

GA H 129, Substituted

Georgia

SUMMARY: Relates to a preferential assessment for bona fide conservation use property and bona fide residential transitional property; removes a limitation on leased property as to certain entities.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

01/27/2025 INTRODUCED.

01/28/2025 To HOUSE Committee on WAYS AND MEANS.

01/29/2025 In HOUSE: Read 2nd time.

02/26/2025 From HOUSE Committee on WAYS AND MEANS: Favorably reported.

03/04/2025 In HOUSE. Read third time. Passed HOUSE. *****To SENATE.

03/06/2025 To SENATE Committee on FINANCE.

03/25/2025 From SENATE Committee on FINANCE: Favorably reported.

03/27/2025 In SENATE: Read 2nd time.

03/28/2025 Recommitted to SENATE Committee on RULES.

03/31/2025 From SENATE Committee on RULES: Favorably reported as substituted.

04/02/2025 In SENATE. Read third time. Passed SENATE. *****To HOUSE for concurrence.

04/02/2025 In HOUSE. HOUSE concurred in SENATE Substitute.

04/02/2025 Eligible for GOVERNOR'S desk.

~

session: Georgia 158th General Assembly 2025-26 Regular Session

cite: 2025 GA H 129

Substituted

March 31, 2025

Cannon C

The Senate Committee on Rules offered the following substitute to HB 129:

A BILL TO BE ENTITLED

AN ACT

To amend Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to preferential assessment for bona fide conservation use property and bona fide residential transitional property, so as to remove a limitation on leased property as to certain entities; to amend Code Section 48-7-40.26A of the Official Code of Georgia Annotated, relating to tax credits for postproduction expenditures, so as to renew a tax credit for postproduction expenditures; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to preferential assessment for bona fide conservation use property and bona fide residential transitional property, is amended by revising subsection (b)

as follows:

"(b) Except in the case of the underlying portion of a tract of real property on which is actually located a constructed storm-water wetland, the following additional rules shall apply to the qualification of conservation use property for current use assessment:

(1) When one-half or more of the area of a single tract of real property is used for a qualifying purpose, then such tract shall be considered as used for such qualifying purpose unless some other type of business is being operated on the unused portion; provided, however, that such unused portion must be minimally managed so that it does not contribute significantly to erosion or other environmental or conservation problems. The lease of hunting rights or the use of the property for hunting purposes shall not constitute another type of business. The charging of admission for use of the property for fishing purposes shall not constitute another type of business;

(2)(A) (i) The owner of a tract, lot, or parcel of land totaling less than ten acres shall be required by the tax assessor to submit additional relevant records regarding proof of bona fide conservation use for qualified property that on or after May 1, 2012, is either first made subject to a covenant or is subject to a renewal of a previous covenant. The provisions of this paragraph relating to requiring additional relevant records regarding proof of bona fide conservation use shall not apply to such property if the owner of the subject property provides one or more of the following:

(i) Proof that such owner has filed with the Internal Revenue Service a Schedule E, reporting farm related income or loss, or a Schedule F, with Form 1040, or, if applicable, a Form 4835, pertaining to such property;

(ii) Proof that such owner has incurred expenses for the qualifying use; or

(iii) Proof that such owner has generated income from the qualifying use.

(ii) Prior to a denial of eligibility under this paragraph, the tax assessor shall conduct and provide proof of a visual, on-site inspection of the property. Reasonable notice shall be provided to the property owner before being allowed a visual, on-site inspection of the property by the tax assessor.

(B) The owner of a tract, lot, or parcel of land totaling ten acres or more shall not be required by the tax assessor to submit additional relevant records regarding proof of bona fide conservation use for qualified property that on or after May 1, 2012, is either first made subject to a covenant or is subject to a renewal of a previous covenant;

(3) No property shall qualify as bona fide conservation use property if such current use assessment would result in any person who has a beneficial interest in such property, including any interest in the nature of stock ownership, receiving in any tax year any benefit of current use assessment as to more than 2,000 acres. If any taxpayer has any beneficial interest in more than 2,000 acres of tangible real property which is devoted to bona fide conservation uses, such taxpayer shall apply for current use assessment only as to 2,000 acres of such land;

(4) No property shall qualify as bona fide conservation use property if it is leased to a person or entity which would not be entitled to conservation use assessment **§ . This paragraph shall not apply to a corporation, a partnership, a general partnership, a limited partnership, a limited corporation, or a limited liability company registered with the Secretary of State that meets the following conditions:**

(A)(i) Its ownership includes only natural or naturalized citizens;

(ii) It has as its primary purpose the production of agricultural products or timber from or on the land, including, but not limited to, subsistence farming or commercial production; and

(iii) It derives 80 percent or more of its gross income from bona fide conservation uses, including earnings on investments directly related to past or future bona fide conservation uses, within this state; or

(B) At least one of its members has no less than a 25 percent ownership interest in the property being leased and would be entitled to conservation use assessment;

(5) No property shall qualify as bona fide conservation use property if such property is at the time of application for current use assessment subject to a restrictive covenant which prohibits the use of the property for the specific purpose described in subparagraph (a)(1)(E) of this Code section for which bona fide conservation use qualification is sought; and

(6) No otherwise qualified property shall be denied current use assessment on the grounds that no soil map is

available for the county in which such property is located; provided, however, that, if no soil map is available for the county in which such property is located, the owner making an application for current use assessment shall provide the board of tax assessors with a certified soil survey of the subject property unless another method for determining the soil type of the subject property is authorized in writing by such board."

SECTION 2.

Code Section 48-7-40.26A of the Official Code of Georgia Annotated, relating to tax credits for postproduction expenditures, is amended by revising subsections (d) and (f) as follows:

"(d) The tax credits allowed under this Code section for all postproduction companies shall be subject to the following aggregate annual caps:

(1) For taxable years beginning on or after January 1, ~~2018~~ **2026**, and before January 1, ~~2019~~ **2031**, the aggregate amount of tax credits allowed under this Code section shall not exceed \$10 million; **and**

~~(2) For taxable years beginning on or after January 1, 2019, and before January 1, 2020, the aggregate amount of tax credits allowed under this Code section shall not exceed \$10 million;~~

~~(3) For taxable years beginning on or after January 1, 2020, and before January 1, 2023, the aggregate amount of tax credits allowed under this Code section shall not exceed \$10 million per year;~~

~~(4) The tax credits allowed under this Code section shall not be available for taxable years beginning on or after January 1, 2023; and~~

~~(5)~~ If the aggregate amount of tax credits claimed by taxpayers under this Code section during a year is less than the aggregate annual cap applicable to such year, the unclaimed portion of the aggregate annual cap shall be added to the aggregate annual cap applicable to the next succeeding year or years until it is fully claimed."

"(f) For taxable years beginning on or after January 1, ~~2018~~ **2026**, and before January 1, ~~2023~~ **2031**, the postproduction company shall report to the Department of Revenue on its Georgia income tax return the monthly average number of full-time employees subject to Georgia income tax withholding for the taxable year. For purposes of this subsection, the term 'full-time employee' shall mean a person who performs a job that requires a minimum of 35 hours **a per week**, and pays at or above the average wage earned in the county with the lowest average wage earned in this state, as reported in the most recently available annual issue of the Georgia Employment and Wages Averages Report of the Department of Labor. Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, for such taxable years, the commissioner shall annually report to the House Committee on Ways and Means and the Senate Finance Committee. The report shall include the name, tax year beginning, and monthly average number of full-time employees for each postproduction company. The first report shall be submitted by June 30, 2018, and each year thereafter by June 30."

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval and shall be applicable to all taxable years beginning on or after January 1, 2026.

SECTION 4.

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