

GA H 30, Prefiled

Georgia

AN ACT

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

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November 18, 2020

Kendrick

LC 43 1709

A BILL TO BE ENTITLED

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to require an annual review to be conducted by the State Revenue Commissioner regarding equitable participation of minority business enterprises in claiming income tax credits offered by this state; to require approved diversity plans for equitable participation of minorities among the jobs created or expenditures made to obtain certain tax credits; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is amended by adding a new Code section to read as follows:

“48-7-7.

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

- (1) 'Minority' means an individual who is a member of a race which comprises less than percent of the total population of this state.***
- (2) 'Minority business enterprise' means a small business concern which is owned and controlled by one or more minorities and is authorized to do and is doing business under the laws of this state, paying all taxes duly assessed, and domiciled within this state.***

(3) 'Owned and controlled' means a business:

(A) Which is at least 51 percent owned by one or more minorities or, in the case of a publicly owned business, at least 51 percent of all classes or types of the stock is owned by one or more minorities; and

(B) Whose management and daily business operations are controlled by one or more minorities.

(b) On or before October 1 of each year, the commissioner shall conduct a review, based upon the prior year's tax returns, to determine whether there is equitable participation of minority business enterprises among all taxpayers that claimed an income tax credit pursuant to this chapter.

(c) The commissioner shall determine the total number and value of such income tax credits claimed by all minority business enterprises in this state and present this data in relation to the total number and value of such income tax credits allowed to all taxpayers in this state.

(d)(1) The initial and subsequent reviews conducted pursuant to subsection (b) of this Code section shall identify any disparities or proof of discrimination based on race that have impacts on the ability of such minority business enterprises to successfully claim such income tax credits.

(2) The commissioner shall make recommendations in each review regarding methods or manners to achieve equitable participation of minority business enterprises among all taxpayers that claimed an income tax credit pursuant to this chapter.

(e) On and after July 1, 2022, with respect to Code Sections 48-7-40, 48-7-40.1, 48-7-40.2, 48-7-40.3, 48-7-40.4, 48-7-40.7, 48-7-40.8, 48-7-40.9, and 48-7-40.17 a taxpayer shall not be eligible to claim a tax credit related to establishing, creating, or relocating any job unless:

(1) The taxpayer has filed with the department, at least three months prior to filing such a claim for a tax credit, a diversity plan that outlines the taxpayer's specific goals and stratagem for ensuring that its workforce reflects the diversity of this state such that minorities are employed at levels sufficient to represent equitable participation within the taxpayer's workforce; and

(2) The department has approved such diversity plan as meeting the requirements established by the department and verified that the taxpayer met its goals, or made good faith efforts to meet such goals."

SECTION 2.

Said chapter is further amended by adding a new subsection to Code Section 48-7-40.26, relating to a tax credit for film, gaming, video, or digital productions in this state, to read as follows:

"(m) For projects certified by the Department of Economic Development on or after January 1, 2022, a production company shall not be eligible to claim a tax credit allowed pursuant to this Code section for a state certified production unless:

(1) The production company has filed with the Department of Revenue, within three months of incurring its first expenses for qualified production activities, a diversity plan that outlines the production company's specific goals and stratagem for ensuring that its workforce for the state certified production reflects the diversity of this state such that minorities and minority business enterprises, as such terms are defined in Code Section

48-7-7, are employed or contracted with at levels sufficient to represent equitable participation among the qualified production activities claimed for such state certified production; and

(2) The Department of Revenue has approved such diversity plan as meeting the requirements for diversity plans that shall be established by the department and verified that the production company met its goals, or that the production company made good faith efforts to meet such goals.”

SECTION 3.

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