House Bill 819

By: Representatives Davis of the 87th, Scott of the 76th, and Schofield of the 63rd

A BILL TO BE ENTITLED

AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

"(f)(1) Business enterprises in counties designated by the commissioner of community affairs as tier 1 counties shall be allowed a job tax credit for taxes imposed under Code Section 33-8-4 equal to ~~$3,500.00~~ $1,750.00 annually per eligible new full-time employee job for five years beginning with years two through six after the creation of such job. Business enterprises in counties designated by the commissioner of community affairs as tier 2 counties shall be allowed a job tax credit for taxes imposed under Code Section 33-8-4 equal to ~~$2,500.00~~ $1,250.00 annually, business enterprises in counties designated by the commissioner of community affairs as tier 3 counties shall be allowed a job tax credit for taxes imposed under Code Section 33-8-4 equal to ~~$1,250.00~~ $625.00 annually, and business enterprises in counties designated by the commissioner of community affairs as tier 4 counties shall be allowed a job tax credit for taxes imposed under Code Section 33-8-4 equal to ~~$750.00~~ $375.00 annually for each new full-time employee job for five years beginning with years two through six after the creation of the job. The number of new full-time jobs shall be determined by comparing the monthly average number of full-time employees subject to Georgia income tax withholding for the calendar year with the corresponding period of the prior calendar year. In tier 1 counties, those business enterprises that increase employment by five or more shall be eligible for the credit. In tier 2 counties, only those business enterprises that increase employment by ten or more shall be eligible for the credit. In tier 3 counties, only those business enterprises that increase employment by 15 or more shall be eligible for the credit. In tier 4 counties, only those business enterprises that increase employment by 25 or more shall be eligible for the credit. The average wage of the new jobs created must be above the average wage of the county that has the lowest average wage of any county in the state to qualify as reported in the most recently available annual issue of the Georgia Employment and Wages Averages Report of the Department of Labor. To qualify for a credit under this paragraph, the employer must make health insurance coverage available to the employee filling the new full-time job; provided, however, that nothing in this paragraph shall be construed to require the employer to pay for all or any part of health insurance coverage for such an employee in order to claim the credit provided for in this paragraph if such employer does not pay for all or any part of health insurance coverage for other employees. Credit shall not be allowed during a year if the net employment increase falls below the number required in such tier. Any credit received for years prior to the year in which the net employment increase falls below the number required in such tier shall not be affected. The Commissioner of Insurance shall adjust the credit allowed each year for net new employment fluctuations above the minimum level of the number required in such tier.

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

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

SECTION 2.

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

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

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

(i) Qualified electing fund income;

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

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

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

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

SECTION 3.

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

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

SECTION 4.

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

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

SECTION 5.

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

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

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

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

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

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

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

SECTION 6.

This Act shall become effective on June 30, 2023.

SECTION 7.

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