

House Bill 1422

By: Representatives Gilligan of the 24th, Byrd of the 20th, and Singleton of the 71st

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-7-40.26 of the Official Code of Georgia Annotated, the "Georgia
2 Entertainment Industry Investment Act," so as to prohibit the transfer, sale, or assignment
3 of certain tax credits on or after a certain date; to provide for related matters; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Code Section 48-7-40.26 of the Official Code of Georgia Annotated, the "Georgia
8 Entertainment Industry Investment Act," is amended by revising subsection (g) as follows:
9 "(g) Any tax credits with respect to a state certified production earned by a production
10 company or qualified interactive entertainment production company and previously
11 claimed but not used by such production company or qualified interactive entertainment
12 production company against its income tax may be transferred or sold in whole or in part
13 by such production company or qualified interactive entertainment production company
14 to another Georgia taxpayer, subject to the following conditions:

- 15 (1) Such production company or qualified interactive entertainment production company
16 may make only a single transfer or sale of tax credits earned in a taxable year; however,
17 the transfer or sale may involve one or more transferees;
- 18 (2) Such production company or qualified interactive entertainment production company
19 shall submit to the Department of Economic Development and to the Department of
20 Revenue a written notification of any transfer or sale of tax credits within 30 days after
21 the transfer or sale of such tax credits. The notification shall include such production
22 company's or qualified interactive entertainment production company's tax credit balance
23 prior to transfer, the credit certificate number, the remaining balance after transfer, all tax
24 identification numbers for each transferee, the date of transfer, the amount transferred,
25 and any other information required by the Department of Economic Development or the
26 Department of Revenue;
- 27 (3) Failure to comply with this subsection shall result in the disallowance of the tax
28 credit until the production company or qualified interactive entertainment production
29 company is in full compliance;
- 30 (4) The transfer or sale of this tax credit does not extend the time in which such tax credit
31 can be used. The carry-forward period for a tax credit that is transferred or sold shall
32 begin on the date on which the tax credit was originally earned or for a tax credit subject
33 to the provisions of subsection (l) of this Code section, the date on which the final
34 certification for such tax credit was issued pursuant to said subsection;
- 35 (5) A transferee shall have only such rights to claim and use the tax credit that were
36 available to such production company or qualified interactive entertainment production
37 company at the time of the transfer, except for the use of the credit in paragraph (1) of
38 subsection (f) of this Code section. To the extent that such production company or
39 qualified interactive entertainment production company did not have rights to claim or
40 use the tax credit at the time of the transfer, the Department of Revenue shall either
41 disallow the tax credit claimed by the transferee or recapture the tax credit from the

42 transferee; provided, however, that the Department of Revenue shall not recapture a tax
43 credit from the transferee if the tax credit was issued a valid final certification pursuant
44 to subsection (1) of this Code section. The transferee's recourse is against such production
45 company or qualified interactive entertainment production company; ~~and~~
46 (6) The transferee must acquire the tax credits in this Code section for a minimum of 60
47 percent of the amount of the tax credits so transferred; and
48 (7) On and after July 1, 2022, no tax credit earned, allowed, or claimed pursuant to this
49 Code section shall be transferred, sold, or assigned."

50 **SECTION 2.**

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