

House Bill 34

By: Representatives Williamson of the 112<sup>th</sup>, Williams of the 148<sup>th</sup>, Dickey of the 145<sup>th</sup>,  
Wade of the 9<sup>th</sup>, Ridley of the 6<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 state income tax,  
3 so as to expand the credits allowable for purchases and acquisitions of qualified investment  
4 property for manufacturing and telecommunications facilities to include mining facilities; to  
5 revise definitions; to provide for an effective date and application; to provide for related  
6 matters; to repeal conflicting laws; and for 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 relative to state income tax, is  
11 amended by revising Code Section 48-7-40.2, relating to tax credits for existing  
12 manufacturing and telecommunications facilities in tier 1 counties, as follows:

13 "48-7-40.2.

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

15 (1) 'Product' means a marketable product or component of a product which has an  
16 economic value to the wholesale or retail consumer and is ready to be used without

17 further alteration of its form, or a product or material which is marketed as a prepared  
18 material or is a component in the manufacturing and assembly of other finished products.

19 (2) 'Qualified investment property' means all real and personal property purchased or  
20 acquired by a taxpayer for use in the construction of an additional manufacturing, mining,  
21 or telecommunications facility to be located in this state or the expansion of an existing  
22 manufacturing, mining, or telecommunications facility located in this state, including, but  
23 not limited to, amounts expended on land acquisition, improvements, buildings, building  
24 improvements, and machinery and equipment to be used in the manufacturing, mining,  
25 or telecommunications facility. The department shall promulgate rules defining eligible  
26 manufacturing facilities, mining facilities, telecommunications facilities, and qualified  
27 investment property pursuant to this paragraph.

28 (3) 'Recovered materials' means those materials, including, but not limited to, such  
29 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
30 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
31 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
32 reuse, or recycling, whether or not requiring subsequent separation and processing.

33 (4) 'Recycling' means any process by which materials which would otherwise become  
34 solid waste are collected, separated, or processed and reused or returned to use in the  
35 form of raw materials or products.

36 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
37 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
38 recovered materials into finished products which are composed of at least 25 percent  
39 recovered materials, such term including, but not being limited to, power generation and  
40 pollution control machinery and equipment.

41 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
42 to land, buildings, building improvements, and any recycling machinery and equipment  
43 used in the recycling process resulting in the manufacture of finished products from

44 recovered materials, provided that up to 10 percent of any building that is a component  
45 of a recycling facility may be used for office space to house support staff for the recycling  
46 operation.

47 (7) 'Rural county' means a county that has a population of less than 50,000 with 10  
48 percent or more of such population living in poverty based upon the most recent, reliable,  
49 and applicable data published by the United States Bureau of the Census. On or before  
50 December 31 of each year, the commissioner of the Department of Community Affairs  
51 shall publish a list of such counties.

52 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
53 an existing manufacturing, mining, or telecommunications facility or a manufacturing,  
54 mining, or telecommunications support facility in this state in a tier 1 county designated  
55 pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax imposed  
56 under this article in an amount equal to 5 percent of the cost of all qualified investment  
57 property purchased or acquired by the taxpayer in such year, subject to the conditions and  
58 limitations set forth in this Code section. In the event such qualified investment property  
59 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
60 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
61 or equipment, a pollution control or prevention facility, or the conversion from defense to  
62 domestic production, the amount of such credit shall be equal to 8 percent.

63 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
64 following conditions and limitations:

65 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
66 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
67 with the tax year immediately following the tax year in which the qualified investment  
68 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
69 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
70 the credit may only be taken beginning with the tax year immediately following the tax

71 year in which the qualified investment property having an aggregate cost in excess of  
72 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
73 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
74 income tax return which will set forth the following information, as a minimum:

- 75 (A) A description of the project;
- 76 (B) The amount of qualified investment property acquired during the taxable year;
- 77 (C) The amount of tax credit claimed for the taxable year;
- 78 (D) The amount of qualified investment property acquired in prior taxable years;
- 79 (E) Any tax credit utilized by the taxpayer in prior taxable years;
- 80 (F) The amount of tax credit carried over from prior years;
- 81 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and
- 82 (H) The amount of tax credit to be carried over to subsequent tax years;
- 83 (2)(A) Any credit claimed under this Code section but not used in any taxable year  
84 may be carried forward for ten years from the close of the taxable year in which the  
85 qualified investment property was acquired, provided that such qualified investment  
86 property remains in service:
- 87 (B)(i) The credit established by this Code section taken in any one taxable year shall  
88 be limited to an amount not greater than 50 percent of the taxpayer's state income tax  
89 liability which is attributable to income derived from operations in this state for that  
90 taxable year.
- 91 (ii) Notwithstanding division (i) of this subparagraph, for credit earned pursuant to  
92 this Code section from purchases of qualified investment property for a  
93 manufacturing, mining, or telecommunications facility in a rural county made on or  
94 after January 1, 2020, such credit shall:
- 95 (I) First be applied to such taxpayer's state income tax liability which is attributable  
96 to income derived from operations in this state for that taxable year, limited to 50  
97 percent of such liability before application of such credit; and

98 (II) If the amount of such credit exceeds the limit set forth in subdivision (I) of this  
99 division, the excess may be taken as a credit of up to \$1 million for any one taxable  
100 year against such taxpayer's quarterly or monthly payments under Code Section  
101 48-7-103, provided that such \$1 million limit shall be reduced by any amount taken  
102 by such taxpayer pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section  
103 48-7-40.3. Each employee for whom an employer receives credit against such  
104 employer's quarterly or monthly payment under Code Section 48-7-103 shall  
105 receive credit against his or her income tax liability under Code Section 48-7-20 for  
106 the corresponding taxable year for the full amount which would be credited against  
107 such liability prior to the application of the credit provided for in this paragraph.  
108 Credits against quarterly or monthly payments under Code Section 48-7-103 and  
109 credits against liability under Code Section 48-7-20 established by this  
110 subparagraph shall not constitute income to the employee;

111 provided, however, that credit allowed and used pursuant to subdivision (II) of this  
112 division and pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section 48-7-40.3 shall  
113 not exceed \$10 million in aggregate for all taxpayers for any calendar year. The  
114 commissioner shall establish an application process to ensure that the \$10 million  
115 aggregate maximum and the \$1 million per taxpayer maximum are not exceeded. If  
116 applications for such credit exceed \$10 million for the calendar year, the commissioner  
117 shall allow for the credit to be applied to all eligible applicants in prorated amounts  
118 among such applicants, not to exceed \$10 million for the calendar year.

119 (C) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new  
120 eligibility in any succeeding taxpayer, but any unused credit may be transferred and  
121 continued by any transferee of the taxpayer;

122 (D) The automatic repeal of paragraph (2.1) of this subsection on December 31, 2024,  
123 shall not impair or affect a taxpayer's ability or right to apply an unused credit for a

124 taxable year after December 31, 2024, that such taxpayer accrued pursuant to and under  
125 the conditions of said paragraph prior to its automatic repeal.

126 (2.1)(A) Any credit claimed prior to January 1, 2020, pursuant to this Code section by  
127 a taxpayer that remains unused by such taxpayer may be applied pursuant to  
128 subparagraph (B) of this paragraph for any taxable year beginning on or after January 1,  
129 2020, for which such credit may be carried forward pursuant to paragraph (2) of this  
130 subsection provided that within a single taxable year beginning on or after January 1,  
131 2020, such taxpayer:

132 (i) Maintains within rural counties at least 100 full-time employee jobs as such term  
133 is defined in Code Section 48-7-40.24; and

134 (ii) Purchases or acquires at least \$5 million of qualified investment property for  
135 manufacturing, mining, or telecommunications facilities within rural counties.

136 (B) Subject to the requirements established by subparagraph (A) of this paragraph, a  
137 taxpayer may elect to apply such credit that has been carried forward as allowed  
138 pursuant to division (ii) of subparagraph (B) of paragraph (2) of this Code section.

139 (C)(i) Qualified investment property purchased or acquired in connection with  
140 division (ii) of subparagraph (A) of this paragraph may be eligible for credit granted  
141 under subsection (b) of this Code section, provided that the conditions for such credit  
142 are met independently of this paragraph. Any such new credit earned shall be applied  
143 as provided in paragraph (2) of this subsection.

144 (ii) For the taxable year in which the jobs that are required to be maintained in  
145 division (i) of subparagraph (A) of this subsection are maintained, such jobs shall not  
146 be eligible to be used or claimed as the basis for any other tax credit or benefit  
147 allowed by state law.

148 (D) This paragraph shall not extend the carry forward period for any credit.

149 (E) This paragraph shall stand repealed by operation of law on the last moment of  
150 December 31, 2024;

- 151 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
152 this Code section, the taxpayer shall include in the description of the project required by  
153 subparagraph (A) of paragraph (1) of this subsection, information which demonstrates  
154 that the project includes the acquisition of qualified investment property having an  
155 aggregate cost in excess of the amount required by paragraph (1) of this subsection;
- 156 (4) Any lease for a period of five years or longer of any real or personal property used  
157 in a new or expanded manufacturing, mining, or telecommunications facility which  
158 would otherwise constitute qualified investment property shall be treated as the purchase  
159 or acquisition of qualified investment property by the lessee. The taxpayer may treat the  
160 full value of the leased property as qualified investment property in the taxable year in  
161 which the lease becomes binding on the lessor and the taxpayer if all other conditions of  
162 this subsection have been met; and
- 163 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
164 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
165 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
166 such assets for the purpose of depreciation.
- 167 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
168 provided for in this Code section if such taxpayer claims on such tax return any of the  
169 credits authorized under Code Section 48-7-40 or 48-7-40.1."

170

**SECTION 2.**

171 Said article is further amended by revising Code Section 48-7-40.3, relating to tax credits for  
172 existing manufacturing and telecommunications facilities in tier 2 counties, as follows:

173 "48-7-40.3.

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

175 (1) 'Product' means a marketable product or component of a product which has an  
176 economic value to the wholesale or retail consumer and is ready to be used without

177 further alteration of its form or a product or material which is marketed as a prepared  
178 material or is a component in the manufacturing and assembly of other finished products.

179 (2) 'Qualified investment property' means all real and personal property purchased or  
180 acquired by a taxpayer for use in the construction of an additional manufacturing, mining,  
181 or telecommunications facility to be located in this state or the expansion of an existing  
182 manufacturing, mining, or telecommunications facility located in this state, including, but  
183 not limited to, amounts expended on land acquisition, improvements, buildings, building  
184 improvements, and machinery and equipment to be used in the manufacturing, mining,  
185 or telecommunications facility. The department shall promulgate rules defining eligible  
186 manufacturing facilities, mining facilities, telecommunications facilities, and qualified  
187 investment property pursuant to this paragraph.

188 (3) 'Recovered materials' means those materials, including but not limited to such  
189 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
190 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
191 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
192 reuse, or recycling, whether or not requiring subsequent separation and processing.

193 (4) 'Recycling' means any process by which materials which would otherwise become  
194 solid waste are collected, separated, or processed and reused or returned to use in the  
195 form of raw materials or products.

196 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
197 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
198 recovered materials into products which are composed of at least 25 percent recovered  
199 materials, such term including, but not being limited to, power generation and pollution  
200 control machinery and equipment.

201 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
202 to land, buildings, building improvements, and any recycling machinery and equipment  
203 used in the recycling process resulting in the manufacture of products from recovered

204 materials, provided that up to 10 percent of any building that is a component of a  
205 recycling facility may be used for office space to house support staff for the recycling  
206 operation.

207 (7) 'Rural county' means a county that has a population of less than 50,000 with 10  
208 percent or more of such population living in poverty based upon the most recent, reliable,  
209 and applicable data published by the United States Bureau of the Census. On or before  
210 December 31 of each year, the commissioner of the Department of Community Affairs  
211 shall publish a list of such counties.

212 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
213 an existing manufacturing, mining, or telecommunications facility or manufacturing,  
214 mining, or telecommunications support facility in this state in a tier 2 county designated  
215 pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax imposed  
216 under this article in an amount equal to 3 percent of the cost of all qualified investment  
217 property purchased or acquired by the taxpayer in such year, subject to the conditions and  
218 limitations set forth in this Code section. In the event such qualified investment property  
219 purchased or acquired by the taxpayer in such year consists of recycling machinery or  
220 equipment, a recycling manufacturing facility, pollution control or prevention machinery  
221 or equipment, a pollution control or prevention facility, or the conversion from defense to  
222 domestic production, the amount of such credit shall be equal to 5 percent.

223 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
224 following conditions and limitations:

225 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
226 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
227 with the tax year immediately following the tax year in which the qualified investment  
228 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
229 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
230 the credit may only be taken beginning with the tax year immediately following the tax

231 year in which the qualified investment property having an aggregate cost in excess of  
232 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
233 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
234 income tax return which will set forth the following information, as a minimum:

- 235 (A) A description of the project;  
236 (B) The amount of qualified investment property acquired during the taxable year;  
237 (C) The amount of tax credit claimed for the taxable year;  
238 (D) The amount of qualified investment property acquired in prior taxable years;  
239 (E) Any tax credit utilized by the taxpayer in prior taxable years;  
240 (F) The amount of tax credit carried over from prior years;  
241 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and  
242 (H) The amount of tax credit to be carried over to subsequent tax years;  
243 (2)(A) Any credit claimed under this Code section but not used in any taxable year  
244 may be carried forward for ten years from the close of the taxable year in which the  
245 qualified investment property was acquired, provided that such qualified investment  
246 property remains in service.

247 (B)(i) The credit established by this Code section taken in any one taxable year shall  
248 be limited to an amount not greater than 50 percent of the taxpayer's state income tax  
249 liability which is attributable to income derived from operations in this state for that  
250 taxable year.

251 (ii) Notwithstanding division (i) of this subparagraph, for credit earned pursuant to  
252 this Code section from purchases of qualified investment property for a  
253 manufacturing, mining, or telecommunications facility in a rural county made on or  
254 after January 1, 2020, such credit shall:

- 255 (I) First be applied to such taxpayer's state income tax liability which is attributable  
256 to income derived from operations in this state for that taxable year, limited to 50  
257 percent of such liability before application of such credit; and

258 (II) If the amount of such credit exceeds the limit set forth in subdivision (I) of this  
259 division, the excess may be taken as a credit of up to \$1 million for any one taxable  
260 year against such taxpayer's quarterly or monthly payments under Code Section  
261 48-7-103, provided that such \$1 million limit shall be reduced by any amount taken  
262 by such taxpayer pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section  
263 48-7-40.2. Each employee for whom an employer receives credit against such  
264 employer's quarterly or monthly payment under Code Section 48-7-103 shall  
265 receive credit against his or her income tax liability under Code Section 48-7-20 for  
266 the corresponding taxable year for the full amount which would be credited against  
267 such liability prior to the application of the credit provided for in this paragraph.  
268 Credits against quarterly or monthly payments under Code Section 48-7-103 and  
269 credits against liability under Code Section 48-7-20 established by this  
270 subparagraph shall not constitute income to the employee;

271 provided, however, that credit allowed and used pursuant to subdivision (II) of this  
272 division and pursuant to subdivision (c)(2)(B)(ii)(II) of Code Section 48-7-40.2 shall  
273 not exceed \$10 million in aggregate for all taxpayers for any calendar year. The  
274 commissioner shall establish an application process to ensure that the \$10 million  
275 aggregate maximum and the \$1 million per taxpayer maximum are not exceeded. If  
276 applications for such credit exceed \$10 million for the calendar year, the commissioner  
277 shall allow for the credit to be applied to all eligible applicants in prorated amounts  
278 among such applicants, not to exceed \$10 million for the calendar year.

279 (C) The sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new  
280 eligibility in any succeeding taxpayer, but any unused credit may be transferred and  
281 continued by any transferee of the taxpayer;

282 (D) The automatic repeal of paragraph (2.1) of this subsection on December 31, 2024,  
283 shall not impair or affect a taxpayer's ability or right to apply an unused credit for a

284 taxable year after December 31, 2024, that such taxpayer accrued pursuant to and under  
285 the conditions of said paragraph prior to its automatic repeal.

286 (2.1)(A) Any credit claimed prior to January 1, 2020, pursuant to this Code section by  
287 a taxpayer that remains unused by such taxpayer may be applied pursuant to  
288 subparagraph (B) of this paragraph for any taxable year beginning on or after January 1,  
289 2020, for which such credit may be carried forward pursuant to paragraph (2) of this  
290 subsection provided that within a single taxable year beginning on or after January 1,  
291 2020, such taxpayer:

292 (i) Maintains within rural counties at least 100 full-time employee jobs as such term  
293 is defined in Code Section 48-7-40.24; and

294 (ii) Purchases or acquires at least \$10 million of qualified investment property for  
295 manufacturing, mining, or telecommunications facilities within rural counties.

296 (B) Subject to the requirements established by subparagraph (A) of this paragraph, a  
297 taxpayer may elect to apply such credit that has been carried forward as allowed  
298 pursuant to division (ii) of subparagraph (B) of paragraph (2) of this Code section.

299 (C)(i) Qualified investment property purchased or acquired in connection with  
300 division (ii) of subparagraph (A) of this paragraph may be eligible for credit granted  
301 under subsection (b) of this Code section, provided that the conditions for such credit  
302 are met independently of this paragraph. Any such new credit earned shall be applied  
303 as provided in paragraph (2) of this subsection.

304 (ii) For the taxable year in which the jobs that are required to be maintained in  
305 division (i) of subparagraph (A) of this subsection are maintained, such jobs shall not  
306 be eligible to be used or claimed as the basis for any other tax credit or benefit  
307 allowed by state law.

308 (D) This paragraph shall not extend the carry forward period for any credit.

309 (E) This paragraph shall stand repealed by operation of law on the last moment of  
310 December 31, 2024;

311 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
312 this Code section, the taxpayer shall include in the description of the project required by  
313 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
314 the project includes the acquisition of qualified investment property having an aggregate  
315 cost in excess of the amount required by paragraph (1) of this subsection;

316 (4) Any lease for a period of five years or longer of any real or personal property used  
317 in a new or expanded manufacturing, mining, or telecommunications facility which  
318 would otherwise constitute qualified investment property shall be treated as the purchase  
319 or acquisition of qualified investment property by the lessee. The taxpayer may treat the  
320 full value of the leased property as qualified investment property in the taxable year in  
321 which the lease becomes binding on the lessor and the taxpayer if all other conditions of  
322 this subsection have been met; and

323 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
324 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
325 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
326 such assets for the purpose of depreciation.

327 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
328 provided for in this Code section if such taxpayer claims on such tax return any of the  
329 credits authorized under Code Section 48-7-40 or 48-7-40.1."

330

### SECTION 3.

331 Said article is further amended by revising Code Section 48-7-40.4, relating to tax credits for  
332 existing manufacturing and telecommunications facilities or manufacturing and  
333 telecommunications support facilities in tier 3 or 4 counties, as follows:

334 "48-7-40.4.

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

336 (1) 'Product' means a marketable product or component of a product which has an  
337 economic value to the wholesale or retail consumer and is ready to be used without  
338 further alteration of its form or a product or material which is marketed as a prepared  
339 material or is a component in the manufacturing and assembly of other finished products.

340 (2) 'Qualified investment property' means all real and personal property purchased or  
341 acquired by a taxpayer for use in the construction of an additional manufacturing, mining,  
342 or telecommunications facility to be located in this state or the expansion of an existing  
343 manufacturing, mining, or telecommunications facility located in this state, including, but  
344 not limited to, amounts expended on land acquisition, improvements, buildings, building  
345 improvements, and machinery and equipment to be used in the manufacturing, mining,  
346 or telecommunications facility. The department shall promulgate rules defining eligible  
347 manufacturing facilities, mining facilities, telecommunications facilities, and qualified  
348 investment property pursuant to this paragraph.

349 (3) 'Recovered materials' means those materials, including but not limited to such  
350 materials as aluminum, oil, plastic, paper, paper products, scrap metal, iron, glass, and  
351 rubber, which have known use, reuse, or recycling potential; can be feasibly used, reused,  
352 or recycled; and have been diverted or removed from the solid waste stream for sale, use,  
353 reuse, or recycling, whether or not requiring subsequent separation and processing.

354 (4) 'Recycling' means any process by which materials which would otherwise become  
355 solid waste are collected, separated, or processed and reused or returned to use in the  
356 form of raw materials or products.

357 (5) 'Recycling machinery and equipment' means all tangible personal property used,  
358 directly or indirectly, to sort, store, prepare, convert, process, fabricate, or manufacture  
359 recovered materials into products which are composed of at least 25 percent recovered  
360 materials, such term including, but not being limited to, power generation and pollution  
361 control machinery and equipment.

362 (6) 'Recycling manufacturing facility' means any facility, including land, improvements  
363 to land, buildings, building improvements, and any recycling machinery and equipment  
364 used in the recycling process resulting in the manufacture of products from recovered  
365 materials, provided that up to 10 percent of any building that is a component of a  
366 recycling facility may be used for office space to house support staff for the recycling  
367 operation.

368 (b) In the case of a taxpayer which has operated for the immediately preceding three years  
369 an existing manufacturing, mining, or telecommunications facility or manufacturing,  
370 mining, or telecommunications support facility in this state in a tier 3 or a tier 4 county  
371 designated pursuant to Code Section 48-7-40, there shall be allowed a credit against the tax  
372 imposed under this article in an amount equal to 1 percent of the cost of all qualified  
373 investment property purchased or acquired by the taxpayer in such year, subject to the  
374 conditions and limitations set forth in this Code section. In the event such qualified  
375 investment property purchased or acquired by the taxpayer in such year consists of  
376 recycling machinery or equipment, a recycling manufacturing facility, pollution control or  
377 prevention machinery or equipment, a pollution control or prevention facility, or the  
378 conversion from defense to domestic production, the amount of such credit shall be equal  
379 to 3 percent.

380 (c) The credit granted under subsection (b) of this Code section shall be subject to the  
381 following conditions and limitations:

382 (1) In order to qualify as a basis for the credit, the investment in qualified investment  
383 property must occur no sooner than January 1, 1995. The credit may be taken beginning  
384 with the tax year immediately following the tax year in which the qualified investment  
385 property having an aggregate cost in excess of \$50,000.00 is purchased or acquired by  
386 the taxpayer; provided, however, that for tax years beginning on or after January 1, 2020,  
387 the credit may only be taken beginning with the tax year immediately following the tax  
388 year in which the qualified investment property having an aggregate cost in excess of

389 \$100,000.00 is purchased or acquired by the taxpayer. For every year in which a  
390 taxpayer claims the credit, the taxpayer shall attach a schedule to the taxpayer's Georgia  
391 income tax return which will set forth the following information, as a minimum:

- 392 (A) A description of the project;
- 393 (B) The amount of qualified investment property acquired during the taxable year;
- 394 (C) The amount of tax credit claimed for the taxable year;
- 395 (D) The amount of qualified investment property acquired in prior taxable years;
- 396 (E) Any tax credit utilized by the taxpayer in prior taxable years;
- 397 (F) The amount of tax credit carried over from prior years;
- 398 (G) The amount of tax credit utilized by the taxpayer in the current taxable year; and
- 399 (H) The amount of tax credit to be carried over to subsequent tax years;

400 (2) Any credit claimed under this Code section but not used in any taxable year may be  
401 carried forward for ten years from the close of the taxable year in which the qualified  
402 investment property was acquired, provided that such qualified investment property  
403 remains in service. The credit established by this Code section taken in any one taxable  
404 year shall be limited to an amount not greater than 50 percent of the taxpayer's state  
405 income tax liability which is attributable to income derived from operations in this state  
406 for that taxable year. The sale, merger, acquisition, or bankruptcy of any taxpayer shall  
407 not create new eligibility in any succeeding taxpayer, but any unused credit may be  
408 transferred and continued by any transferee of the taxpayer;

409 (3) In the initial year in which the taxpayer claims the credit granted in subsection (b) of  
410 this Code section, the taxpayer shall include in the description of the project required by  
411 subparagraph (A) of paragraph (1) of this subsection information which demonstrates that  
412 the project includes the acquisition of qualified investment property having an aggregate  
413 cost in excess of the amount required by paragraph (1) of this subsection;

414 (4) Any lease for a period of five years or longer of any real or personal property used  
415 in a new or expanded manufacturing, mining, or telecommunications facility which

416 would otherwise constitute qualified investment property shall be treated as the purchase  
417 or acquisition of qualified investment property by the lessee. The taxpayer may treat the  
418 full value of the leased property as qualified investment property in the taxable year in  
419 which the lease becomes binding on the lessor and the taxpayer if all other conditions of  
420 this subsection have been met; and

421 (5) The utilization of the credit granted in subsection (b) of this Code section shall have  
422 no effect on the taxpayer's ability to claim depreciation for tax purposes on the assets  
423 acquired by the taxpayer, nor shall the credit have any effect on the taxpayer's basis in  
424 such assets for the purpose of depreciation.

425 (d) No taxpayer shall be authorized to claim on a tax return for a given project the credit  
426 provided for in this Code section if such taxpayer claims on such tax return any of the  
427 credits authorized under Code Section 48-7-40 or 48-7-40.1."

428 **SECTION 4.**

429 This Act shall become effective on July 1, 2024, and shall be applicable to taxable years  
430 beginning on or after January 1, 2024, and qualifying purchases or acquisitions on or after  
431 July 1, 2024.

432 **SECTION 5.**

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