

House Bill 304

By: Representatives Lott of the 122nd, Stephens of the 164th, Reeves of the 34th, Bentley of the 139th, Hatchett of the 150th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to provide for a tax credit for medical equipment and supplies manufacturers
3 and pharmaceutical and medicine manufacturers; to provide for definitions; to provide for
4 conditions and limitations on certain tax credits; to provide for related matters; to provide for
5 an effective date and applicability; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **PART I**
8 **SECTION 1-1.**

9 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
10 amended by adding a new Code section to read as follows:

11 "48-7-40.1B.

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

13 (1) 'Establishment' means an economic unit at a single physical location where business
14 is conducted or where services or industrial operations are performed.

(2) 'Medical equipment and supplies manufacturer' means any business which is engaged in the manufacturing of medical equipment and supplies in this state. Such term shall be limited to establishments classified under the North American Industry Classification System (NAICS) Industry Code 3391 - Medical Equipment and Supplies Manufacturing. Such term shall not include retail businesses that sell medical equipment or supplies.

(3) 'Pharmaceutical and medicine manufacturer' means any business which is engaged in the manufacturing of pharmaceuticals or medicine in this state. Such term shall be limited to establishments classified under the North American Industry Classification System (NAICS) Industry Code 3254 - Pharmaceutical and Medicine Manufacturing. Such term shall not include retail businesses that sell pharmaceuticals or medicine.

(b)(1) When any medical equipment and supplies manufacturer or pharmaceutical and medicine manufacturer is qualified to claim a job tax credit under Code Section 48-7-40 or 48-7-40.1, there shall be allowed an additional \$1,250.00 job tax credit against the tax imposed under this article for those qualifying jobs to the extent that they are engaged in the qualifying activities of manufacturing medical equipment or supplies or manufacturing pharmaceuticals or medicine in this state during the taxable year. Such medical equipment and supplies manufacturer or pharmaceutical and medicine manufacturer shall be eligible for such additional job tax credit at an individual establishment of the business. If more than one business activity is conducted at an establishment, then only the jobs engaged in the qualifying activities of manufacturing medical equipment or supplies or manufacturing pharmaceuticals or medicine in this state shall be eligible for such additional job tax credit.

(2) The additional tax credit provided for in paragraph (1) of this subsection shall be claimed separately from the job tax credit under Code Section 48-7-40 or 48-7-40.1 but shall, except as provided in this Code section, be allowed subject to the conditions and limitations set forth in Code Section 48-7-40 or 48-7-40.1 and shall be in addition to the credit allowed under Code Section 48-7-40 or 48-7-40.1; provided, however, the amount

allowed to offset taxes imposed by this article shall be 100 percent; and provided, further, that when such tax credit exceeds a business enterprise's liability for taxes imposed by this article in a taxable year, the excess may be taken as a credit against such business enterprise's quarterly or monthly payment under Code Section 48-7-103 in the same manner as provided under Code Section 48-7-40 or 48-7-40.1 but not subject to the dollar limitations provided therein. Additionally, such tax credit shall be disallowed during any year in which a business enterprise does not qualify as a medical equipment and supplies manufacturer or as a pharmaceutical and medicine manufacturer.

(3) The additional tax credit provided for in paragraph (1) of this subsection may be used in conjunction with the tax credit provided for under Code Section 48-7-40.15.

(c) The additional tax credit provided for under paragraph (1) of subsection (b) of this Code section shall be subject to the following conditions and limitations:

(1) Any tax credit claimed under subsection (b) of this Code section but not used in any taxable year, may be carried forward for ten years from the close of the taxable year in which the qualified jobs were established.

(2) No taxpayer shall be eligible for the tax credit provided for under subsection (b) of this Code section for any job for which the taxpayer claims the tax credit provided for under Code Section 48-7-40.1A.

(d) This Code Section shall be effective as of January 1, 2021 and shall be applicable to taxable years beginning on or after January 1, 2021."

SECTION 1-2.

Code Section 48-7-40.1A, relating to job tax credit for PPE manufacturers, is amended by adding a new paragraph in subsection (c) as follows:

"(3) No taxpayer shall be eligible for the tax credit provided for under subsection (b) of this Code section for any job for which the taxpayer claims the tax credit provided for under Code Section 48-7-40.1B."

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PART II

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SECTION 2-1.

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