

House Bill 607

By: Representatives Bennett of the 94<sup>th</sup>, Belton of the 112<sup>th</sup>, Jackson of the 64<sup>th</sup>, Frazier of the 126<sup>th</sup>, Lewis-Ward of the 109<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to imposition, rate, computation, and exemptions from state income taxes, so as to  
3 provide for a Georgia Veterans Work Opportunity Tax Credit as a state income tax credit  
4 incentive for private sector employers to hire certain veterans; to provide for definitions; to  
5 provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to  
9 imposition, rate, computation, and exemptions from state income taxes, is amended by  
10 adding a new Code section to read as follows:

11 "48-7-40.37.

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

13 (1) 'Extended active duty' means a period of more than 90 days during which an  
14 individual was on active duty, other than active duty for training, in the armed forces of  
15 the United States.

16 (2) 'Hiring date' means the day the individual is hired by an employer.

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17 (3) 'Prescreening notice' means a document prescribed by the Department of Labor  
18 which contains information provided by the individual on the basis of which the  
19 employer believes that the individual is a member of a targeted group.

20 (4) 'Qualified first-year wages' means qualified wages attributable to service rendered  
21 during the one-year period beginning with the day the individual begins work for the  
22 employer. The amount of qualified first-year wages which may be taken into account  
23 shall not exceed \$4,500.00 per year, or \$4,800.00 per year in the case of any individual  
24 who is a qualified veteran.

25 (5) 'Qualified second-year wages' means qualified wages:

26 (A) Which are paid to a long-term family assistance recipient; and

27 (B) Which are attributable to service rendered during the one-year period beginning  
28 on the day after the last day of the one-year period determined under paragraph (7) of  
29 this subsection.

30 As used in this paragraph, the term 'wages' means unemployment insurance wages,  
31 determined without regard to any dollar limitation.

32 (6) 'Qualified veteran' means any veteran who is certified by the Department of Labor  
33 as:

34 (A) Being a member of a family receiving assistance under a supplemental nutrition  
35 assistance program under the federal Food and Nutrition Act of 2008 for at least a  
36 three-month period ending during the 12 month period ending on the hiring date;

37 (B) Entitled to compensation for a service connected disability and:

38 (i) Having a hiring date which is not more than one year after having been discharged  
39 or released from active duty in the armed forces of the United States; or

40 (ii) Having aggregate periods of unemployment during the one-year period ending  
41 on the hiring date which equal or exceed six months;

42 (C) Having aggregate periods of unemployment during the one-year period ending on  
43 the hiring date which equal or exceed four weeks (but less than six months); or

(D) Having aggregate periods of unemployment during the one-year period ending on the hiring date which equal or exceed six months.

(7) 'Qualified wages' means the wages paid or incurred by the employer during the taxable year to individuals who are members of a targeted group.

(8) 'Service connected' shall have the same meaning given in 38 U.S.C. Section 101.

(9) 'Unemployed veteran' means any veteran who is certified by the Department of Labor as:

(A) Having been discharged or released from active duty in the armed forces of the United States at any time during the five-year period ending on the hiring date; and

(B) Being in receipt of unemployment compensation under state or federal law for not less than four weeks during the one-year period ending on the hiring date.

(10) 'Veteran' means any individual who is certified by the Department of Labor as:

(A)(i) Having served on active duty, other than active duty for training, in the armed forces of the United States for a period of more than 180 days; or

(ii) Having been discharged or released from active duty in the armed forces of the United States for a service connected disability; and

(B) Not having any day during the 60 day period ending on the hiring date which was a day of extended active duty in the armed forces of the United States.

(11)(A) 'Wages' shall have the same meaning as such term is defined in subsection (b) of 26 U.S.C. Section 3306, without regard to any dollar limitation contained in such section.

(B) Wages shall not include:

(i) Any amounts paid or incurred by an employer for any period to any individual for whom the employer receives federally funded payments for on-the-job training of such individual for such period;

(ii) The amount of wages which would be qualified wages under this Code section for an employer shall be reduced by an amount equal to the amount of the payments

made to such employer for such individual for such taxable year under a program established under Section 482(e)(1) of the federal Social Security Act; and

(iii) Payments for services during labor disputes:

(I) If the principal place of employment of an individual with the employer is at a plant or facility; and

(II) There is a strike or lockout involving employees at such plant or facility, then any amount paid or incurred by the employer to such individual for services which are the same as, or substantially similar to, those services performed by employees participating in, or affected by, the strike or lockout during the period of such strike or lockout.

(b) There is created a Georgia Veterans Work Opportunity Tax Credit, which shall be a one-time tax credit for each new employee hired by a qualified employer. There is no limit to the number of new hires who can qualify an employer for such tax credit. The requirements for this program are to be promulgated by rules and regulations issued by the department and the Department of Labor. The amount of the tax credit shall be determined by the criteria contained in this Code section.

(c)(1) Except as otherwise provided in paragraphs (2) through (4) of this subsection, the amount of the Georgia Veterans Work Opportunity Tax Credit for a taxable year shall be equal to 40 percent of the qualified first-year wages of an individual in a targeted group for the specified year.

(2) In the case of an individual who has performed at least 120 hours, but less than 400 hours, of service for the employer, the Georgia Veterans Work Opportunity Tax Credit for a taxable year shall be equal to 25 percent of the qualified first-year wages.

(3) No wages shall be taken into account for any individual unless such individual has performed at least 120 hours of service for the employer.

(4) No wages shall be taken into account for any individual if, prior to the hiring date of such individual, such individual had been employed by the employer at any time.

(d)(1) An individual is a member of a targeted group if such individual is:

(A) A qualified veteran; or

(B) An unemployed veteran.

(2) An individual shall not be treated as a member of a targeted group unless:

(A) On or before the day on which such individual begins work for the employer, the employer has received a certification from the Department of Labor that such individual is a member of a targeted group; or

(B)(i) On or before the day the individual is offered employment with the employer, a prescreening notice is completed by the employer for such individual; and

(ii) Not later than the twenty-eighth day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the Department of Labor as part of a written request for such a certification from such department.

(e) If an individual has been certified by the Department of Labor as a member of a targeted group and such certification is incorrect because it was based on false information provided by such individual, the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

(f) If the Department of Labor denies a request for certification of membership in a targeted group, such department shall provide to the person making such request a written explanation of the reasons for such denial.

(g)(1) A veteran shall be treated as certified by the Department of Labor as having aggregate periods of unemployment meeting the requirements of this Code section if such veteran is certified by such department as being in receipt of unemployment compensation under state or federal law for not less than six months during the one-year period ending on the hiring date.

(2) A veteran shall be treated as certified by the Department of Labor as having aggregate periods of unemployment meeting the requirements of this Code section if such veteran is certified by such department as being in receipt of unemployment compensation under state or federal law for not less than four weeks, but less than six months, during the one-year period ending on the hiring date.

(3) The Commissioner of Labor may provide alternative methods for certification of a veteran as a qualified veteran at such commissioner's discretion.

(h) Any unemployed veteran who begins work for an employer during 2021 or 2022 shall be treated as a member of a targeted group for purposes of this Code section.

(i) The Georgia Veterans Work Opportunity Tax Credit for employment of a long-term family assistance recipient shall be determined as follows:

(1) The amount of the Georgia Veterans Work Opportunity Tax Credit determined under this Code section for the taxable year shall include 50 percent of the qualified second-year wages for such year; and

(2) The amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account shall not exceed \$10,000.00 per year.

(j) No wages shall be taken into account if an individual:

(1) Bears any of the relationships described in subparagraphs (A) through (G) of 26 U.S.C. Section 152(d)(2) to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than 50 percent in value of the outstanding stock of the corporation, or, if the taxpayer is an entity other than a corporation, to any individual who owns, directly or indirectly, more than 50 percent of the capital and profits interests in the entity; or

(2) If the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in subparagraphs

150 (A) through (G) of 26 U.S.C. Section 152(d)(2) to a grantor, beneficiary, or fiduciary of  
151 the estate or trust.  
152 (k)(1) A taxpayer may elect to have this Code section not apply for any taxable year.  
153 (2) An election under paragraph (1) of this subsection for any taxable year may be made  
154 or revoked at any time before the expiration of the three-year period beginning on the last  
155 date prescribed by law for filing the return for such taxable year to be determined without  
156 regard to extensions.  
157 (3) An election or revocation under paragraph (1) of this subsection shall be made in  
158 such manner as the commissioner may by regulations prescribe."

159 **SECTION 2.**

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