

The House Committee on Ways and Means offers the following substitute to HB 1182:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 33 and Chapter 7 of Title 48 of the Official Code of Georgia
2 Annotated, relating to general provisions regarding insurance and income taxes, respectively,
3 so as to revise the low-income housing tax credits; to provide that such tax credits shall be
4 termed the Georgia affordable housing tax credits; to reduce the amount of such credits for
5 certain projects; to authorize such credits in an amount equal to the federal credit for certain
6 projects; to provide for definitions; to provide for open records; to provide for related
7 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
8 other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Chapter 1 of Title 33 of the Official Code of Georgia Annotated, relating to general
12 provisions for insurance, is amended by revising Code Section 33-1-18, relating to housing
13 tax credit for qualified projects and rules and regulations, as follows:

14 "33-1-18.

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

16 (1) 'Affordable housing project' means a qualified low-income housing project as that
17 term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is
18 located in Georgia.

19 (2) 'Federal housing tax credit' means the federal tax credit as provided in Section 42 of
20 the Internal Revenue Code of 1986, as amended.

21 ~~(2)~~(3) 'Median income' means those incomes that are determined by the federal
22 Department of Housing and Urban Development guidelines and adjusted for family size.

23 ~~(3)~~(4) 'Project' means a housing project that has restricted rents that do not exceed 30
24 percent of median income for at least 40 percent of its units occupied by persons or
25 families having incomes of 60 percent or less of the median income or at least 20 percent
26 of the units occupied by persons or families having incomes of 50 percent or less of the
27 median income.

28 ~~(4)~~(5) 'Qualified basis' means that portion of the tax basis of a ~~qualified Georgia~~ an
29 affordable housing project eligible for the federal housing tax credit, as that term is
30 defined in Section 42 of the Internal Revenue Code of 1986, as amended.

31 ~~(5)~~ 'Qualified Georgia project' means a ~~qualified low-income building as that term is~~
32 ~~defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located~~
33 ~~in Georgia.~~

34 (6) 'Senior' means an individual 55 years of age or older.

35 (7) 'Targeted community project' means an affordable housing project that:

36 (A) Is located in a rural area;

37 (B) Reserves or prioritizes a majority of its units for seniors or provides a preference
38 for veterans or first responders;

39 (C) Provides access to stable and high frequency transportation;

40 (D) Consists primarily of a rehabilitation or renovation; or

41 (E) Is owned by a housing authority.

42 (8) 'Veteran' means an individual who served in the active military, naval, or air service
 43 and who was discharged or released therefrom under conditions other than dishonorable.

44 (b)(1) A tax credit against the taxes imposed under Code Sections 33-5-31, 33-8-4,
 45 and 33-40-5, to be termed the Georgia affordable housing tax credit, shall be allowed
 46 with respect to each ~~qualified Georgia affordable housing~~ project placed in service after
 47 January 1, 2001. ~~The amount of~~ For initial applications received by the Department of
 48 Community Affairs prior to January 1, 2026, the amount of such credit shall not exceed
 49 an amount equal to the federal housing tax credit allowed for each affordable housing
 50 project. For initial applications received by the Department of Community Affairs on or
 51 after January 1, 2026, no such credit shall, when combined with the total amount of credit
 52 authorized under Code Section 48-7-29.6, in no event exceed:

53 (A) An an amount equal to 80 percent of the federal housing tax credit allowed with
 54 respect to such ~~qualified Georgia affordable housing~~ project; or

55 (B) An amount equal to 100 percent of the federal housing tax credit if such affordable
 56 housing project is a targeted community project.

57 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a
 58 portion of any federal housing tax credit taken on a project is required to be recaptured
 59 as a result of a reduction in the qualified basis of such project, the taxpayer claiming
 60 any state tax credit with respect to such project shall also be required to recapture a
 61 portion of any state tax credit authorized by this Code section. The state recapture
 62 amount shall be equal to the proportion of the state tax credit claimed by the taxpayer
 63 that equals the proportion the federal recapture amount bears to the original federal
 64 housing tax credit amount subject to recapture. The tax credit under this Code section
 65 shall not be subject to recapture if such recapture is due solely to the sale or transfer of
 66 any direct or indirect interest in such ~~qualified Georgia affordable housing~~ project.

67 (B) In the event that recapture of any Georgia affordable housing tax credit is required,
 68 any amended return submitted to the Commissioner as provided in this Code section

69 shall include the proportion of the state tax credit required to be recaptured, the identity
70 of each taxpayer subject to the recapture, and the amount of tax credit previously
71 allocated to such taxpayer.

72 (3) In no event shall the total amount of the tax credit under this Code section for a
73 taxable year exceed the taxpayer's tax liability under Code Sections 33-5-31, 33-8-4,
74 and 33-40-5. Any unused tax credit shall be allowed to be carried forward to apply to the
75 taxpayer's next three succeeding years' tax liability. No such tax credit shall be allowed
76 the taxpayer against prior years' tax liability.

77 (4) The tax credit allowed under this Code section; and any recaptured tax credit; shall
78 be allocated among some or all of the partners, members, or shareholders of the entity
79 owning the project in any manner agreed to by such persons, whether or not such persons
80 are allocated or allowed any portion of the federal housing tax credit with respect to the
81 project.

82 (c)(1) Except for confidential taxpayer information pursuant to Title 48, all affordable
83 housing project level records associated with this Code section shall be subject to Article
84 4 of Chapter 18 of Title 50, relating to open records.

85 (2) The commissioner and the state department designated by the Governor as the state
86 housing credit agency for purposes of Section 42(h) of the Internal Revenue Code of 1986,
87 as amended, shall each be authorized to promulgate any rules and regulations necessary to
88 implement and administer this Code section."

89 **SECTION 2.**

90 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
91 is amended by revising Code Section 48-7-29.6, relating to tax credits for qualified
92 low-income buildings, as follows:

93 "48-7-29.6.

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

- 95 (1) 'Affordable housing project' means a qualified low-income housing project as that
 96 term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is
 97 located in Georgia.
- 98 (2) 'Federal housing tax credit' means the federal tax credit as provided in Section 42 of
 99 the Internal Revenue Code of 1986, as amended.
- 100 ~~(2)~~(3) 'Median income' means those incomes that are determined by the federal
 101 Department of Housing and Urban Development guidelines and adjusted for family size.
- 102 ~~(3)~~(4) 'Project' means a housing project that has restricted rents that do not exceed 30
 103 percent of median income for at least 40 percent of its units occupied by persons or
 104 families having incomes of 60 percent or less of the median income, or at least 20 percent
 105 of the units occupied by persons or families having incomes of 50 percent or less of the
 106 median income.
- 107 ~~(4)~~(5) 'Qualified basis' means that portion of the tax basis of a ~~qualified Georgia~~ an
 108 affordable housing project eligible for the federal housing tax credit, as that term is
 109 defined in Section 42 of the Internal Revenue Code of 1986, as amended.
- 110 ~~(5)~~ 'Qualified Georgia project' means a ~~qualified low-income building as that term is~~
 111 ~~defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located~~
 112 ~~in Georgia.~~
- 113 (6) 'Senior' means an individual 55 years of age or older.
- 114 (7) 'Targeted community project' means an affordable housing project that:
- 115 (A) Is located in a rural area;
- 116 (B) Reserves or prioritizes a majority of its units for seniors or provides a preference
 117 for veterans or first responders;
- 118 (C) Provides access to stable and high frequency transportation;
- 119 (D) Consists primarily of a rehabilitation or renovation; or
- 120 (E) Is owned by a housing authority.

121 (8) 'Veteran' means an individual who served in the active military, naval, or air service
122 and who was discharged or released therefrom under conditions other than dishonorable.

123 (b)(1) A state tax credit against the tax imposed by this article, to be termed the Georgia
124 affordable housing tax credit, shall be allowed with respect to each ~~qualified Georgia~~
125 affordable housing project placed in service after January 1, 2001. ~~The amount of For~~
126 initial applications received by the Department of Community Affairs prior to January 1,
127 2026, the amount of such credit shall not exceed an amount equal to the federal housing
128 tax credit allowed for each affordable housing project. For initial applications received
129 by the Department of Community Affairs on or after January 1, 2026, no such credit
130 shall, when combined with the total amount of credits authorized under Code Section
131 33-1-18, ~~in no event~~ exceed:

132 (A) An ~~an~~ amount equal to 80 percent of the federal housing tax credit allowed with
133 respect to such ~~qualified Georgia~~ affordable housing project; or

134 (B) An amount equal to 100 percent of the federal housing tax credit if such affordable
135 housing project is a targeted community project.

136 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a
137 portion of any federal housing tax credit taken on a project is required to be recaptured
138 as a result of a reduction in the qualified basis of such project, the taxpayer claiming
139 any state tax credit with respect to such project shall also be required to recapture a
140 portion of any state tax credit authorized by this Code section. The state recapture
141 amount shall be equal to the proportion of the state tax credit claimed by the taxpayer
142 that equals the proportion the federal recapture amount bears to the original federal
143 housing tax credit amount subject to recapture. The tax credit under this Code section
144 shall not be subject to recapture if such recapture is due solely to the sale or transfer of
145 any direct or indirect interest in such ~~qualified Georgia~~ affordable housing project.

146 (B) In the event that recapture of any Georgia affordable housing tax credit is required,
147 any amended return submitted to the commissioner as provided in this Code section

148 shall include the proportion of the state tax credit required to be recaptured, the identity
149 of each taxpayer subject to the recapture, and the amount of tax credit previously
150 allocated to such taxpayer.

151 (3) In no event shall the total amount of the tax credit under this Code section for a
152 taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be
153 allowed to be carried forward to apply to the taxpayer's next three succeeding years' tax
154 liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

155 (4) The tax credit allowed under this Code section, and any recaptured tax credit, shall
156 be allocated among some or all of the partners, members, or shareholders of the entity
157 owning the project in any manner agreed to by such persons, whether or not such persons
158 are allocated or allowed any portion of the federal housing tax credit with respect to the
159 project.

160 (c)(1) Except for confidential taxpayer information pursuant to this title, all affordable
161 housing project level records associated with this Code section shall be subject to Article
162 4 of Chapter 18 of Title 50, relating to open records.

163 (2) The commissioner and the state department designated by the Governor as the state
164 housing credit agency for purposes of Section 42(h) of the Internal Revenue Code of
165 1986, as amended, shall each be authorized to promulgate any rules and regulations
166 necessary to implement and administer this Code section."

167 **SECTION 3.**

168 This Act shall become effective on July 1, 2024, and shall be applicable to taxable years
169 beginning on or after January 1, 2026.

170 **SECTION 4.**

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