

OVERVIEW OF GEORGIA TAX INCENTIVES

Job Creation

Employers are eligible for a credit against personal income tax for each new full-time employee job created for five years, beginning with years two through six. The credit amount is based on the location of the business and the number of new jobs created.

Manufacturing Facilities

An employer, who has operated a manufacturing related facility for the preceding three years and purchases property that is related to the manufacturing process and is used to construct or expand a facility, may qualify for a credit. There are minimum requirements for job creation and the investment amount. The credit is based on the type of property invested in and the location of the facility.

Headquarters

A taxpayer that establishes or relocates its headquarters or the headquarters of a subsidiary in Georgia, and creates new full-time jobs, is eligible for a credit of at least \$2500 per new full-time employee. A minimum of 50 persons in new full-time jobs along with a few other requirements must also be met to obtain the credit.

Employer Provided Transit

An employer located within a certain county who purchases/leases a new vehicle for the exclusive purpose of providing transportation for its employees can claim a \$2,000 or \$3,000 credit based on location. The vehicle must carry an average of four people for an entire year.

Qualified Transportation

An employer that provides a specific fringe benefit relating to transportation may claim a credit of \$25 per employee who receives the benefit.

Business Expansion

The expansion must create 500 new jobs. The credit is against monthly or quarterly withholding taxes, and is only available if the total credit exceeds 50% of the business' tax liability.

Education & Retraining

Employers who provide basic skills education can receive a credit equal to one-third of the cost of the education per full-time equivalent student or \$150, whichever is less, for each employee who successfully completes an approved program. Employers may also receive a credit of \$500 or one-half the cost of retraining a full-time employee, whichever is lower.

Land Conservation

Real property that is donated may qualify for a tax credit equal to the lesser of 25% of the fair market value of the property or \$250,000.

Water Conservation

The credit amount is a percentage of the cost to expand or build a water conservation facility that creates a reduction of 10% or more in the use of ground-water sources. There is also a credit for individuals who reduce their ground-water usage by at least 10% during the year and instead purchase water from a qualified water conservation facility.

Emissions

There are two different credit amounts depending on whether or not the new vehicle is a low-emission or zero emission vehicle. A credit can also be claimed by a business that purchases or leases an electric vehicle charger. Another credit is for the installation of diesel particulate emission reduction technology equipment at truck stops, depots, or other facilities. The credit will be for 10% of the cost of the equipment and installation.

OVERVIEW OF GEORGIA TAX INCENTIVES

Child Care

A credit equal to the lesser of 100% of the cost of property purchased for use as a licensed child care facility or 50% of the employer's state tax liability may be claimed. Another credit is offered against personal income tax for employers that provide child care. The credit is equal to 75% of the cost of operation, less any amount paid by employees.

Port Activity

Non-retail businesses that increase their port traffic at Georgia facilities by at least 10% and create jobs may be eligible to claim a credit of \$1,250 per new job created.

Cigarette Exports

Cigarette manufactures that export cigarettes to foreign countries are eligible to receive a tax credit of up to the lesser of \$6 million or 50% of the corporate income taxes owed. Current year export volume must be greater than 50% of base year volume in order to qualify.

Historic Property

A credit against personal and corporate income taxes may be taken for taxpayers who substantially rehabilitate historic property. The credit is based on a percentage which is determined by the type of structure and its location.

Low-Income Housing

A Georgia housing project that qualifies as a low-income building is eligible to receive a credit equal to the federal low-income housing tax credit amount.

Bank Tax Credit

Special taxes that are levied against financial institutions may be used as a credit against state income tax liability.

Teleworking

A credit may be claimed against certain telework expenses incurred in 2008 and 2009. The credit amount is then based on a percentage number that has certain requirements.