

## Georgia Tax Credit Overview

There are many lucrative state tax credits available to companies that are growing in the state of Georgia. Therefore, Aprio has a dedicated state and local tax (SALT) team - with more than 50 years of combined SALT experience in industry, state government, public accounting and private law practice - ready to assist you. We understand your needs and concerns as a growing business and can help you save money by effectively taking advantage of the state and local tax credits for which you are eligible.

This overview provides information on those tax credits available for businesses that are creating and maintaining jobs, making capital investments, training employees or incurring expenditures for research and development (R&D) activities in the state of Georgia.

### **JOB TAX CREDIT**

Companies that are engaged in strategic industries, such as manufacturing, warehousing & distribution, processing, telecommunications, broadcasting, tourism and R&D may qualify for Georgia's Job Tax Credit. Depending on the county's economic status, companies can claim up to \$5,250 per job created, per year, for a total of five years. This is an income tax credit, and under certain criteria it may be used to offset withholding tax. Companies in other industries may qualify for the credit if they are located in a designated opportunity zone.

### **QUALITY JOBS TAX CREDIT**

Companies that create at least 50 new jobs in a 12-month period and pay wages that are at least 110 percent of the county average are eligible to receive a tax credit of up to \$5,000 per job, per year, for up to five years. This is an income tax credit and can be used to offset withholding tax.

### **INVESTMENT TAX CREDIT**

The Investment Tax Credit is available to existing manufacturing or telecommunications businesses that have operated a facility in Georgia for three years prior to an investment of \$50,000 or more. This income tax credit ranges between one and eight percent depending on the county's economic status. Higher credit ranges are available for investment in recycled or pollution control equipment and for conversion of a defense plant to manufacturing a new product.



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## RESEARCH AND DEVELOPMENT (R&D) TAX CREDIT

R&D expenditures incident to the development or improvement of a product can qualify for a dollar-for-dollar reduction of federal and state income taxes owed. The Georgia R&D Credit can be used to offset up to 50 percent of a company's Georgia income tax liability. Any excess R&D Credit can be applied to the company's state payroll withholding.

## RETRAINING TAX CREDIT

A company's direct expenses in certain training programs for experienced employees can be claimed as a tax credit. The income tax credit is available to all Georgia businesses that file a Georgia income tax return. The credit is for 50 percent of the employer's direct cost, up to \$500 per full-time employee, per approved training. The total amount of the credit cannot exceed \$1,250 per employee, per year. Qualified training programs must be approved by the Technical College of Georgia.

Any tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or under any state or local tax law or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Please do not hesitate to contact us if you have any questions regarding this matter.

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## About Aprio

Since 1952, clients throughout the U.S. and across more than 40 countries have trusted Aprio for guidance on how to achieve what's next. As a premier, CPA-led professional services firm, Aprio delivers advisory, assurance, tax and private client services to build value, drive growth, manage risk and protect wealth. With proven expertise and genuine care, Aprio serves individuals and businesses, from promising startups to market leaders alike.

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