



## 2022 SUMMARY OF ENACTED LEGISLATION

June 27, 2022

The full text of each bill summarized can be accessed at the Georgia General Assembly's Legislation Advanced Search webpage: <http://www.legis.ga.gov/Legislation/en-US/Search.aspx>

### **ADMINISTRATION**

#### **SB 534 (O.C.G.A. § 50-13-4)**

This bill amends the requirements for the promulgation of regulations, providing procedural requirements and considerations for the adoption of rules applicable to charitable organizations, including any rules that would require any new or expanded filing or reporting requirements, or would limit the ability of charitable organizations to solicit or collect funds. This bill requires state agencies to establish less burdensome and streamlined compliance and reporting requirements on charitable organizations when legal and feasible, and requires the notice accompanying the regulation to include an explanation of how the rule takes into account the considerations for the charitable organizations.

### **INCOME TAX**

#### **HB 275 (O.C.G.A. § 48-7-27)**

This bill increases the maximum deductible amount for living organ donations by individuals to \$25,000 (increased from \$10,000) for unreimbursed travel expenses, lodging expenses, and lost wages incurred for making a living donation of all or part of a liver, pancreas, kidney, intestine, lung, or bone marrow in taxable years beginning on or after July 1, 2022.

#### **HB 424 (O.C.G.A. § 48-7-29.24)**

This bill creates a new income tax credit for donations made to organizations that support young adults transitioning out of foster care. The bill sets up the process for an organization to become certified as a qualified organization and outlines the organization's reporting requirements. Taxpayers must apply for preapproval for the credit. The credit amounts are limited during January 1 and June 30 of each year to the following amounts:

- For single individuals or head of household, \$2,500.00;
- For married couples filing a joint return, \$5,000.00;
- For members of a limited liability company, shareholders of a S corporation, or a partner in a partnership, \$5,000.00; and
- For corporations, 10 percent of such corporation's income tax liability.

After June 30 of each year, credit preapprovals are not limited to the above amounts subject, however, to the credit's overall cap of \$20 million per year.

The bill is applicable to taxable years beginning on or after January 1, 2023.

**HB 469 (O.C.G.A. § 48-7-29.8)**

This bill extends the sunset date of the historic rehabilitation credit until 2025 for historic homes and until 2028 for projects other than historic homes, and modifies the credit by providing a credit cap for historic homes and a credit cap for all projects other than historic homes (without distinguishing such projects based on amount of credits earned). The credit cap for historic homes is \$5 million per year for 2023 and 2024. The credit cap for projects other than historic homes is \$30 million per year for 2023 through 2027.

The bill also authorizes all preapproval applications submitted on or after the day the applicable credit cap is reached to receive application priority the following year.

**HB 517 (O.C.G.A. § 48-7-29.16)**

This bill modifies the qualified education expense credit for donations made to student scholarship organizations. An individual (single or head of household) is now eligible for a credit of the actual amount donated or \$2,500.00 per tax year (increased from \$1,000.00), whichever is less. A married couple filing a joint return (married filing joint) is now eligible for a credit of the actual amount donated or \$5,000.00 per tax year (increased from \$2,500.00), whichever is less. A member of a limited liability company, a shareholder of a S corporation, or a partner in a partnership is now eligible for a credit of the actual amount donated or \$25,000.00 per tax year (increased from \$10,000.00), whichever is less. The aggregate amount of tax credits is now capped at \$100 million for 2019 through 2022 (previously through 2028) and \$120 million for 2023 and all subsequent years (increased from \$100 million for 2023 through 2028 and increased from \$58 million for 2029 and all subsequent years).

The bill also allows insurance companies to receive the credit specifically for state insurance premium tax owed. The credit amount is the actual amount donated or 75 percent of the insurance company's state insurance premium tax liability, whichever is less, but not to exceed \$1 million. Up to \$6 million in credits under the aggregate cap per year can be issued to insurance companies for state insurance premium tax owed. The bill also adds additional reporting requirements for student scholarship organizations.

The bill is applicable to taxable years beginning on or after January 1, 2023, but provisions relating to the additional reporting requirements for student scholarship organizations are effective July 1, 2022.

**HB 586 (O.C.G.A. § 48-7-29.12)**

This bill extends the conservation tax credit which had expired after the 2021 tax year. The credit cap is \$4 million per year for the period beginning June 1, 2022 through December 31, 2026. No credits are available after December 31, 2026.

**HB 1041 (O.C.G.A. § 48-7-29.20)**

This bill increases the aggregate credit cap for the qualified rural hospital organization expense tax credit to \$75 million per year (increased from \$60 million per year). The bill is applicable to taxable years beginning on or after January 1, 2023.

**HB 1044 (O.C.G.A. § 36-62-5.2)**

This bill modifies the quality jobs tax credit. The bill outlines the process of forming regional industrial development authorities and allows taxpayers who own property within a regional industrial development authority to claim the credit based on the credit amount for the lowest tier member county within the regional industrial development authority (quality jobs created in the lowest tier counties receive the highest amount of tax credit per quality job created and maintained).

The bill is effective July 1, 2022.

**HB 1058 (O.C.G.A §§ 48-7-21, 48-7-51)**

For taxable years beginning on and after January 1, 2023, this bill eliminates the requirement that affiliated entities obtain permission from the commissioner to file a consolidated income tax return. A “Georgia affiliated group,” as such term is defined in the bill, may now elect to file a Georgia consolidated income tax return without prior approval of the commissioner. Such election is binding for five years.

**HB 1064 (O.C.G.A § 48-7-27)**

For taxable years beginning on and after January 1, 2022, this bill allows taxpayers who are under the age of 62 to exclude certain amounts of military retirement income from Georgia income taxation. All taxpayers under the age of 62 who have military retirement income may automatically exclude \$17,500 of such military retirement income. For such taxpayers who also have more than \$17,500 of Georgia earned income included in their Georgia taxable income calculation, an additional \$17,500 of military retirement income may be excluded.

**HB 1302 (O.C.G.A § 48-7-20.1)**

This bill provides for an automatic refund for individuals who owed Georgia income tax in 2020 and who met all return filing obligations for taxable years 2020 and 2021, including extensions. The amount of the refund is generated automatically by the Department and no request for the refund is required. The refund amounts are equal to the lesser of (A) the amount of tax due on the 2020 return or (B) \$250 for individual and married filing separate return filers, \$375 for head of household return filers, and \$500 for married filing joint return filers. For additional information please refer to the [FAQs on the Department of Revenue website](#).

**HB 1320 (O.C.G.A §§ 48-1-2 and 48-2-36)**

For taxable years beginning on or after January 1, 2021, this bill updates certain provisions of state tax law in response to federal changes to the Internal Revenue Code. For detailed information on what federal changes were adopted please see [Income Tax Federal Tax Changes | Georgia Department of Revenue](#).

**HB 1437 (O.C.G.A §§ 48-7-20, 48-7-26, and 48-7-27)**

For taxable years beginning on and after January 1, 2024, this bill reduces the rate of tax applied to Georgia net taxable income of an individual over the course of several years. Additionally, the bill eliminates the personal standard deduction while allowing for a higher personal exemption. The personal exemption for individual and head of household filers increases to \$12,000 beginning with tax year 2024.

The personal exemption for married individuals who file a joint return increases to \$18,500 in 2024 and gradually increases to \$24,000 according to the following schedule:

- 2024: \$18,500.00
- 2026: \$20,000.00
- 2028: \$22,000.00
- 2030: \$24,000.00

The personal exemption for married individuals who file separately is half the amounts listed above for joint filers. The law will still allow for itemized deductions for those who itemize federally.

The tax rate phases down from 5.49% in tax year 2024 to 4.99% in tax year 2029 according to the following schedule:

- 2024: 5.49
- 2025: 5.39
- 2026: 5.29
- 2027: 5.19
- 2028: 5.09
- 2029: 4.99

The bill makes changes to the retirement exemption for individuals aged 65 and older. Currently, individuals aged 65 and older are permitted to recharacterize up to \$4,000 of earned income as retirement income for the purpose of calculating the \$65,000 retirement income exclusion. For taxable years beginning on and after January 1, 2024, this amount increases to \$5,000.

Finally, the bill limits the amount of state and local taxes that may be excluded from Georgia taxable net income to (A) \$10,000 for individual, head of household, and married filing joint taxpayers and (B) \$5,000 for married individuals filing separately. This limitation is accomplished by requiring Georgia taxpayers to add back any amount deducted pursuant to Section 164 of the Internal Revenue Code on the federal return to a taxpayer's Adjusted Gross Income on the Georgia return to the extent such amount exceeds the amount allowed by Georgia.

#### **SB 87 (O.C.G.A. § 48-7-64)**

For taxable years beginning on and after January 1, 2023, this bill allows individual taxpayers to elect on their return to direct tax refund amounts to the Technical College System of Georgia Foundation, a nonprofit 501(c)(3) organization. Such funds will be used exclusively to provide scholarships to veterans with service-connected disabilities who attend the Technical College System of Georgia.

#### **SB 361 (O.C.G.A. § 48-7-29.25)**

For taxable years beginning on and after January 1, 2023, this bill allows taxpayers to donate to certain nonprofit law enforcement foundations certified by the Department of Revenue and receive a tax credit against Georgia income tax. Taxpayers must receive preapproval from the Department prior to donating for the donation to qualify for a tax credit. Preapprovals of credits begin on the first business day of the calendar year. The maximum amount of credits allowed to be preapproved statewide for this credit is \$75 million per calendar year. The money donated to the law enforcement foundations must be used for the benefit of local law enforcement agencies affiliated with the foundation receiving the donation and can be used for qualifying law enforcement expenditures specified in the statute.

### **MOTOR FUEL TAX**

#### **HB 1089 (O.C.G.A. § 48-9-45)**

This bill increases the penalty for motor carriers operating a motor vehicle in Georgia without properly registering with the Department for the road tax on motor carriers imposed under O.C.G.A. § 48-9-31. For out-of-state motor carriers, this registration requirement is usually met by registering under the International Fuel Tax Agreement (IFTA). The penalty is increased from \$25 per motor vehicle in violation to \$145 per motor vehicle in violation. HB 1089 is effective July 1, 2022.

### **MOTOR VEHICLES**

#### **HB 203 (O.C.G.A. § 40-2-86)**

This bill creates a new special license plate to support the Tybee Island Historical Society. HB 203 is effective May 2, 2022.

#### **HB 1011 (O.C.G.A. § 40-8-35 and 40-8-92)**

This bill removes the requirement for county tag agents to issue amber light permits for slow-moving vehicles. The bill also removes the requirement for the owner of a low-speed vehicle to obtain a permit to use an amber strobe light on the vehicle to comply with O.C.G.A. §§ 40-8-4 and 40-8-35. The bill extends the validity period for permits for emergency vehicles to operate flashing or revolving emergency lights, which are issued by the commissioner of public safety, from one year to five years. The bill is effective July 1, 2022.

**HB 1481 (O.C.G.A. § 40-2-38)**

This bill guarantees that a registered motor vehicle dealer will be entitled to receive at least as many dealer license plates as the dealer qualified for as of January 1, 2020. This guaranteed plate minimum will apply until January 1, 2025.

The bill is effective July 1, 2022.

**PROPERTY TAX**

**HR 594 (Ga. Const. Art. VII, § 1, Para. III)**

This bill calls for a statewide referendum and Constitutional amendment to permit temporary local property tax relief in nationally declared disaster areas. If the referendum passes, the bill will allow counties, municipalities, and school boards to grant temporary tax relief for property severely damaged or destroyed in a nationally declared disaster area.

**HB 997 (O.C.G.A. § 48-5-41.3)**

This bill calls for a statewide referendum and Constitutional amendment on a personal property tax exemption for timber equipment owned or held under a lease-purchase agreement by a timber producer that is directly used in the production or harvesting of timber. The bill requires a statewide referendum and approval of 2/3 of each chamber of the Legislature to become effective.

**SALES TAX AND INDIRECT TAXES**

**HB 586 (O.C.G.A. §§ 48-8-3(100) and 48-7-29.12)**

This bill extends the exemption from sales tax on the sales of tickets, fees, or charges from December 31, 2022 to December 31, 2027 for fine arts performances or exhibitions at certain facilities owned or operated by certain organizations with a specific mission.

The bill became effective on May 10, 2022.

**HB 934 (O.C.G.A. §§ 48-8-262, 48-8-263, 48-8-264, and 48-8-264.1)**

Section 1 of this bill clarifies and adds the requirements of a special district mass transportation sales and use tax resolution which calls for the imposition of the tax. If an intergovernmental agreement has been entered into pursuant to O.C.G.A. § 48-8-262(b) between the county and all qualified municipalities to memorialize the agreed-upon levy and rate of such tax, the resolution shall describe, in addition to the specific transportation purposes to be funded, the maximum amount of net proceeds to be raised, which shall correspond to the period of time the tax shall be imposed pursuant to O.C.G.A. § 48-8-262(d)(2)(C).

Section 2 of the bill revises the ballot question to be posed to the voters within the special district by removing language limiting the estimated amount to be raised for transportation purposes.

Section 3 of the bill adds the date of cessation of the tax when an intergovernmental agreement has been entered into, whereby the tax shall cease on the final day of the maximum period of time specified in the resolution.

Section 4 of the bill adds a new code section (O.C.G.A. § 48-8-264.1) specifying that, on and after July 1, 2022, any referendum to impose this tax must be held on the Tuesday after the first Monday in November in odd-numbered years. For even-numbered years, the referendum shall be held (a) on the date of and in conjunction with the presidential preference primary if one is held that year, (b) on the date of the general primary, or (c) on the Tuesday after the first Monday in November.

This bill became effective May 2, 2022.

**HB 1034 (O.C.G.A. § 48-8-3(97))**

This bill revises and expands the definition of “major sporting event” to include any FIFA World Cup match. The end date of this exemption is extended from December 31, 2022 to December 31, 2031. This bill became effective May 2, 2022.

**HB 1291 (O.C.G.A. § 48-8-3)**

This bill impacts the sales and use tax exemptions relating to high-technology companies and high-technology data centers as specified in O.C.G.A. §§ 48-8-3(68) through (68.1) as summarized below.

Impact on O.C.G.A. § 48-8-3(68):

This bill extends the exemption provided under O.C.G.A. § 48-8-3(68) through December 31, 2028. The bill explicitly limits the exemption to high-technology companies which fall under specific NAICS codes listed in O.C.G.A. § 48-8-3(68) which have purchased or leased at least \$15 million worth of qualifying equipment during a calendar year. The new legislation additionally requires that any entity claiming the exemption on or after January 1, 2024 must pay 10% of all sales and use taxes imposed on the first \$15 million of the eligible purchases or leases which would otherwise be exempted under O.C.G.A. § 48-8-3(68). The bill alters the definition of “computer equipment” to exclude (1) computers or devices issued to employees, and (2) prewritten computer software. This portion of the bill becomes effective January 1, 2024.

Impact on O.C.G.A. § 48-8-3(68.1):

The bill extends the exemption provided under O.C.G.A. § 48-8-3(68.1) through December 31, 2031. The legislation alters the minimum investment thresholds for transactions occurring on or after the effective date of the legislation to the following:

Population of County	Number of New Quality Jobs That Must Be Created	Aggregate Expenditure Amount
Greater than 50,000	25	\$250 Million
Greater than 30,000 and less than 50,001	10	\$75 Million
Less than 30,001	5	\$25 Million

This portion of the bill is effective on May 9, 2022.

**SB 84 (O.C.G.A. §§ 38-3-186, 38-3-188, 47-17-1, and 47-17-63)**

This bill alters how the funds generated by charges imposed on certain telecommunications related to the provision of 9-1-1 services are distributed to State of Georgia entities. As of January 1, 2019, all 9-1-1 charges imposed by local governments were to be remitted to the Georgia Emergency Communications Authority (“GECA”). Such funds were to be remitted to local jurisdictions on a pro rata basis based on the amounts attributable to the number of qualifying calls made in their jurisdiction. The Department of Revenue was obligated by statute to enter into an intergovernmental agreement with GECA to administer the collection and remittance of such fees. Prior to this legislation’s passage, the Department retained and remitted to the State Treasury 1% of the total amount of gross charges remitted to GECA to cover the cost of the administration of collecting and remitting the 9-1-1 fees. Under the new statute, the Department shall retain and remit to the State Treasury 0.25% of the total amount of the gross charges remitted to the GECA and 0.75% of the total amount of the gross charges remitted to the GECA shall be remitted to the Peace Officer’s Annuity and Benefit Fund. The legislation also expands the definition of “Peace Officer” to include those communications officers who, “receive, process, or transmit public safety information and dispatch law enforcement officers, firefighters, medical personnel, or emergency management personnel.” By expanding the definition, communications officers who are certified by the Peace Officers Standards and Training Council may now qualify to be a member and make claims upon the Peace Officer’s Annuity and Benefit Fund. This bill is effective on July 1, 2022.