

The Senate Committee on Finance offered the following substitute to HB 735:

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 the imposition, rate, and computation of and exemptions from state income taxes,
3 so as to create an income tax credit for expenditures on the maintenance of railroad track
4 owned or leased by a Class III railroad; to provide for such credit to be freely assignable; to
5 provide for rules and regulations related to such income tax credit; to provide for certain
6 conditions and limitations; to require annual reporting of certain statistics related to such
7 credit; to provide for definitions; to amend Article 2 of Chapter 16 of Title 50 of the Official
8 Code of Georgia Annotated, relating to the State Properties Code, so as to provide that
9 certain property owned by the state shall be exempt from any fees imposed by any county
10 or municipality for the management, collection, or disposal of storm water, whether or not
11 the property is subject to a lease; to provide for an effective date, applicability, and automatic
12 repeal; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

14 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
15 imposition, rate, and computation of and exemptions from state income taxes, is amended
16 by adding a new Code section to read as follows:
17

18 "48-7-40.34.

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

20 (1) 'Class III railroad' means a rail carrier classified as a Class III railroad by the United
21 States Surface Transportation Board in accordance with Section 1-1 of 49 C.F.R. 1201,
22 as it existed on January 1, 2018.

23 (2) 'Qualified railroad track maintenance expenditures' means gross expenditures for
24 maintaining railroad track, including roadbed, bridges, and related track structures, owned
25 or leased as of January 1, 2018, by a Class III railroad.

26 (b) A Class III railroad shall be given a credit against the tax imposed under this article for
 27 a taxable year in the amount of 50 percent of the qualified railroad track maintenance
 28 expenditures paid or incurred by such Class III railroad during the taxable year, provided
 29 that such credit shall not exceed \$3,500.00 multiplied by each mile of railroad track owned
 30 or leased in this state as of the close of the taxable year by such Class III railroad.

31 (c)(1) The credit given under this Code section shall only be allowed once for each mile
 32 of railroad track in each taxable year.

33 (2) Such credit shall be given for each taxable year beginning on or after January 1,
 34 2019, and ending on or before December 30, 2023, in which the conditions of this Code
 35 section have been met.

36 (d) If a credit is given under this Code section with respect to any railroad track, the basis
 37 of such railroad track shall be reduced by the amount of the credit so allowed.

38 (e) The tax credits given to a Class III railroad by this Code section that are not used by
 39 such Class III railroad shall be freely assignable one time between January 1, 2019, and
 40 January 1, 2024, by written agreement to a taxpayer subject to the tax imposed by this
 41 chapter.

42 (f) On or before September 1 of 2020 and annually thereafter until 2024, the commissioner
 43 shall issue a report to the chairpersons of the Senate Finance Committee and the House
 44 Committee on Ways and Means concerning the tax credit created by this Code section,
 45 which shall include the following statistics for the preceding taxable year:

46 (1) The total number of taxpayers that claimed a credit provided by this Code section;
 47 and

48 (2) The number and total value of all credits earned and all credits applied during such
 49 tax year pursuant to this Code section.

50 (g) The commissioner shall promulgate such forms, rules, and regulations as are necessary
 51 to implement and administer the provisions of this Code section.

52 (h) This Code section shall be automatically repealed on January 1, 2024."

53 **SECTION 2.**

54 Article 2 of Chapter 16 of Title 50 of the Official Code of Georgia Annotated, relating to the
 55 State Properties Code, is amended by revising Code Section 50-16-34.1, relating to
 56 acquisition of property within railroad lines abandoned as operating rail lines, as follows:

57 "50-16-34.1.

58 (a) The State Properties Commission is empowered and may acquire from a railroad
 59 company the real property, including the right of way, and any other properties, personal
 60 or otherwise, associated therewith, encompassed within any railroad line that has been
 61 abandoned as an operating rail line by said railroad company if the commission first

62 determines that preserving ownership of the said railroad corridor, in whole or in part, may
63 be useful for the present or future needs of public transportation in this state.

64 (b) Such an acquisition as described in subsection (a) of this Code section shall be in the
65 name of the state, custody in the commission, a 'property' similar to the state owned
66 properties described in subparagraphs (A), (B), and (C) of paragraph (8) of Code
67 Section 50-16-31, and may be made by the commission without a request to acquire from
68 another state agency, or without a request from another state agency, state authority, or
69 other instrumentality of the state to provide or perform acquisition related services. Any
70 property owned by the state as described in subsection (a) or in subparagraph (A) of
71 paragraph (8) of Code Section 50-16-31 shall be exempt from any fees imposed by any
72 county or municipality for the management, collection, or disposal of storm water, without
73 regard to whether the property is subject to a lease.

74 (c) Notwithstanding any provisions and requirements of law to the contrary and
75 particularly notwithstanding the requirements of Code Section 50-16-39, the commission,
76 acting for and on behalf of and in the name of the state, is empowered and may deed, lease,
77 rent, or license any such acquired property to any state authority or other instrumentality
78 of the state for public transportation use.

79 (d) Except as otherwise provided for in this Code section, the powers set forth in
80 subsections (a), (b), and (c) of this Code section are cumulative, and not in derogation, of
81 other powers of the commission as set forth in the 'State Properties Code.'

82 (e) The powers set forth in subsections (a), (b), and (c) of this Code section are intended
83 to be exercised independently of any power or action by any other state agency, state
84 authority, or other unit or instrumentality of government, but said powers are not intended
85 to repeal similar or related powers in any other state agency, state authority, or other unit
86 or instrumentality of government."

87 **SECTION 3.**

88 (a) Section 1 of this Act shall become effective upon its approval by the Governor or upon
89 its becoming law without such approval and shall be applicable to taxable years beginning
90 on or after January 1, 2019, and ending on or before December 31, 2023.

91 (b) Section 2 of this Act shall become effective July 1, 2018.

92 **SECTION 4.**

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