

House Bill 263

By: Representative Thomas of the 65th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
2 income taxes, so as to provide for a tax credit for certain remote work expenses incurred by
3 employers that enter into remote work agreements with their employees; to provide for
4 definitions; to provide for terms and conditions; to provide for applications and preapprovals;
5 to provide for rules and regulations; to provide for an effective date and applicability; to
6 provide for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

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

11 "48-7-29.11A.

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

13 (1) 'Eligible remote work expenses' means:

14 (A) Expenses incurred during the calendar year pursuant to a remote work agreement,
15 up to a limit of \$2,000.00 for each participating employee, which expenses are not
16 otherwise the subject of a deduction from income claimed by the employer or employee

17 in any tax year. Such expenses shall be limited to expenses paid or incurred to purchase
18 ergonomic office equipment or furniture; computers, computer related hardware,
19 software, and accessories; modems, telecommunications equipment, and high-speed
20 Internet connectivity equipment; computer security software and devices; and all
21 related delivery, installation, and maintenance fees. Such expenses may be incurred
22 only once per employee. Such expenses may be incurred directly by the employer on
23 behalf of the participating employee or directly by the participating employee and
24 subsequently reimbursed by the employer; and

25 (B) Such expenses shall not include:

26 (i) Replacement costs for computers, computer related hardware and software,
27 modems, data processing equipment, telecommunications equipment, or computer
28 security software and devices at the principal place of business when that equipment
29 is relocated to the remote work site; or

30 (ii) Expenses for which a credit is claimed under any other provision of this article.

31 (2) 'Employer' means any employer upon whom an income tax is imposed by this article.

32 (3) 'Participating employee' means an employee who has entered into a remote work
33 agreement with his or her employer on or after July 1, 2023. Such term shall not include
34 an individual who is self-employed or an individual who ordinarily spends a majority of
35 his or her workday at a location other than the employer's principal place of business.

36 (4) 'Remote work' or 'work remotely' means to perform normal and regular work
37 functions on a workday that ordinarily would be performed at the employer's principal
38 place of business at a different location, thereby eliminating or substantially reducing the
39 physical commute to and from that employer's principal place of business. Such term
40 shall not include home based businesses, extensions of the workday, or work performed
41 on a weekend or holiday.

42 (5) 'Remote work agreement' means an agreement signed by the employer and the
43 participating employee, on or after July 1, 2023, that defines the terms of a remote work

44 arrangement, including the number of days per year the participating employee will work
45 remotely in order to qualify for the credit as provided by subsection (b) of this Code
46 section, and any restrictions on the place from which the participating employee will
47 work remotely.

48 (6) 'Remote work assessment' means an optional assessment leading to the development
49 of policies and procedures necessary to implement a formal remote work program which
50 would qualify the employer for the credit provided in subsection (b) of this Code section,
51 including, but not limited to, a workforce profile, a remote work program business case
52 and plan, a detailed accounting of the purpose, goals, and operating procedures of the
53 remote work program, methodologies for measuring remote work program activities and
54 success, and a deployment schedule for increasing remote work activity.

55 (b) For taxable years beginning on or after January 1, 2024, an employer shall be allowed
56 an income tax credit against the tax imposed by Code Section 48-7-20 or Code Section
57 48-7-21 for a percentage of eligible remote work expenses incurred in the corresponding
58 calendar year. The credit shall be equal to 75 percent of the eligible remote expenses
59 incurred pursuant to a remote work agreement requiring the participating employee to work
60 remotely at least 12 days per month up to a maximum of a \$5,000.00 credit for each such
61 employee.

62 (c) In no event shall the total amount of any tax credit under this Code section for a taxable
63 year exceed the employer's income tax liability. No unused tax credit shall be allowed to
64 be carried forward to apply to the employer's succeeding years' tax liability. No such tax
65 credit shall be allowed the employer against prior years' tax liability.

66 (d)(1) An employer seeking to claim a tax credit provided for under subsection (b) of this
67 Code section must submit an application to the commissioner for tentative approval of
68 the tax credit between September 1 and October 31 of the year preceding the calendar
69 year for which the tax credit is to be earned. The commissioner shall promulgate the
70 rules and forms on which the application is to be submitted. Amounts specified on such

71 application shall not be changed by the employer after the application is approved by the
72 commissioner. Such applications must certify that the employer would not have incurred
73 the eligible remote work expenses mentioned therein but for the availability of the tax
74 credit. The commissioner shall review such application and shall tentatively approve
75 such application upon determining that it meets the requirements of this Code section.

76 (2) The commissioner shall provide tentative approval of the applications by the date
77 provided in paragraph (3) of this subsection. In no event shall the aggregate amount of
78 tax credits approved by the commissioner for all qualified employers under this Code
79 section in a calendar year exceed \$50 million per year.

80 (3) The department shall notify each employer of the tax credits tentatively approved and
81 allocated to such employer by December 31 of the year in which the application was
82 submitted. In the event that the credit amounts on the tax credit applications filed with
83 the commissioner exceed the maximum aggregate limit of tax credits under this
84 subsection, then the tax credits shall be allocated among the employers who filed a timely
85 application on a pro rata basis based upon the amounts otherwise allowed by this Code
86 section. Once the tax credit application has been approved and the amount approved has
87 been communicated to the applicant, the employer may make purchases approved for the
88 tax credit at any time during the calendar year following the approval of the application.
89 The employer may then apply the amount of the approved tax credit to its tax liability for
90 the tax year or years for which the approved application applies. In the event the
91 employer has a tax year other than a calendar year and the calendar year expenses are
92 incurred in more than one taxable year, the credit shall be applied to each taxable year
93 based upon when the expenses were incurred.

94 (e) Notwithstanding the provisions of Code Sections 48-2-15, 48-7-60, and 48-7-61, the
95 commissioner shall make available a public report disclosing the employer names and
96 credit amounts claimed under this Code section as follows:

97 (1) On or before December 31, 2026, for credits allowed in calendar year 2024; and

98 (2) On or before December 31, 2028, for credits allowed in calendar year 2026.

99 (f) The commissioner shall promulgate any rules and regulations necessary to implement
100 and administer this Code section."

101 **SECTION 2.**

102 This Act shall become effective on July 1, 2023, and shall be applicable to taxable years
103 beginning on or after January 1, 2024.

104 **SECTION 3.**

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