

House Bill 536

By: Representative Thomas of the 65th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
2 income taxes, so as to provide for a tax credit for certain expenses incurred by taxpayers for
3 installing solar energy systems at warehouses or residential dwellings; to provide for
4 definitions; to provide for terms and conditions; to provide for applications and preapprovals;
5 to provide for rules and regulations; to provide for an effective date and applicability; to
6 provide for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
10 is amended by adding a new Code section to read as follows:

11 "48-7-29.11A.

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

13 (1) 'Eligible residential solar installation' means the installation of solar panels and
14 related equipment on and for a residential dwelling that is owned by one or more related
15 individuals.

16 (2) 'Eligible solar installation' means any eligible residential solar power installation or
17 eligible warehouse solar installation.

18 (3) 'Eligible solar power expenses' means:

19 (A) Expenses incurred during the calendar year from the installation of an eligible solar
20 installation. Such expenses shall be limited to expenses paid or incurred for the
21 installation and purchase of solar panels, battery storage, and requisite electrical
22 equipment for the primary purpose of producing electricity to serve the building or
23 buildings for which the installation occurs. Such expenses may be incurred only once
24 in relation to any building and directly by the taxpayer or through a purchase contract;
25 and

26 (B) Such expenses shall not include any expense that serves as the basis for any other
27 state income tax credit.

28 (4) 'Eligible warehouse solar installation' means the installation of solar panels on the
29 roof of a warehouse that is at least 100,000 square feet in area, provided that the solar
30 panels cover at least 40 percent of the total surface area of the roof of such warehouse.

31 (b) For taxable years beginning on or after January 1, 2024, a taxpayer shall be allowed
32 an income tax credit against the tax imposed by Code Section 48-7-20 or 48-7-21 for a
33 portion of eligible solar power expenses incurred in the corresponding calendar year as
34 follows:

35 (1) For an eligible residential solar installation, the amount of the credit shall be equal
36 to the lesser of \$5,000.00 and 35 percent of the eligible solar power expenses incurred by
37 an individual to retrofit his or her residential dwelling; and

38 (2) For an eligible warehouse solar installation, the amount of the credit shall be equal
39 to the lesser of \$250,000.00 and 50 percent of the eligible solar power expenses incurred
40 to retrofit up to eight warehouses owned or operated by the same person or related
41 persons, provided that such tax credits shall not be allowed to offset more than 50 percent
42 of the taxpayer's total income tax liability in any year.

43 (c) In no event shall the total amount of any tax credit allowed under this Code section for
44 a taxable year exceed the taxpayer's income tax liability. No such tax credit shall be
45 allowed the taxpayer against prior years' tax liability. Any unused tax credit shall be
46 allowed to be carried forward to apply to no more than the taxpayer's three succeeding
47 years' tax liability.

48 (d)(1) Any person seeking to claim a tax credit for an eligible warehouse solar
49 installation must submit an application to the commissioner for tentative approval of the
50 tax credit between September 1 and October 31 of the year preceding the calendar year
51 for which the tax credit is to be earned. The commissioner shall promulgate the rules and
52 forms on which the application is to be submitted. Amounts specified on such
53 application shall not be changed by the taxpayer after the application is approved by the
54 commissioner. The commissioner shall review such application and shall tentatively
55 approve such application upon determining that it meets the requirements of this Code
56 section.

57 (2) The commissioner shall provide tentative approval of the applications by the date
58 provided in paragraph (3) of this subsection. In no event shall the aggregate amount of
59 tax credits approved by the commissioner for eligible warehouse solar installations under
60 this Code section in a calendar year exceed \$25 million per year.

61 (3) The department shall notify each taxpayer of the tax credits tentatively approved and
62 allocated to such employer by December 31 of the year in which the application was
63 submitted. In the event that the credit amounts on the tax credit applications filed with
64 the commissioner exceed the maximum aggregate limit of tax credits under this
65 subsection, then the tax credits shall be allocated among the applicants who filed a timely
66 application on a pro rata basis based upon the amounts otherwise allowed by this Code
67 section.

68 (4) Once the tax credit application has been approved and the amount approved has been
69 communicated to the applicant, the taxpayer may incur expenses approved for the tax

70 credit at any time during the calendar year following the approval of the application. The
71 taxpayer may then apply the amount of the approved tax credit to its tax liability for the
72 tax year or years for which the approved application applies. In the event the taxpayer
73 has a tax year other than a calendar year and the calendar year expenses are incurred in
74 more than one taxable year, the credit shall be applied to each taxable year based upon
75 when the expenses were incurred.
76 (e) The commissioner shall promulgate any rules and regulations necessary to implement
77 and administer this Code section."

78 **SECTION 2.**

79 This Act shall become effective on July 1, 2023, and shall be applicable to taxable years
80 beginning on or after January 1, 2024.

81 **SECTION 3.**

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