

House Bill 1182

By: Representatives Crowe of the 118th, Williamson of the 112th, Blackmon of the 146th,
Buckner of the 137th, and Stephens of the 164th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 33 and Chapter 7 of Title 48 of the Official Code of Georgia
2 Annotated, relating to general provisions regarding insurance and income taxes, respectively,
3 so as to revise the low-income housing tax credits; to provide that such tax credits shall be
4 termed the Georgia affordable housing tax credits; to reduce the amount of such credits for
5 certain projects; to authorize such credits in an amount equal to the federal credit for certain
6 projects; to provide for definitions; to provide for open records; to provide for related
7 matters; to provide for an effective date and applicability; to repeal conflicting laws; and for
8 other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Chapter 1 of Title 33 of the Official Code of Georgia Annotated, relating to general
12 provisions for insurance, is amended by revising Code Section 33-1-18, relating to housing
13 tax credit for qualified projects and rules and regulations, as follows:

14 "33-1-18.

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

16 (1) 'Affordable housing project' means a qualified low-income housing project as that
17 term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is
18 located in Georgia.

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

21 ~~(2)~~(3) 'Median income' means those incomes that are determined by the federal
22 Department of Housing and Urban Development guidelines and adjusted for family size.

23 ~~(3)~~(4) 'Project' means a housing project that has restricted rents that do not exceed 30
24 percent of median income for at least 40 percent of its units occupied by persons or
25 families having incomes of 60 percent or less of the median income or at least 20 percent
26 of the units occupied by persons or families having incomes of 50 percent or less of the
27 median income.

28 ~~(4)~~(5) 'Qualified basis' means that portion of the tax basis of ~~a qualified Georgia~~ an
29 affordable housing project eligible for the federal housing tax credit, as that term is
30 defined in Section 42 of the Internal Revenue Code of 1986, as amended.

31 ~~(5)~~ 'Qualified Georgia project' means ~~a qualified low-income building as that term is~~
32 ~~defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located~~
33 ~~in Georgia.~~

34 (6) 'Senior' means an individual 55 years of age or older.

35 (7) 'Targeted community project' means an affordable housing project that:

36 (A) Is located in a rural area;

37 (B) Reserves or prioritizes a majority of its units for seniors or veterans;

38 (C) Provides access to stable and high frequency transportation; or

39 (D) Consists primarily of a rehabilitation or renovation.

40 (8) 'Veteran' means an individual who served in the active military, naval, or air service
41 and who was discharged or released therefrom under conditions other than dishonorable.

42 (b)(1) A tax credit against the taxes imposed under Code Sections 33-5-31, 33-8-4,
43 and 33-40-5, to be termed the Georgia affordable housing tax credit, shall be allowed
44 with respect to each ~~qualified Georgia~~ affordable housing project placed in service after
45 January 1, 2001. ~~The amount of~~ No such credit shall, when combined with the total
46 amount of credit authorized under Code Section 48-7-29.6, ~~in no event~~ exceed:

47 (A) An amount equal to 80 percent of the federal housing tax credit allowed with
48 respect to such ~~qualified Georgia~~ affordable housing project; or

49 (B) An amount equal to 100 percent of the federal housing tax credit if such affordable
50 housing project is a targeted community project.

51 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a
52 portion of any federal housing tax credit taken on a project is required to be recaptured
53 as a result of a reduction in the qualified basis of such project, the taxpayer claiming
54 any state tax credit with respect to such project shall also be required to recapture a
55 portion of any state tax credit authorized by this Code section. The state recapture
56 amount shall be equal to the proportion of the state tax credit claimed by the taxpayer
57 that equals the proportion the federal recapture amount bears to the original federal
58 housing tax credit amount subject to recapture. The tax credit under this Code section
59 shall not be subject to recapture if such recapture is due solely to the sale or transfer of
60 any direct or indirect interest in such ~~qualified Georgia~~ affordable housing project.

61 (B) In the event that recapture of any Georgia affordable housing tax credit is required,
62 any amended return submitted to the Commissioner as provided in this Code section
63 shall include the proportion of the state tax credit required to be recaptured, the identity
64 of each taxpayer subject to the recapture, and the amount of tax credit previously
65 allocated to such taxpayer.

66 (3) In no event shall the total amount of the tax credit under this Code section for a
67 taxable year exceed the taxpayer's tax liability under Code Sections 33-5-31, 33-8-4,
68 and 33-40-5. Any unused tax credit shall be allowed to be carried forward to apply to the

69 taxpayer's next three succeeding years' tax liability. No such tax credit shall be allowed
70 the taxpayer against prior years' tax liability.

71 (4) The tax credit allowed under this Code section; and any recaptured tax credit; shall
72 be allocated among some or all of the partners, members, or shareholders of the entity
73 owning the project in any manner agreed to by such persons, whether or not such persons
74 are allocated or allowed any portion of the federal housing tax credit with respect to the
75 project.

76 (c)(1) All records associated with this Code section shall be subject to Article 4 of
77 Chapter 18 of Title 50, relating to open records.

78 (2) The commissioner and the state department designated by the Governor as the state
79 housing credit agency for purposes of Section 42(h) of the Internal Revenue Code of 1986,
80 as amended, shall each be authorized to promulgate any rules and regulations necessary to
81 implement and administer this Code section."

82 **SECTION 2.**

83 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
84 is amended by revising Code Section 48-7-29.6, relating to tax credits for qualified
85 low-income buildings, as follows:

86 "48-7-29.6.

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

88 (1) 'Affordable housing project' means a qualified low-income housing project as that
89 term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is
90 located in Georgia.

91 (2) 'Federal housing tax credit' means the federal tax credit as provided in Section 42 of
92 the Internal Revenue Code of 1986, as amended.

93 ~~(2)~~(3) 'Median income' means those incomes that are determined by the federal
94 Department of Housing and Urban Development guidelines and adjusted for family size.

95 ~~(3)~~(4) 'Project' means a housing project that has restricted rents that do not exceed 30
 96 percent of median income for at least 40 percent of its units occupied by persons or
 97 families having incomes of 60 percent or less of the median income, or at least 20 percent
 98 of the units occupied by persons or families having incomes of 50 percent or less of the
 99 median income.

100 ~~(4)~~(5) 'Qualified basis' means that portion of the tax basis of a ~~qualified Georgia~~ an
 101 affordable housing project eligible for the federal housing tax credit, as that term is
 102 defined in Section 42 of the Internal Revenue Code of 1986, as amended.

103 ~~(5)~~ 'Qualified Georgia project' means a ~~qualified low-income building as that term is~~
 104 ~~defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located~~
 105 ~~in Georgia.~~

106 (6) 'Senior' means an individual 55 years of age or older.

107 (7) 'Targeted community project' means an affordable housing project that:

108 (A) Is located in a rural area;

109 (B) Reserves or prioritizes a majority of its units for seniors or veterans;

110 (C) Provides access to stable and high frequency transportation; or

111 (D) Consists primarily of a rehabilitation or renovation.

112 (8) 'Veteran' means an individual who served in the active military, naval, or air service
 113 and who was discharged or released therefrom under conditions other than dishonorable.

114 (b)(1) A state tax credit against the tax imposed by this article, to be termed the Georgia
 115 affordable housing tax credit, shall be allowed with respect to each ~~qualified Georgia~~
 116 affordable housing project placed in service after January 1, 2001. ~~The amount of~~ No
 117 such credit shall, when combined with the total amount of credits authorized under Code
 118 Section 33-1-18, ~~in no event~~ exceed:

119 (A) An an amount equal to 80 percent of the federal housing tax credit allowed with
 120 respect to such ~~qualified Georgia~~ affordable housing project; or

121 (B) An amount equal to 100 percent of the federal housing tax credit if such affordable
122 housing project is a targeted community project.

123 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a
124 portion of any federal housing tax credit taken on a project is required to be recaptured
125 as a result of a reduction in the qualified basis of such project, the taxpayer claiming
126 any state tax credit with respect to such project shall also be required to recapture a
127 portion of any state tax credit authorized by this Code section. The state recapture
128 amount shall be equal to the proportion of the state tax credit claimed by the taxpayer
129 that equals the proportion the federal recapture amount bears to the original federal
130 housing tax credit amount subject to recapture. The tax credit under this Code section
131 shall not be subject to recapture if such recapture is due solely to the sale or transfer of
132 any direct or indirect interest in such ~~qualified Georgia~~ affordable housing project.

133 (B) In the event that recapture of any Georgia affordable housing tax credit is required,
134 any amended return submitted to the commissioner as provided in this Code section
135 shall include the proportion of the state tax credit required to be recaptured, the identity
136 of each taxpayer subject to the recapture, and the amount of tax credit previously
137 allocated to such taxpayer.

138 (3) In no event shall the total amount of the tax credit under this Code section for a
139 taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be
140 allowed to be carried forward to apply to the taxpayer's next three succeeding years' tax
141 liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

142 (4) The tax credit allowed under this Code section, and any recaptured tax credit, shall
143 be allocated among some or all of the partners, members, or shareholders of the entity
144 owning the project in any manner agreed to by such persons, whether or not such persons
145 are allocated or allowed any portion of the federal housing tax credit with respect to the
146 project.

147 (c)(1) All records associated with this Code section shall be subject to Article 4 of
148 Chapter 18 of Title 50, relating to open records.

149 (2) The commissioner and the state department designated by the Governor as the state
150 housing credit agency for purposes of Section 42(h) of the Internal Revenue Code of
151 1986, as amended, shall each be authorized to promulgate any rules and regulations
152 necessary to implement and administer this Code section."

153 **SECTION 3.**

154 This Act shall become effective on July 1, 2024, and shall be applicable to taxable years
155 beginning on or after January 1, 2025.

156 **SECTION 4.**

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