period, be owned and used as the principal residence of the person  
586 claiming the tax credit allowed under this Code section. Historic home shall include any  
587 structure or group of structures that constitute a multifamily or multipurpose structure,  
588 including a cooperative or condominium. If only a portion of a building is used as such  
589 person's principal residence, only those qualified rehabilitation expenditures that are  
590 properly allocable to such portion shall be deemed to be made to a historic home.

591 (4) 'Qualified rehabilitation expenditure' means any qualified rehabilitation expenditure  
592 as defined by Section 47(c)(2) of the Internal Revenue Code of 1986 and any amount  
593 properly chargeable to a capital account expended in the substantial rehabilitation of a  
594 structure that by the end of the taxable year in which the certified rehabilitation is  
595 completed is a certified structure. This term does not include the cost of acquisition of  
596 the certified structure, the cost attributable to enlargement or additions to an existing  
597 building, site preparation, or personal property.

598 (5) 'Substantial rehabilitation' means rehabilitation of a certified structure for which the  
599 qualified rehabilitation expenditures, at least 5 percent of which must be allocable to the  
600 exterior during the 24 month period selected by the taxpayer ending with or within the  
601 taxable year, exceed:

602 (A) For a historic home, the lesser of \$25,000.00 or 50 percent of the adjusted basis of  
603 the property as defined in subparagraph (a)(1)(B) of Code Section 48-5-7.2; or, in the  
604 case of a historic home located in a target area, \$5,000.00; or

605 (B) For any other certified structure, the greater of \$5,000.00 or the adjusted basis of  
606 the property.



607 (6) 'Target area' means a qualified census tract under Section 42 of the Internal Revenue  
608 Code of 1986, found in the United States Department of Housing and Urban  
609 Development document number N-94-3821; FR-3796-N-01.

610 (b) A taxpayer shall be allowed a tax credit against the tax imposed by this chapter in the  
611 year that the certified rehabilitation is placed in service, which may be up to two years after  
612 the end of the taxable year for which the credit was originally reserved:

613 (1) In the case of a historic home, equal to 25 percent of qualified rehabilitation  
614 expenditures, except that, in the case of a historic home located within a target area, an  
615 additional credit equal to 5 percent of qualified rehabilitation expenditures shall be  
616 allowed; and

617 (2) In the case of any other certified structure, equal to 25 percent of qualified  
618 rehabilitation expenditures.

619 Qualified rehabilitation expenditures may only be counted once in determining the amount  
620 of the tax credit available, and more than one entity may not claim a credit for the same  
621 qualified rehabilitation expenditures.

622 (c)(1) In no event shall credits for a historic home exceed \$100,000.00 in any 120 month  
623 period.

624 (2) The maximum credit for any other individual certified structure shall be \$5 million  
625 for any taxable year, except in the case that the project creates 200 or more full-time,  
626 permanent jobs or \$5 million in annual payroll within two years of the placed in service  
627 date, in which case the project is eligible for credits up to \$10 million for an individual  
628 certified structure. In no event shall more than one application for any individual certified  
629 structure under this paragraph be approved in any 120 month period.

630 (3)(A) Prior to January 1, 2022, in ~~In~~ no event shall credits issued under this Code  
631 section for projects earning more than \$300,000.00 in credits exceed in the aggregate  
632 \$25 million per calendar year.

633 (B) For calendar year 2022, in no event shall credits issued under this Code section  
634 exceed \$5 million in aggregate for all projects earning \$300,000.00 or less, or \$25  
635 million in aggregate for all projects earning more than \$300,000.00.

636 (C) On and after January 1, 2023, in no event shall credits be issued under this Code  
637 section.

638 (d)(1) A taxpayer seeking to claim a tax credit under paragraph (2) of subsection (b) of  
639 this Code section shall submit an application to the commissioner for preapproval of such  
640 tax credit. Such application shall include a precertification from the Department of  
641 Community Affairs certifying that the improvements to the certified structure are to be  
642 consistent with the Department of Community Affairs Standards for Rehabilitation. The  
643 Department shall have the authority to require electronic submission of such application  
644 in the manner specified by the department. The commissioner shall preapprove the tax  
645 credits within 30 days based on the order in which properly completed applications were  
646 submitted. In the event that two or more applications were submitted on the same day  
647 and the amount of funds available will not be sufficient to fully fund the tax credits  
648 requested, the commissioner shall prorate the available funds between or among the  
649 applicants. For applications on projects over the annual \$25 million limitation, those  
650 applications shall be given priority the following year.

651 (2) In order to be eligible to receive the credit authorized under subsection (b) of this  
652 Code section, a taxpayer must attach to the taxpayer's state tax return a copy of the  
653 completed certification of the Department of Community Affairs verifying that the  
654 improvements to the certified structure are consistent with the Department of Community  
655 Affairs Standards for Rehabilitation.

656 (e)(1) If the credit allowed under paragraph (1) of subsection (b) of this Code section in  
657 any taxable year exceeds the total tax otherwise payable by the taxpayer for that taxable  
658 year, the taxpayer may apply the excess as a credit for succeeding years until the earlier  
659 of:

- 660 (A) The full amount of the excess is used; or
- 661 (B) The expiration of the tenth taxable year after the taxable year in which the certified
- 662 rehabilitation has been completed.
- 663 (2) Any tax credits with respect to credits earned by a taxpayer under paragraph (2) of
- 664 subsection (b) of this Code section and previously claimed but not used by such taxpayer
- 665 against its income tax may be transferred or sold in whole or in part by such taxpayer to
- 666 another Georgia taxpayer, subject to the following conditions:
- 667 (A) A taxpayer who makes qualified rehabilitation expenditures may sell or assign all
- 668 or part of the tax credit that may be claimed for such costs and expenses to one or more
- 669 entities, but no further sale or assignment of any credit previously sold or assigned
- 670 pursuant to this subparagraph shall be allowed. All such transfers shall be subject to
- 671 the maximum total limits provided by subsection (c) of this Code section;
- 672 (B) A taxpayer who sells or assigns a credit under this Code section and the entity to
- 673 which the credit is sold or assigned shall jointly submit written notice of the sale or
- 674 assignment to the department not later than 30 days after the date of the sale or
- 675 assignment. The notice must include:
- 676 (i) The date of the sale or assignment;
- 677 (ii) The amount of the credit sold or assigned;
- 678 (iii) The names and federal tax identification numbers of the entity that sold or
- 679 assigned the credit or part of the credit and the entity to which the credit or part of the
- 680 credit was sold or assigned; and
- 681 (iv) The amount of the credit owned by the selling or assigning entity before the sale
- 682 or assignment and the amount the selling or assigning entity retained, if any, after the
- 683 sale or assignment;
- 684 (C) The sale or assignment of a credit in accordance with this Code section does not
- 685 extend the period for which a credit may be carried forward and does not increase the
- 686 total amount of the credit that may be claimed. After an entity claims a credit for

687 eligible costs and expenses, another entity may not use the same costs and expenses as  
688 the basis for claiming a credit;

689 (D) Notwithstanding the requirements of this subsection, a credit earned or purchased  
690 by, or assigned to, a partnership, limited liability company, Subchapter 'S' corporation,  
691 or other pass-through entity may be allocated to the partners, members, or shareholders  
692 of that entity and claimed under this Code section in accordance with the provisions of  
693 any agreement among the partners, members, or shareholders of that entity and without  
694 regard to the ownership interest of the partners, members, or shareholders in the  
695 rehabilitated certified structure, provided that the entity or person that claims the credit  
696 must be subject to Georgia tax; and

697 (E) Only a taxpayer who earned a credit, and no subsequent good faith transferee, shall  
698 be responsible in the event of a recapture, reduction, disallowance, or other failure  
699 related to such credit.

700 (3) No such credit shall be allowed the taxpayer against prior years' tax liability.

701 (f) In the case of any rehabilitation which may reasonably be expected to be completed in  
702 phases set forth in architectural plans and specifications completed before the rehabilitation  
703 begins, a 60 month period may be substituted for the 24 month period provided for in  
704 paragraph (5) of subsection (a) of this Code section.

705 (g)(1) Except as otherwise provided in subsection (h) of this Code section, in the event  
706 a tax credit under this Code section has been claimed and allowed the taxpayer, upon the  
707 sale or transfer of the certified structure, the taxpayer shall be authorized to transfer the  
708 remaining unused amount of such credit to the purchaser of such certified structure. If  
709 a historic home for which a certified rehabilitation has been completed by a nonprofit  
710 corporation is sold or transferred, the full amount of the credit to which the nonprofit  
711 corporation would be entitled if taxable shall be transferred to the purchaser or transferee  
712 at the time of sale or transfer.

713 (2) Such purchaser shall be subject to the limitations of subsection (e) of this Code  
714 section. Such purchaser shall file with such purchaser's tax return a copy of the approval  
715 of the rehabilitation by the Department of Community Affairs as provided in  
716 subsection (d) of this Code section and a copy of the form evidencing the transfer of the  
717 tax credit.

718 (3) Such purchaser shall be entitled to rely in good faith on the information contained in  
719 and used in connection with obtaining the approval of the credit including, without  
720 limitation, the amount of qualified rehabilitation expenditures.

721 (h)(1) If an owner other than a nonprofit corporation sells a historic home within three  
722 years of receiving the credit, the seller shall recapture the credit to the Department of  
723 Revenue as follows:

724 (A) If the property is sold within one year of receiving the credit, the recapture amount  
725 will equal the lesser of the credit or the net profit of the sale;

726 (B) If the property is sold within two years of receiving the credit, the recapture  
727 amount will equal the lesser of two-thirds of the credit or the net profit of the sale; or

728 (C) If the property is sold within three years of receiving the credit, the recapture  
729 amount will equal the lesser of one-third of the credit or the net profit of the sale.

730 (2) The recapture provisions of this subsection shall not apply to a sale resulting from the  
731 death of the owner.

732 (i)(1) In the event that a taxpayer claims the tax credit under paragraph (2) of  
733 subsection (b) of this Code section and leases such certified structure, the department  
734 shall aggregate all total sales tax receipts from the certified structure.

735 (2) Any taxpayer claiming credits under paragraph (2) of subsection (b) of this Code  
736 section shall report to the department the average full-time employees employed at the  
737 certified structure. A full-time employee for the purposes of this Code section shall mean  
738 a person who works a job that requires 30 or more hours per week. Such reports must be

739 submitted to the department for five calendar years following the year in which the credit  
740 is claimed by the taxpayer.

741 (3) In the event that a taxpayer claims the tax credit under paragraph (2) of subsection (b)  
742 of this Code section and leases such certified structure, the department shall aggregate all  
743 total full-time employees at the certified structure.

744 (j) Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, the department shall  
745 furnish a report to the chairperson of the House Committee on Ways and Means and the  
746 chairperson of the Senate Finance Committee by June 30 of each year. Such report shall  
747 contain the total sales tax collected in the prior calendar year and the average number of  
748 full-time employees at the certified structure and the total value of credits claimed for each  
749 taxpayer claiming credits under paragraph (2) of subsection (b) of this Code section.

750 (k) The tax credit allowed under paragraph (1) of subsection (b) of this Code section, and  
751 any recaptured tax credit, shall be allocated among some or all of the partners, members,  
752 or shareholders of the entity owning the project in any manner agreed to by such persons,  
753 whether or not such persons are allocated or allowed any portion of any other tax credit  
754 with respect to the project.

755 (l) The Department of Community Affairs and the Department of Revenue shall prescribe  
756 such regulations as may be appropriate to carry out the purposes of this Code section.

757 (m) The Department of Community Affairs shall report, on an annual basis, on the overall  
758 economic activity, usage, and impact to the state from the rehabilitation of eligible  
759 properties for which credits provided by this Code section have been allowed.

760 (n) This Code section shall stand repealed and reserved by operation of law on  
761 December 31, 2022."

762 **SECTION 6-2.**

763 Section 2 of Ga. L. 2015, p. 1340, approved May 12, 2015, is hereby repealed in its entirety.

764

**PART VII**

765

**SECTION 7-1.**

766 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 767 amended by revising paragraph (3) of subsection (a) of Code Section 48-7-40.12, relating to  
 768 tax credit for qualified research expenses, as follows:

769 "(3) 'Business enterprise' means any business or the headquarters of any such business  
 770 which is engaged in manufacturing, warehousing and distribution, processing,  
 771 telecommunications, broadcasting, tourism, and research and development industries. Such  
 772 term shall not include retail businesses. Any business or the headquarters of any such  
 773 business that otherwise meets the definition of a business enterprise shall not be considered  
 774 a retail business due to the retail activities of any of its affiliate entities, as such term is  
 775 defined in subsection (a) of Code Section 48-7-42."

776

**SECTION 7-2.**

777 Said title is further amended by revising paragraph (68) of Code Section 48-8-3, relating to  
 778 exemptions, as follows:

779 "(68)(A) The sale or lease of computer equipment to be incorporated into a facility or  
 780 facilities in this state to any high-technology company classified under the 2017 North  
 781 American Industrial Classification System code 51121, 51331, 51333, 51334, 51421,  
 782 52232, 54133, 54171, 54172, 334413, 334611, 513321, 513322, 514191, 334614,  
 783 511210, 517311, 517312, 517410, 517911, 517919, 518210, 522320, 541330, 541511,  
 784 541512, 541513, or 541519, 541713, 541715, or 541720 where such sale of computer  
 785 equipment for any calendar year exceeds \$15 million or, in the event of a lease of such  
 786 computer equipment, the fair market value of such leased computer equipment for any  
 787 calendar year exceeds \$15 million.

788 (B) Any person making a sale or lease of computer equipment to a high-technology  
789 company as specified in subparagraph (A) of this paragraph shall collect the tax  
790 imposed on the sale by this article unless the purchaser furnishes such seller with a  
791 certificate issued by the commissioner certifying that the purchaser is entitled to  
792 purchase the computer equipment without paying the tax. As a condition precedent to  
793 the issuance of the certificate, the commissioner, at such commissioner's discretion,  
794 may require a good and valid bond with a surety company authorized to do business in  
795 this state as surety or may require legal securities, in an amount fixed by the  
796 commissioner, conditioned upon payment by the purchaser of all taxes due under this  
797 article in the event it should be determined that the sale fails to meet the requirements  
798 of this subparagraph.

799 (C)(i) As used in this paragraph, the term 'computer equipment' means any individual  
800 computer or organized assembly of hardware or software, such as a server farm,  
801 mainframe or midrange computer, mainframe driven high-speed print and mailing  
802 devices, and workstations connected to those devices via high bandwidth connectivity  
803 such as a local area network, wide area network, or any other data transport  
804 technology which performs one of the following functions: storage or management  
805 of production data, hosting of production applications, hosting of application systems  
806 development activities, or hosting of applications systems testing.

807 (ii) The term shall not include:

808 (I) Telephone central office equipment or other voice data transport technology,  
809 including any wireline or wireless telecommunication system; or

810 (II) Equipment with imbedded computer hardware or software which is primarily  
811 used for training, product testing, or in a manufacturing process.

812 (D) Any corporation, partnership, limited liability company, or any other similar entity  
813 which qualifies for the exemption and is affiliated in any manner with a nonqualified



814 corporation, partnership, limited liability company, or any other similar entity must  
815 conduct at least a majority of its business with entities with which it has no affiliation.  
816 (E) Each high-technology company that has been issued a certificate of exemption  
817 pursuant to this paragraph shall report annually to the commissioner a list of the  
818 facilities for which all computer equipment exempted by this paragraph during the  
819 preceding calendar year was incorporated, as well as the amount of taxes exempted  
820 under this paragraph during the preceding calendar year. Such report shall be filed  
821 within 90 days after the end of the calendar year for which the high-technology  
822 company utilized a certificate of exemption pursuant to this paragraph and shall be  
823 subject to the confidentiality provisions of Code Section 48-2-15. The commissioner  
824 shall not issue a certificate of exemption under this paragraph for the calendar year next  
825 succeeding the reporting date to any high-technology company that has failed to  
826 comply with the reporting required by this subparagraph.  
827 (F) The commissioner shall promulgate such rules and regulations as are necessary to  
828 implement the provisions of this paragraph.  
829 (G) This paragraph shall stand repealed and reserved by operation of law at the last  
830 moment of June 30, 2023."

831 **PART VIII**  
832 **SECTION 8-1.**

833 This Act shall become effective on July 1, 2021.

834 **SECTION 8-2.**

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