

The Senate Committee on Finance offered the following substitute to HB 1182:

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 regarding insurance, is amended by revising Code Section 33-1-18, relating to  
13 housing 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) 'Rural county' means a county in this state that has a population of less than 50,000  
35 according to the United States decennial census of 2020 or any future such census;  
36 provided, however, that for counties which contain a military base or installation, the  
37 military personnel and their dependents living in such county shall be excluded from the  
38 total population of such county for purposes of this definition.

39 (7) 'Senior' means an individual 55 years of age or older.

40 (8) 'Targeted community project' means an affordable housing project that:

41 (A) Is located in a rural county;

42 (B) Reserves or prioritizes a majority of its units for seniors or persons with disabilities  
 43 or provides a preference for veterans or first responders;

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

45 (D) Consists primarily of a rehabilitation or renovation; or

46 (E) Is owned by a housing authority.

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

49 (b)(1) A tax credit against the taxes imposed under Code Sections 33-5-31, 33-8-4,  
 50 and 33-40-5, to be termed the Georgia affordable housing tax credit, shall be allowed  
 51 with respect to each ~~qualified Georgia affordable housing~~ project placed in service after  
 52 January 1, 2001. For initial applications received by the Department of  
 53 Community Affairs prior to January 1, 2026, the amount of such credit shall not exceed  
 54 an amount equal to the federal housing tax credit allowed for each affordable housing  
 55 project. For initial applications received by the Department of Community Affairs on or  
 56 after January 1, 2026, no such credit shall, when combined with the total amount of credit  
 57 authorized under Code Section 48-7-29.6, in no event exceed;

58 (A) An amount equal to 50 percent of the federal housing tax credit allowed with  
 59 respect to such ~~qualified Georgia affordable housing~~ project; or

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

62 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a  
 63 portion of any federal housing tax credit taken on a project is required to be recaptured  
 64 as a result of a reduction in the qualified basis of such project, the taxpayer claiming  
 65 any state tax credit with respect to such project shall also be required to recapture a  
 66 portion of any state tax credit authorized by this Code section. The state recapture  
 67 amount shall be equal to the proportion of the state tax credit claimed by the taxpayer  
 68 that equals the proportion the federal recapture amount bears to the original federal

69 housing tax credit amount subject to recapture. The tax credit under this Code section  
70 shall not be subject to recapture if such recapture is due solely to the sale or transfer of  
71 any direct or indirect interest in such ~~qualified Georgia~~ affordable housing project.

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

77 (3) In no event shall the total amount of the tax credit under this Code section for a  
78 taxable year exceed the taxpayer's tax liability under Code Sections 33-5-31, 33-8-4,  
79 and 33-40-5. Any unused tax credit shall be allowed to be carried forward to apply to the  
80 taxpayer's next three succeeding years' tax liability. No such tax credit shall be allowed  
81 the taxpayer against prior years' tax liability.

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

87 (c)(1) Except for confidential taxpayer information pursuant to Title 48, all affordable  
88 housing project level records associated with this Code section shall be subject to Article  
89 4 of Chapter 18 of Title 50, relating to open records.

90 (2) The commissioner and the state department designated by the Governor as the state  
91 housing credit agency for purposes of Section 42(h) of the Internal Revenue Code of  
92 1986, as amended, shall each be authorized to promulgate any rules and regulations  
93 necessary to implement and administer this Code section."

94

**SECTION 2.**

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

98 "48-7-29.6.

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

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

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

105 ~~(2)~~(3) 'Median income' means those incomes that are determined by the federal  
106 Department of Housing and Urban Development guidelines and adjusted for family size.

107 ~~(3)~~(4) 'Project' means a housing project that has restricted rents that do not exceed 30  
108 percent of median income for at least 40 percent of its units occupied by persons or  
109 families having incomes of 60 percent or less of the median income, or at least 20 percent  
110 of the units occupied by persons or families having incomes of 50 percent or less of the  
111 median income.

112 ~~(4)~~(5) 'Qualified basis' means that portion of the tax basis of a ~~qualified Georgia an~~  
113 affordable housing project eligible for the federal housing tax credit, as that term is  
114 defined in Section 42 of the Internal Revenue Code of 1986, as amended.

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

118 (6) 'Rural county' means a county in this state that has a population of less than 50,000  
119 according to the United States decennial census of 2020 or any future such census;  
120 provided, however, that for counties which contain a military base or installation, the

121 military personnel and their dependents living in such county shall be excluded from the  
 122 total population of such county for purposes of this definition.

123 (7) 'Senior' means an individual 55 years of age or older.

124 (8) 'Targeted community project' means an affordable housing project that:

125 (A) Is located in a rural county;

126 (B) Reserves or prioritizes a majority of its units for seniors or persons with disabilities  
 127 or provides a preference for veterans or first responders;

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

129 (D) Consists primarily of a rehabilitation or renovation; or

130 (E) Is owned by a housing authority.

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

133 (b)(1) A state tax credit against the tax imposed by this article, to be termed the Georgia  
 134 affordable housing tax credit, shall be allowed with respect to each ~~qualified Georgia~~  
 135 affordable housing project placed in service after January 1, 2001. ~~The amount of For~~  
 136 initial applications received by the Department of Community Affairs prior to January 1,  
 137 2026, the amount of such credit shall not exceed an amount equal to the federal housing  
 138 tax credit allowed for each affordable housing project. For initial applications received  
 139 by the Department of Community Affairs on or after January 1, 2026, no such credit  
 140 shall, when combined with the total amount of credits authorized under Code Section  
 141 33-1-18, ~~in no event~~ exceed:

142 (A) An ~~an~~ amount equal to 50 percent of the federal housing tax credit allowed with  
 143 respect to such ~~qualified Georgia~~ affordable housing project; or

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

146 (2)(A) If under Section 42 of the Internal Revenue Code of 1986, as amended, a  
 147 portion of any federal housing tax credit taken on a project is required to be recaptured

148 as a result of a reduction in the qualified basis of such project, the taxpayer claiming  
149 any state tax credit with respect to such project shall also be required to recapture a  
150 portion of any state tax credit authorized by this Code section. The state recapture  
151 amount shall be equal to the proportion of the state tax credit claimed by the taxpayer  
152 that equals the proportion the federal recapture amount bears to the original federal  
153 housing tax credit amount subject to recapture. The tax credit under this Code section  
154 shall not be subject to recapture if such recapture is due solely to the sale or transfer of  
155 any direct or indirect interest in such ~~qualified Georgia~~ affordable housing project.

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

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

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

170 (c)(1) Except for confidential taxpayer information pursuant to this title, all affordable  
171 housing project level records associated with this Code section shall be subject to Article  
172 4 of Chapter 18 of Title 50, relating to open records.

173 (2) The commissioner and the state department designated by the Governor as the state  
174 housing credit agency for purposes of Section 42(h) of the Internal Revenue Code of

175 1986, as amended, shall each be authorized to promulgate any rules and regulations  
176 necessary to implement and administer this Code section."

177 **SECTION 3.**

178 This Act shall become effective on July 1, 2024, and shall be applicable to taxable years  
179 beginning on or after January 1, 2026.

180 **SECTION 4.**

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