

House Bill 1434

By: Representatives Mughal of the 105th, Holcomb of the 81st, Reeves of the 99th, McCollum of the 30th, and Clark of the 100th

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, so as to create a tax credit
3 for certain expenses by certain educators and first responders; to provide for definitions; to
4 disallow related deductions; to provide for rules and regulations; to provide for related
5 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
6 other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
10 imposition, rate, computation, exemptions and credits, is amended by adding a new
11 paragraph to subsection (b) of Code Section 48-7-27, relating to computation of taxable net
12 income, to read as follows:

13 "(17) Georgia taxable income shall be adjusted as provided in Code Section 48-7-29.22."

14 **SECTION 2.**

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

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16 "48-7-29.26.

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

18 (1) 'Eligible expense' means:

19 (A) A necessary and ordinary expense incurred by a teacher in connection with books,
20 supplies, equipment, software, services, or other materials used in a classroom or
21 instructional setting in a qualified school; and

22 (B) A necessary and ordinary expense incurred by a first responder as tuition or fees
23 for the participation of the first responder in professional development courses related
24 to service as a first responder, or for uniforms used by the first responder in service as
25 a first responder.

26 (2) 'Eligible taxpayer' means a teacher or first responder.

27 (3) 'First responder' means a law enforcement officer, firefighter, paramedic, or
28 emergency medical technician.

29 (4) 'Necessary and ordinary expense' means an expenditure that is helpful and
30 appropriate for the profession of an educator or first responder and common and accepted
31 in the education or first responder field.

32 (5) 'Qualified school' means a Georgia:

33 (A) School under the control and management of a county, independent, or area board
34 of education supported by public funds;

35 (B) School under the control and management of the State Board of Education or
36 department or agency thereof supported by public funds;

37 (C) Private school as such term is defined in subsection (b) of Code Section 20-2-690;

38 (D) Home study program meeting the requirements set forth in subsection (c) of Code
39 Section 20-2-690;

40 (E) Qualified pre-kindergarten program; or

41 (F) Early care and education program as such term is defined in paragraph (6) of Code
42 Section 20-1A-2.

43 (6) 'Teacher' means an individual who is a kindergarten through grade 12 teacher,
44 instructor, or aide in a qualified school for at least 810 hours during a taxable year.

45 (b)(1) An eligible taxpayer shall be allowed a credit against the tax imposed by Code
46 Section 48-7-20 in the amount of 50 percent of up to \$1,000.00 of eligible expenses
47 incurred during the tax year by such taxpayer. Such credit shall not exceed the taxpayer's
48 income tax liability.

49 (2) No taxpayer shall be entitled to such credit as set forth in paragraph (1) of this
50 subsection for eligible expenses claimed by another taxpayer.

51 (3) Any unused tax credit shall not be allowed to be carried forward to apply to the
52 taxpayer's succeeding years' tax liability.

53 (4) No such tax credit shall be allowed against prior years' tax liability.

54 (5) If the taxpayer claims the credit allowed by this Code section, for the purposes of
55 computing a taxpayer's Georgia taxable net income under Code Section 48-7-27, the
56 taxpayer shall add back any amount provided and allowed by Section 62(a)(2)(D) of the
57 Internal Revenue Code of 1986.

58 (c) The commissioner shall promulgate any rules and regulations necessary to implement
59 and administer this Code section."

60 **SECTION 3.**

61 This Act shall become effective upon its approval by the Governor or upon its becoming law
62 without such approval and shall be applicable to tax years beginning on or after
63 January 1, 2024.

64 **SECTION 4.**

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