

A BILL TO BE ENTITLED  
AN ACT

1- 1 To amend Article 2 of Chapter 7 of Title 48 of the Official  
1- 2 Code of Georgia Annotated, relating to the imposition, rate,  
1- 3 and computation of income tax, so as to provide for a tax  
1- 4 credit with respect to certain low-income housing; to  
1- 5 provide for definitions; to provide for conditions and  
1- 6 limitations; to provide for authority of the state revenue  
1- 7 commissioner with respect to the foregoing; to provide an  
1- 8 effective date; to provide for applicability; to repeal  
1- 9 conflicting laws; and for other purposes.

1-10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

1-11 SECTION 1.

1-12 Article 2 of Chapter 7 of Title 48 of the Official Code of  
1-13 Georgia Annotated, relating to the imposition, rate, and  
1-14 computation of income tax, is amended by adding a new Code  
1-15 section immediately following Code Section 48-7-29.3, to be  
1-16 designated Code Section 48-7-29.4, to read as follows:

1-17 "48-7-29.4.

1-18 (a) As used in this Code section, the term:

1-19 (1) 'Federal housing tax credit' means the federal tax  
1-20 credit as provided in Section 42 of the Internal Revenue  
1-21 Code of 1986, as amended.

1-22 (2) 'Median income' means those incomes that are  
1-23 determined by the federal Department of Housing and  
1-24 Urban Development guidelines and adjusted for family  
1-25 size.

1-26 (3) 'Project' means a housing project that has  
1-27 restricted rents that do not exceed 30 percent of median  
1-28 income for at least 40 percent of its units occupied by  
1-29 persons or families having incomes of 60 percent or less  
1-30 of the median income, or at least 20 percent of the  
1-31 units occupied by persons or families having incomes of  
1-32 50 percent or less of the median income.

2- 1 (4) 'Qualified Georgia project' means a qualified  
2- 2 low-income building as that term is defined in Section  
2- 3 42 of the Internal Revenue Code of 1986, as amended,  
2- 4 that is located in Georgia.

2- 5 (b) (1) A state tax credit against the tax imposed by  
2- 6 this article, to be termed the Georgia housing tax  
2- 7 credit, shall be allowed with respect to each qualified  
2- 8 Georgia project placed in service after January 1, 2001,  
2- 9 in an amount equal to the federal housing tax credit  
2-10 allowed with respect to such qualified Georgia project.

2-11 (2) (A) If under Section 42 of the Internal Revenue  
2-12 Code of 1986, as amended, a portion of any federal  
2-13 housing tax credit taken on a project is required to  
2-14 be recaptured, the taxpayer claiming any state tax  
2-15 credit with respect to such project shall also be  
2-16 required to recapture a portion of any state tax  
2-17 credit authorized by this Code section. The state  
2-18 recapture amount shall be equal to the proportion of  
2-19 the state tax credit claimed by the taxpayer that  
2-20 equals the proportion the federal recapture amount  
2-21 bears to the original federal housing tax credit  
2-22 amount subject to recapture.

2-23 (B) In the event that recapture of any Georgia housing  
2-24 tax credit is required, any amended return submitted  
2-25 to the commissioner as provided in this Code section  
2-26 shall include the proportion of the state tax credit  
2-27 required to be recaptured, the identity of each  
2-28 taxpayer subject to the recapture, and the amount of  
2-29 tax credit previously allocated to such taxpayer.

2-30 (3) In no event shall the total amount of the tax credit  
2-31 under this Code section for a taxable year exceed the  
2-32 taxpayer's income tax liability. Any unused tax credit  
2-33 shall be allowed to be carried forward to apply to the  
2-34 taxpayer's next three succeeding years' tax liability.  
2-35 No such tax credit shall be allowed the taxpayer against  
2-36 prior years' tax liability.

2-37 (4) The tax credit allowed under this Code section, and  
2-38 any recaptured tax credit, shall be allocated among some  
2-39 or all of the partners, members, or shareholders of the  
2-40 entity owning the project in any manner agreed to by  
2-41 such persons, whether or not such persons are allocated  
2-42 or allowed any portion of the federal housing tax credit  
2-43 with respect to the project.

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3- 1 (c) The commissioner shall promulgate any rules and

3- 2 regulations necessary to implement and administer this  
3- 3 Code section."

3- 4 SECTION 2.

3- 5 This Act shall become effective on January 1, 2001, and  
3- 6 shall be applicable to all taxable years beginning on or  
3- 7 after January 1, 2001.

3- 8 SECTION 3.

3- 9 All laws and parts of laws in conflict with this Act are  
3-10 repealed.