

House Bill 1357

By: Representatives Jasperse of the 11<sup>th</sup>, Hagan of the 156<sup>th</sup>, and Campbell of the 171<sup>st</sup>

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 the imposition, rate, and computation of and exemptions and credits from state  
3 income taxes, so as to create a temporary income tax credit for certain expenditures relating  
4 to projects promoting industrial infrastructure enhancement and connectivity; to provide for  
5 definitions; to provide for eligibility approval by the Department of Economic Development;  
6 to provide for limitations upon such tax credit; to authorize the sale or transfer of unused  
7 credits; to provide for an aggregate annual limit; to provide for terms and conditions; to  
8 provide for rules and regulations; to provide for automatic repeal; to amend Code Section  
9 16-12-218 of the Official Code of Georgia Annotated, relating to no eligibility for tax credit  
10 regarding medical cannabis, so as to remove an inapplicable cross-reference; to provide for  
11 related matters; to provide for a short title; to provide for an effective date and applicability;  
12 to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 **SECTION 1.**

15 The Act shall be known and may be cited as the "Strategic Industrial Development  
16 Enhancement (SIDE) Tax Credit Act."

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**SECTION 2.**

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18 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the  
19 imposition, rate, and computation of and exemptions and credits from state income taxes, is  
20 amended by revising Code Section 48-7-40.35, which is repealed, as follows:

21 "48-7-40.35.

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

23 (1) 'Eligible entity' means an entity incorporated and located in this state with a qualified  
24 project which has been approved by the Department of Economic Development.

25 (2) 'Qualified economic development expenditures' means expenditures made by an  
26 eligible entity for costs for improvements to land and construction costs for a qualified  
27 project and the purchase of machinery and any equipment necessary for such  
28 improvements or construction.

29 (3) 'Qualified initial infrastructure expenditures' means expenditures made by an eligible  
30 entity for new rail infrastructure and improvements for the provision of rail service to a  
31 qualified project, including, but not limited to, right-of-way acquisition, engineering  
32 services, rehabilitation of existing inactive tracks to reinstate operation, construction of  
33 new tracks, loading dock improvements, and transloading structures.

34 (4) 'Qualified project' means a project that:

35 (A) Is expected to provide substantial economic benefits and result in job creation;

36 (B) Is located within an industrial park or economic development zone or adjacent to  
37 a terminal or switching of a railroad; and

38 (C) Has been approved by the Department of Economic Development in accordance  
39 with rules and regulations promulgated pursuant to this Code section.

40 (5) 'Railroad' means a common carrier classified as a railroad by the United States  
41 Surface Transportation Board in accordance with Section 1-1 of 49 C.F.R. 1201, as it  
42 existed on January 1, 2024.

43 (b) An eligible entity shall be allowed a credit against the tax imposed by this article for  
44 a taxable year in an amount equal to 10 percent of its qualified economic development  
45 expenditures and 50 percent of its qualified initial infrastructure expenditures. The credit  
46 given under this subsection shall be available for each taxable year beginning on or after  
47 January 1, 2025, and ending on or before December 31, 2030.

48 (c) The tax credit allowed under subsection (b) of this Code section shall be subject to the  
49 following conditions and limitations:

50 (1) The aggregate amount for qualified economic development expenditures shall not  
51 exceed \$8 million per qualified project;

52 (2) The aggregate amount for qualified initial infrastructure expenditures shall not  
53 exceed \$4 million per qualified project; and

54 (3) The aggregate amount for a combination of qualified economic development  
55 expenditures and qualified initial infrastructure expenditures shall not exceed \$8 million  
56 per qualified project.

57 (d) In no event shall the amount of tax credits allowed pursuant to this Code section  
58 exceed \$75 million in aggregate for a taxable year.

59 (e)(1) The total amount of the tax credits allowed pursuant to this Code section for a  
60 taxable year shall not exceed the taxpayer's income tax liability.

61 (2) Tax credits claimed pursuant to this Code section but not used in any taxable year  
62 may be carried forward for three years from the close of the taxable year in which the  
63 credits are claimed.

64 (3) Any tax credits earned by a taxpayer under this Code section and previously claimed  
65 but not used by such taxpayer against its income tax may be transferred or sold in whole  
66 or in part by such taxpayer to another Georgia taxpayer up to three years from the date  
67 the credit was earned and subject to the maximum total limits provided by subsection (c)  
68 of this Code section.

69 (f) The Department of Economic Development shall develop rules and regulations for  
70 application and approval of a project as a qualified project eligible for the tax credits  
71 authorized under this Code section, provided that applications for approval as a qualified  
72 project shall include a description of the project, project location, detailed project costs, and  
73 a summary of expected economic benefits and job creation. Applications approved by the  
74 Department of Economic Development shall be submitted to the state revenue  
75 commissioner.

76 (g) The state revenue commissioner shall develop such rules and regulations as are  
77 necessary to implement and administer this Code section.

78 (h) This Code section shall stand repealed and reserved on January 1, 2031."

79 **SECTION 3.**

80 Code Section 16-12-218 of the Official Code of Georgia Annotated, relating to no eligibility  
81 for tax credit regarding medical cannabis, is amended by replacing "48-7-40.32, or  
82 48-7-40.35." with "or 48-7-40.32."

83 **SECTION 4.**

84 This Act shall become effective upon its approval by the Governor or upon its becoming law  
85 without such approval and shall be applicable to taxable years beginning on or after  
86 January 1, 2025.

87 **SECTION 5.**

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