

House Bill 524

By: Representative Teasley of the 37th

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, and exemptions from state income taxes, so as to
3 provide for an income tax credit for taxpayers who make donations to certain qualified
4 organizations acting in support of public education; to provide for an annual limit for such
5 tax credit; to require annual reporting; to provide a definition; to provide for rules and
6 regulations; to provide for related matters; to provide for an effective date and applicability;
7 to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 This Act shall be known and may be cited as the "Digital Learning Tax Credit Act of 2017."

11 **SECTION 2.**

12 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
13 imposition, rate, computation, and exemptions from state income taxes, is amended by
14 adding a new Code section to read as follows:

15 "48-7-29.21.

16 (a)(1) There is created a digital learning tax credit available to taxpayers that make
17 donations to eligible nonprofit organizations. All such donations to such eligible
18 nonprofit organizations shall only be used to provide improved technology to county,
19 municipal, and independent school districts thereby facilitating Internet access for student
20 learning initiatives, as provided in subsection (c) of this Code section.

21 (2)(A) Taxpayers that donate to eligible nonprofit organizations shall receive an
22 income tax credit equal to 50 percent of the amount donated; provided that, in no event
23 shall the credit be allowed to reduce any estimated payment of the tax levied by this
24 title before October 1, 2017.

25 (B) The tax credit shall be further limited to no more than 50 percent of a taxpayer's
 26 tax liability. A taxpayer may carry forward unused credits for three years.

27 (3)(A) The total amount of tax credits that may be granted in the first year of operation
 28 under this Code section shall not exceed \$10 million.

29 (B) For each year that the total amount of credits claimed is equal to or greater than 90
 30 percent of the program cap, the credit cap shall increase by 15 percent.

31 (4) The department shall develop a procedure for authorizing taxpayers to claim credits
 32 on a first-come basis and to notify such taxpayers in a timely manner regarding the status
 33 of such claims. A taxpayer approved to claim such credit shall be given priority in
 34 claiming a credit of at least the same amount in subsequent consecutive years.

35 (b) The department shall certify, at any time, no more than three eligible nonprofit
 36 organizations to participate in this tax credit program. As used in this Code section, an
 37 'eligible nonprofit organization' means an organization certified by the department that:

38 (1) Is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue
 39 Code; or

40 (2) Is exempt from federal taxation under Section 170(c)1; and

41 (3) Has a primary, or a significant, purpose of supporting public education;

42 (4) Has an established history of administering funds throughout the state, or has
 43 officers, directors, or key employees with such record;

44 (5) Demonstrates a strong relationship with county, municipal, or independent school
 45 districts; and

46 (6) Has the capacity to submit regular reports to the Department of Education, as
 47 required in subsection (d) of this Code section.

48 (c) Eligible nonprofit organizations shall make grants to county, municipal, or independent
 49 school districts to:

50 (1) Purchase new technology products and devices;

51 (2) Create digital content and interactive textbooks;

52 (3) Train teachers in the use of technology and devices for learning initiatives; or

53 (4) Improve instructional practices with such technology or devices.

54 Such funds shall only be granted upon the commitment by such county, municipal, or
 55 independent school district or a third party to provide matching funds in an amount equal
 56 to 50 percent of the amount of the grant.

57 (d)(1) The Department of Education shall require quarterly reports from the eligible
 58 nonprofit organizations and such reports shall include, but not be limited to, the number
 59 of school districts participating in the program, grant amounts, and uses.

60 (2) The Department of Education shall require each school district that receives funds
 61 under this Code section to submit a report annually and such report shall include, but not

62 be limited to, the usage of funds and return on investment as it relates to student academic
63 growth and teacher utilization of technology in the classroom.

64 (3) The Department of Education shall aggregate the reports required by this subsection
65 and shall annually submit a report on the use of funds to the Governor, Lieutenant
66 Governor, and Speaker of the House. Such report shall be submitted no later than
67 October 1 of each year.

68 (e) In order to retain its designation as an eligible nonprofit organization, each such
69 organization shall:

70 (1) Submit reports required in subsection (d) of this Code section; and

71 (2) Expend at least 95 percent of the funds received pursuant to this Code section on
72 grants meeting the requirements of subsection (c) of this Code section."

73 **SECTION 3.**

74 This Act shall become effective upon its approval by the Governor or upon its becoming law
75 without such approval and shall be effective for tax years beginning on or after January 1,
76 2018.

77 **SECTION 4.**

78 All laws or parts of laws which conflict with this act are repealed.