

House Bill 721

By: Representatives Davis of the 87th, Schofield of the 60th, Scott of the 76th, McLeod of the 105th, Burnough of the 77th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 revise certain tax credits; to amend Title 48 of the Official Code of Georgia Annotated,
3 relating to revenue and taxation, so as to eliminate a certain income tax deduction; to revise
4 certain income tax credits; to provide for related matters; to provide for an effective date; to
5 repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
9 subsection (f) of Code Section 33-8-4.1, relating to state insurance premiums tax credits for
10 insurance companies located in certain counties designated as less developed areas, as
11 follows:

12 "(f)(1) Business enterprises in counties designated by the commissioner of community
13 affairs as tier 1 counties shall be allowed a job tax credit for taxes imposed under Code
14 Section 33-8-4 equal to ~~\$3,500.00~~ \$1,750.00 annually per eligible new full-time
15 employee job for five years beginning with years two through six after the creation of
16 such job. Business enterprises in counties designated by the commissioner of community

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17 affairs as tier 2 counties shall be allowed a job tax credit for taxes imposed under Code
18 Section 33-8-4 equal to ~~\$2,500.00~~ \$1,250.00 annually, business enterprises in counties
19 designated by the commissioner of community affairs as tier 3 counties shall be allowed
20 a job tax credit for taxes imposed under Code Section 33-8-4 equal to ~~\$1,250.00~~ \$625.00
21 annually, and business enterprises in counties designated by the commissioner of
22 community affairs as tier 4 counties shall be allowed a job tax credit for taxes imposed
23 under Code Section 33-8-4 equal to ~~\$750.00~~ \$375.00 annually for each new full-time
24 employee job for five years beginning with years two through six after the creation of the
25 job. The number of new full-time jobs shall be determined by comparing the monthly
26 average number of full-time employees subject to Georgia income tax withholding for
27 the calendar year with the corresponding period of the prior calendar year. In tier 1
28 counties, those business enterprises that increase employment by five or more shall be
29 eligible for the credit. In tier 2 counties, only those business enterprises that increase
30 employment by ten or more shall be eligible for the credit. In tier 3 counties, only those
31 business enterprises that increase employment by 15 or more shall be eligible for the
32 credit. In tier 4 counties, only those business enterprises that increase employment by 25
33 or more shall be eligible for the credit. The average wage of the new jobs created must
34 be above the average wage of the county that has the lowest average wage of any county
35 in the state to qualify as reported in the most recently available annual issue of the
36 Georgia Employment and Wages Averages Report of the Department of Labor. To
37 qualify for a credit under this paragraph, the employer must make health insurance
38 coverage available to the employee filling the new full-time job; provided, however, that
39 nothing in this paragraph shall be construed to require the employer to pay for all or any
40 part of health insurance coverage for such an employee in order to claim the credit
41 provided for in this paragraph if such employer does not pay for all or any part of health
42 insurance coverage for other employees. Credit shall not be allowed during a year if the
43 net employment increase falls below the number required in such tier. Any credit

44 received for years prior to the year in which the net employment increase falls below the
45 number required in such tier shall not be affected. The Commissioner of Insurance shall
46 adjust the credit allowed each year for net new employment fluctuations above the
47 minimum level of the number required in such tier.

48 (2) Existing business enterprises as defined under paragraph (2) of subsection (a) of this
49 Code section shall be allowed an additional tax credit for taxes imposed under Code
50 Section 33-8-4 equal to ~~\$500.00~~ \$250.00 per eligible new full-time employee job for one
51 year after the creation of such job. The additional credit shall be claimed in year two
52 after the creation of such job. The number of new full-time jobs shall be determined by
53 comparing the monthly average number of full-time employees subject to Georgia
54 income tax withholding for the calendar year with the corresponding period of the prior
55 calendar year. In tier 1 counties, those existing business enterprises that increase
56 employment by five or more shall be eligible for the credit. In tier 2 counties, only those
57 existing business enterprises that increase employment by ten or more shall be eligible
58 for the credit. In tier 3 counties, only those existing business enterprises that increase
59 employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those
60 existing business enterprises that increase employment by 25 or more shall be eligible for
61 the credit. The average wage of the new jobs created must be above the average wage
62 of the county that has the lowest average wage of any county in the state to qualify as
63 reported in the most recently available annual issue of the Georgia Employment and
64 Wages Averages Report of the Department of Labor. To qualify for a credit under this
65 paragraph, the employer must make health insurance coverage available to the employee
66 filling the new full-time job; provided, however, that nothing in this paragraph shall be
67 construed to require the employer to pay for all or any part of health insurance coverage
68 for such an employee in order to claim the credit provided for in this paragraph if such
69 employer does not pay for all or any part of health insurance coverage for other
70 employees. Credit shall not be allowed during a year if the net employment increase falls

71 below the number required in such tier. Any credit received for years prior to the year
72 in which the net employment increase falls below the number required in such tier shall
73 not be affected. The Commissioner of Insurance shall adjust the credit allowed each year
74 for net new employment fluctuations above the minimum level of the number required
75 in such tier."

76 **SECTION 2.**

77 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
78 amended by revising paragraph (8) of subsection (b) of Code Section 48-7-21, relating to
79 taxation of corporations, as follows:

80 "(8) There shall be subtracted from taxable income dividends received by:

81 (A) A corporation from sources outside the United States as defined in the Internal
82 Revenue Code of 1986. For purposes of this subparagraph, dividends received by a
83 corporation from sources outside of the United States shall include amounts treated as
84 a dividend and income deemed to have been received under provisions of the Internal
85 Revenue Code of 1986 by such corporation if such amounts could have been subtracted
86 from taxable income under this paragraph, had such amounts actually been received but
87 shall not include income specified in Section 951A of the Internal Revenue Code of
88 1986. The deduction provided by Section 250 shall apply to the extent the same
89 income was included in Georgia taxable net income. The deduction, exclusion, or
90 subtraction provided by Section 245A, Section 965, or any other section of the Internal
91 Revenue Code of 1986 shall not apply to the extent income has been subtracted
92 pursuant to this subparagraph. Amounts to be subtracted under this subparagraph shall
93 include the following unless excluded by this paragraph, as defined by the Internal
94 Revenue Code of 1986:

95 (i) Qualified electing fund income;

96 (ii) Subpart F income, ~~including income specified in Section 951A of the Internal~~
97 ~~Revenue Code of 1986~~; and

98 (iii) Income attributable to an increase in United States property by a controlled
99 foreign corporation.

100 The amount subtracted under this subparagraph shall be reduced by any expenses
101 directly attributable to the dividend income; and

102 (B) Corporations from affiliated corporations within the United States, when the
103 corporation receiving the dividends is engaged in business in this state and is subject
104 to the payment of taxes under the income tax laws of this state, to the extent that the
105 dividends have been included in net income under this Code section. Dividends from
106 affiliates shall be reduced by any expenses directly attributable to the dividend income."

107 **SECTION 3.**

108 Said title is further amended by revising subsection (b) of Code Section 48-7-40.5, relating
109 to income tax credits for employers providing approved retraining programs, as follows:

110 "(b) A tax credit shall be granted to an employer who provides or sponsors one or more
111 approved retraining programs in a taxable year. The total amount of the tax credit allowed
112 per full-time employee shall be equal to one-half of the costs of retraining per full-time
113 employee, or ~~\$500.00~~ \$250.00 per full-time employee, whichever is less, for each
114 employee who has successfully completed an approved retraining program; provided,
115 however, that in no event shall the amount of the tax credit authorized under this subsection
116 exceed ~~\$1,250.00~~ \$625.00 per year per full-time employee who has successfully completed
117 more than one approved retraining program. No employer shall receive a credit if the
118 employer requires that the employee reimburse or pay the employer for the cost of
119 retraining."

120 **SECTION 4.**

121 Said title is further amended by revising subsection (c) of Code Section 48-7-40.12, relating
122 to tax credit for qualified research expenses, as follows:

123 "(c) The tax credit provided in subsection (b) of this Code section shall be ~~10~~ 5 percent of
124 the excess over the base amount referred to in said subsection."

125 **SECTION 5.**

126 Said title is further amended by revising subsection (b.1) of Code Section 48-7-40.17,
127 relating to income tax credits for establishing or relocating quality jobs, as follows:

128 "(b.1) The value of the credit allowed pursuant to this Code section shall be:

129 (1) Equal to ~~\$2,500.00~~ \$1,250.00 annually per eligible new quality job where the job
130 pays 110 percent or more but less than 120 percent of the average wage of the county in
131 which the new quality job is located;

132 (2) Equal to ~~\$3,000.00~~ \$1,500.00 annually per eligible new quality job where the job
133 pays 120 percent or more but less than 150 percent of the average wage of the county in
134 which the new quality job is located;

135 (3) Equal to ~~\$4,000.00~~ \$2,000.00 annually per eligible new quality job where the job
136 pays 150 percent or more but less than 175 percent of the average wage of the county in
137 which the new quality job is located;

138 (4) Equal to ~~\$4,500.00~~ \$2,250.00 annually per eligible new quality job where the job
139 pays 175 percent or more but less than 200 percent of the average wage of the county in
140 which the new quality job is located; and

141 (5) Equal to ~~\$5,000.00~~ \$2,500.00 annually per eligible new quality job where the job
142 pays 200 percent or more of the average wage of the county in which the new quality job
143 is located."

144 **SECTION 6.**

145 This Act shall become effective on June 30, 2021.

146 **SECTION 7.**

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