



Statewide Incentive Measures

**Information available from the Georgia Department of Economic Development at <http://www.georgia.org>*

The **Georgia's Business Expansion & Support Act (BEST)** provides a number of incentives to qualifying businesses. Additional details about the incentives are available by clicking the title of each credit. Current BEST incentives include:

- **Job Tax Credit** – Georgia's **Business Expansion and Support Act (BEST)** provides for a job tax credit against Georgia corporate income tax liability for any business (or headquarters of any such business) engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism or research and development industries, but does not include retail businesses. For the purposes of establishing threshold criteria, the state is divided into four "tiers" of eligibility, beginning with those most economically disadvantaged (Tier 1) to those least disadvantaged (Tier 4). The job creation requirement and the tax credit increase with the tier designation. A copy of the 2010 Tier designation map is available. Under this program, Houston County is designated as a Tier 4 community and as such qualified companies locating or expanding here must create a minimum of 25 new full time jobs in order to take advantage of the credit. Further, Houston County is a member of the *Middle Georgia Regional Development Authority* which allows for an additional \$500 per job credit under BEST. This brings the total tax credit to a total of \$1,250 per full time job created. These credits may be used to offset up to 50% of the company's state tax liability and there is a ten (10) year carry forward.
- **Ports Tax Credit Bonus** – Available to taxpayers who increase imports or exports through a Georgia port by 10 percent over the previous year. The port tax credit bonus can be used with either the Job or the Investment Tax Credit program. Unused credits may be carried forward 10 years.
- **Ports Job Tax Credit Bonus for Job Tax Credits** – The port tax credit is a \$1,250 per job bonus for taxpayers with qualified increases in shipments through a Georgia port. The \$1,250 is added to the job tax credit.
- **Port Tax Credit Bonus for Investment Tax Credits** - This "port bonus" increases the investment tax credit to the equivalent of a Tier 1 location regardless of the tier level. The port bonus would therefore be equal to five percent of the qualified investment in expenses directly related to manufacturing or providing telecommunication services with the credit increasing to eight percent for recycling, pollution control and defense conversion.

- **Investment Tax Credit** – companies operating a manufacturing or telecommunications facility in Georgia for the previous three years are able to obtain a tax credit based on the level of capital investment made in the community. Companies expanding in Tier 4 counties must invest at least \$50,000 to receive a 1% credit. The credit increases to 3% for recycling, pollution control, and defense conversion activities. The same limit of 50% of the company's total state income tax liability will apply, but the company can carry forward any unused investment credits for ten years. Companies must decide between the Job Tax Credit and the Investment Tax Credit as they are mutually exclusive.
- **Optional Investment Tax Credits** – a 6% investment tax credit can be taken in lieu of the Investment Tax Credit for investments above \$20 million. The credit has a ten (10) year carry forward provision.
- **Quality Jobs Tax Credit** – companies that create at least 50 jobs and pay wages at least 110% of the county average are eligible to receive a credit of \$2,500-\$5,000 per job, per year, for up to five years. Credits may be used to offset the company's payroll withholding once all other tax liability has been exhausted and may be carried forward ten years.
- **Research and Development Tax Credit** – offers a flat 10% tax credit over a base amount which is based upon the tax payer's previous three year's taxable income and research expenses.
- **Mega Project Tax Credit** – companies that employ at least 1,800 net new employees, and either invest a minimum of \$450 million or have an minimum annual payroll of \$150 million may claim a \$5,250 per job per year tax credit for the first 5 years of each net new job position. Credits are first applied to state corporate income tax with excess credits eligible for use against payroll withholding. Credits may be carried forward for 10 years.
- **Retraining Tax Credit** – offsets up to 50% of the employers' approved direct retraining cost up to \$500 per employee per year. The credit can be applied to up to 50% of the company's Georgia tax liability. The credit has a 10 year carry forward provision.
- **Childcare Tax Credit** – all employers who provide or sponsor childcare for employees are eligible for a tax credit of up to 75% of the employers' direct cost. In addition, employers who purchase or build qualified childcare property will receive a credit totaling 100% of the cost of such property.
- **Small Business [fast growth] Tax Credits** – Georgia income tax credits are available to qualified small businesses having Georgia net taxable income growth of over 20% or more for three consecutive years. The credit in year 3 is the difference in the net taxable income from year 3 and year 2.
- **Sales and Use Tax Exemption** – qualified equipment purchases or leases are exempt from sales tax when the equipment purchased is used in the manufacturing process. Under certain conditions, primary material handling equipment (in warehouses and distribution centers); computer equipment; Class 100 (or less) clean room machinery, equipment and materials; and electricity used directly as a raw material in the manufacturing process can also be exempted.
- **Primary Material Handling Sales Tax Exemption** – purchases of primary material handling equipment and racking systems used directly for the storage, handling, and moving of tangible personal property in a new or expanding warehouse or distribution facility when such new facility or expansion is valued at \$5 million or more and does not have greater than 15% retail sales are exempt from sales and use.