

BUSINESS  
INCENTIVES  
FOR  
AMERICA'S TOP STATE  
FOR BUSINESS

SOURCE: CNBC, 2014

Georgia.org

# GEORGIA IS THE NO. 1 PLACE TO DO BUSINESS

Site consultants and companies consistently rank Georgia as America's top state for business. Logistics, global access, quality of life and a talented workforce are just a few of the competitive advantages we offer.

Georgia's innovative business incentives add savings to the already low cost of doing business in the state. Robust tax credit programs can reduce (or even eliminate) a company's state corporate income tax for several years.

Additional incentive programs include Georgia Quick Start, ranked the No. 1 workforce training program in the country.

If you are interested in expanding or locating a business here, the Georgia Department of Economic Development (GDEC) is ready to help. We coordinate a variety of services including site location, employee training, market research, export assistance, as well as tax credits and other incentives suitable for your industry or business.

Teams of statewide project managers are organized by industries so they can bring specialized knowledge to companies within their sectors.

The Existing Industry and Regional Recruitment team meet with Georgia's existing companies on site to better understand their needs and match them with resources and programs to help them grow.

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## KEY INDUSTRIES

Aerospace

Agribusiness

Automotive

Contact Centers

Data Centers

Defense

Energy and Environment

Film, Music and Digital  
Entertainment

Financial Services

Food Processing

Headquarters

Information Technology (IT)

Life Sciences

Logistics and Transportation

Manufacturing



## GEORGIA'S COMPETITIVE TAX CLIMATE

Georgia's tax climate provides a cost advantage before any tax credits are earned. Georgia has a business-friendly approach to the corporate tax structure – from not altering the low six percent corporate income tax rate since 1969, to adopting a single factor gross receipts apportionment formula in 2005.

### SINGLE-FACTOR APPORTIONMENT

This apportionment formula treats a company's gross receipts (or sales) in Georgia as the only relevant factor in determining the portion of that company's income subject to Georgia's six percent corporate income tax. To many companies, Georgia's single factor apportionment formula means savings of hundreds of thousands to even millions of dollars over the long term.

Most states still use a traditional apportionment formula in which a company's in-state property and payroll factor into the calculation of a company's corporate income tax. Single factor apportionment significantly reduces the effective rate of Georgia income taxation for companies with substantial sales to customers outside Georgia.

In addition, Georgia does not use the so-called "throw back rule" that many states use to tax income from sales of goods or services to out-of-state customers.

**Example:** For the 2014 tax year, assume you have the following total overall taxable income and gross receipt sales in Georgia (as compared to total gross receipts).

**Taxable Income: \$10 million**

**Percent of Gross Receipts in Georgia: 5 percent**

In 2014, only \$500,000 of your income would be subject to Georgia's six percent corporate income tax, making corporate income tax liability \$30,000. [(\$10 million x 5%) x 6%]



It was on the one hand the brilliant support we got from the state of Georgia and the city of Atlanta. Second, and I would say equally important is that we can depend on our very proud and very experienced workforce we have here in Atlanta."

*Bernhard Maier  
Executive Board of Management  
Porsche Cars North America, Inc*



# TAX CREDITS

## JOB TAX CREDIT

New and expanding companies may earn Job Tax Credits for creating new jobs in Georgia. These credits can effectively eliminate a company's corporate income tax liability and in certain areas, can also reduce the company's payroll withholding obligations.

The requirements and benefits depend on where the new jobs are located, with lower qualification requirements and higher benefits in Georgia's less developed areas. Each year, all 159 Georgia counties are assigned to one of four "tiers" based on the unemployment rate, per capita income and poverty rate.

Once a company has qualified to earn Job Tax Credits, it can earn a tax credit for each net new job it creates (and maintains) during the next five years. Each of those jobs can earn an annual credit for five years after it is created.

TIER	JOB TAX CREDIT \$ (FOR 5 YEARS)	MIN. NEW JOBS	USE OF CREDITS	CARRY FORWARD
1	\$4,000*	2	100% of tax liability - excess to withholding tax up to \$3,500	10 years
2	\$3,000*	10	100% of tax liability	10 years
3	\$1,750*	15	50% of tax liability	10 years
4	\$1,250*	25	50% of tax liability	10 years
MZ/OZ	\$3,500	2	100% of tax liability - excess to withholding	10 years
LDCT	\$3,500	5	100% of tax liability - excess to withholding	10 years

\* Includes \$500 bonus for Joint Development Authority (JDA). Georgia counties can form partnerships that benefit companies with this \$500 Job Tax Credit bonus. There are currently four counties that are not a member of a JDA and thus do not qualify for the \$500 JDA bonus. These counties are Echols, Pierce, Ware and Webster.

MZ= Military Zone

OZ= Opportunity Zone

LDCT= Less Developed Census Tract

**Example:** You create 50 jobs in a **Tier 1** county that offers a \$4,000 credit, and you will receive \$1 million in tax credits over five years to reduce or eliminate Georgia corporate income tax [50 jobs x \$4,000 x 5 years = \$1 million].



“ We have received unbelievable support from our economic development team. They've been with us every step of the way, plowing through obstacles - maybe I should say dozing through obstacles - anything we needed we received outstanding support from them, and now we are getting good support from our suppliers that are coming into the region.”

Mary Bell  
V.P. Building Construction Products Division  
Caterpillar Inc.

## QUALIFYING FOR THE JOB TAX CREDIT

A company may qualify for Georgia's Job Tax Credit by creating net new full-time jobs at any location in the state, if they or their headquarters are engaged in strategic industries such as:

- Manufacturing\*
- Warehousing and Distribution
- Processing
- Telecommunications
- Broadcasting
- Tourism
- Research and Development Industries
- Biomedical Manufacturing
- Services for the Elderly and Persons with Disabilities

*\*Includes, but is not limited to, manufacturing alternative energy products for use in solar, wind, battery, bioenergy, biofuel and electrical vehicle enterprises.*

To qualify, each job must be full-time, offer health insurance benefits consistent with what is offered to existing employees, and pay more than the average wage of the county with the lowest average wage in the state (\$426/week as of 2014).

The jobs' location determines the minimum number of net new full-time jobs that must be created in order to qualify for the credit, ranging from two net new jobs (Tier 1) to 25 net new jobs (Tier 4) in the first qualifying year.

New jobs created after the five-year period ends do not earn tax credits unless the project meets the minimum requirement of new jobs in a single year again, and then another five-year cycle may start.

## VALUE OF THE JOB TAX CREDIT

The value of the tax credit ranges from \$750 to \$4,000 each year for five years (depending on the tier and whether the county is a member of a Joint Development Authority) for each new job created over a five-year period. The credit value for each county is indicated on page 5.

Credits may be taken against 100 percent of state corporate income tax liability in Tier 1 and 2 counties, or against 50 percent of state corporate income tax liability in Tier 3 and 4 counties. Claimed but unused credits may be carried forward for 10 years from the close of the taxable year in which qualified jobs were established.

Additionally, in Tier 1 counties, excess Job Tax Credits may be credited to Georgia payroll withholding taxes (with a limitation of \$3,500 per job, per year).

## SPECIAL ZONES

In addition to the classification of counties into tiers, certain areas may receive special designations. Companies in Less Developed Census Tracts (LDCT), Opportunity Zones (OZ), and Military Zones (MZ) are eligible for a \$3,500 job tax credit which can be applied to 100 percent of corporate income tax liability, with excess to payroll withholding. OZs and MZs, as well as Georgia's 40 least-developed counties, offer job tax credits to businesses of any nature, including retail businesses, that create at least two net new jobs.

LDCTs, OZs, and MZs are located throughout the state and the job threshold requirement, job tax credit value, and use of credits allowed in these areas supersedes those of the county in which these designated areas are located.

Job Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40 and rules published by the Georgia Department of Community Affairs in Chapter 110-9.1.



Georgia is our home state and very important to us. The port of Savannah is very strategic for the state of Georgia and very strategic for the Home Depot. About twenty percent of our imports ... enter through the ... port of Savannah."

*Mark Holifield  
Executive Vice President,  
Supply Chain & Product Development  
The Home Depot*



## PORT TAX CREDIT BONUS

The Port Tax Credit Bonus is available to taxpayers who qualify for the Job Tax Credit or the Investment Tax Credit, and they increase imports or exports through a Georgia port by 10 percent over the previous or base year. Base year port traffic must be at least 75 net tons, five containers or 10 TEUs (twenty-foot equivalent units); if not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEUs as the base. The Port Tax Credit bonus can be used with either the Job or the Investment Tax Credit program, provided that the company meets the requirements for one of those programs. Port Tax Credits may be used to offset up to 50 percent of the company's corporate income tax liability. Unused credits may be carried forward for 10 years, provided that the increase in port traffic remains above levels established in year one for eligibility and that the company continues to meet the job or investment tax credit requirements. Note that the Port Tax Credit Bonus cannot be utilized with the Quality Jobs Tax Credit. *The Georgia Ports are indicated on the Tier Map found on page 4.*

Port Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.15.

### Port Tax Credit Bonus for Job Tax Credits

This "port bonus" is an additional \$1,250 per job per year for up to five years for taxpayers with qualified increases in shipments through a Georgia port. The \$1,250 is added to the Job Tax Credit.

**Example:** If you create 50 jobs in a **Tier 1** county and increase port traffic by at least 10 percent then you are eligible to receive the Port Tax Credit Bonus. You receive \$1,312,500 in tax credits spread over five years to reduce or eliminate Georgia income tax: [50 jobs x (\$4,000 job tax credit + \$1,250 port tax credit bonus) x 5 years] = \$1,312,500.

### 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; therefore it would 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. *See page 18 for additional information on Investment Tax Credits.*

**Example:** You qualify for a port bonus in a **Tier 4** county, investing \$100 million in a manufacturing plant plus \$25 million in recycling equipment. You are eligible for a \$7 million investment tax credit to reduce or eliminate Georgia income tax: [\$100 million x 5%] + [\$25 million x 8%] = \$7 million.

GEORGIA'S SAVANNAH PORT IS THE  
FOURTH-LARGEST IN THE UNITED STATES.





## QUALITY JOBS TAX CREDIT

Companies may receive Quality Jobs Tax Credits (QJTC) if, during a 12-month period, they create and maintain at least 50 net new jobs that pay at least 110 percent of the county’s average wage. The QJTC value ranges from \$2,500 to \$5,000 per job, per year, for up to five years.

After qualifying, a company can earn additional QJTC credits (\$2,500 to \$5,000 per job per year, for up to five years) over the next seven years by creating and maintaining additional qualifying jobs. New jobs created after the seven-year period ends do not earn QJTC credits unless the project creates at least 50 net new qualifying jobs in a 12-month period again to begin another seven-year cycle.

QJTC may be applied against 100 percent of the state corporate income tax liability, and once that liability has been exhausted, the credits may be used to offset the company’s state payroll withholding. Claimed but unused credits may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established.

New jobs that do not meet the requirements for the QJTC may count toward Job Tax Credits if they meet the eligibility requirements for that program separately. For current average county wages, visit [Explorer.DOL.State.GA.US/mis/Current/ewcurrent.pdf](http://Explorer.DOL.State.GA.US/mis/Current/ewcurrent.pdf). QJTCs are subject to requirements outlined in O.C.G.A. § 48-7-40.17 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.51.

% OF COUNTY AVERAGE WAGE	CREDIT
≥110% and <120%	\$2,500
≥120% and <150%	\$3,000
≥150% and <175%	\$4,000
≥175% and <200%	\$4,500
200% or greater	\$5,000



**Example:** You create 75 new jobs in a **Tier 1** county that is part of a Joint Development Authority (JDA). You also create 50 jobs above the QJTC wage requirement, with an average wage for those qualifying jobs of 205 percent above the county average. This earns a \$5,000 QJTC credit for each job. 25 jobs of these do not meet the QJTC wage requirement, but they do qualify for the JTC. This earns a \$4,000 JTC credit for each job. You are eligible for \$1,750,000 in tax credits [50 jobs x \$5,000 QJTC x 5 years + 25 jobs x \$4,000 JTC x 5 years = \$1,750,000]



## RESEARCH & DEVELOPMENT TAX CREDIT

Georgia offers an incentive to new and existing business entities performing qualified research and development in Georgia. Qualified research expenses are defined in Section 41 of the Internal Revenue Code of 1986, as amended, except that all wages paid and all purchases of services and supplies must be for research conducted within the state of Georgia. Companies may claim a 10 percent tax credit of increased R&D expenses subject to a base amount calculation.

The base amount = Current Year Georgia Gross Receipts x [(the average of the ratios of the company's qualified Georgia research expenses to Georgia gross receipts for the preceding three taxable years) OR 0.300, whichever is less]. For new Georgia companies or for companies with no prior R&D expenditures in Georgia, the base amount is 30 percent of the current year's Georgia gross receipts.

The credit is determined by taking the current year's qualified R&D expenses, subtracting the base amount, and multiplying by 10 percent. The R&D credit is applied to 50 percent of the company's net Georgia income tax liability after all other credits have been applied. Any excess R&D credits can then be applied to the company's state payroll withholding. Any unused credits can be carried forward for up to 10 years from the close of the taxable year in which the qualified research expenses were made.

Research and Development Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.12.

**MORE THAN 2,600 CLINICAL TRIALS ARE  
BEING CONDUCTED IN GEORGIA.**

*"We need a place where we can recruit, retain and get the greatest intellectual capital in the world, and we find that here in Georgia. It took me five years to get from a startup to 30 people; I moved to Georgia and within three years, I had 600 employees and was public."*

*Alan Dabierre  
CEO  
AirWatch*

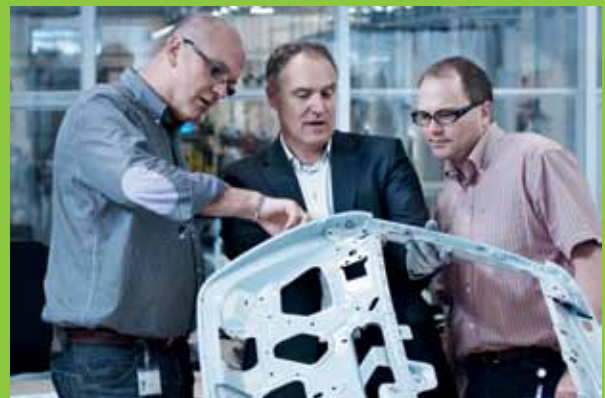


## MEGA PROJECT TAX CREDIT

Companies that hire at least 1,800 net new employees, and either invest a minimum of \$450 million or have a minimum annual payroll of \$150 million may claim a \$5,250 per job, per year tax credit for the first five years of each net new job position. Companies must create the required 1,800 jobs by the close of the sixth taxable year following the withholding start date. However, if a company has invested at least \$600 million in qualified investment property by year six, the company will have two additional years (until year eight) to meet the job creation requirement. If a company has invested at least \$800 million in qualified investment property by year eight, the company will have two additional years (until year ten) to meet the job creation requirement. Credits are first applied to state corporate income tax liability, with excess credits eligible for use against state payroll withholding. Credits may be carried forward for 10 years. A maximum of 4,500 new jobs created by any one project may be eligible to receive these credits. If the required 1,800 new jobs are not maintained, the company may be subject to recapture provisions.

**Example:** You create 2,000 new jobs and invests \$500 million in a new facility and equipment. You will be eligible to receive \$52.5 million in tax credits over five years to reduce or eliminate Georgia income tax, with any excess credits eligible for use against state payroll withholding. [2,000 jobs x \$5,250 credits/job x 5 years = \$52.5 million].

Mega Project Tax Credits are subject to detailed program requirements as outlined in O.C.G.A. § 48-7-40.24



*The state of Georgia truly understands business and the requirements of doing business better than most other states. From the start, we appreciated and recognized the business friendly community. This type of environment, along with a valuable incentive package, attracts big companies, and compels them to get involved and give back."*

*James Williams  
SVP North America Manufacturing and Repair Operations  
Mitsubishi Hitachi Power Systems Americas*

## WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)

The Georgia Department of Labor (GDOL) coordinates the federal Work Opportunity Tax Credit Program. The WOTC program is a federal tax credit incentive that the U.S. Congress provides to private-sector businesses for hiring individuals from nine target groups who have consistently faced significant barriers to employment. The legislative authority for the WOTC program expired on December 31, 2013. However, GDOL advises in anticipation of possible retroactive reauthorization, employers should continue to submit WOTC applications for all target groups.

Among others, target groups include:

- Unemployed Veterans
- Certain Temporary Assistance for Needy Families (TANF)
- Food Stamp Recipients
- Certain Residents of an Empowerment Zone (EZ)
- Rural Renewal County (RRC)

Participating companies are compensated by being able to reduce their federal income tax liability with a tax credit between \$1,200 to \$9,000 per qualified employee, depending on the target group. For more information visit: [DOL.State.GA.US/em/learn\\_about\\_tax\\_credits\\_and\\_incentives.htm](http://DOL.State.GA.US/em/learn_about_tax_credits_and_incentives.htm).

## CHILD CARE TAX CREDITS

The Child Care Tax Credit is for employers who purchase or build qualified child care facilities, or who provide or sponsor child care for employees.

For employers who purchase or build a state-licensed facility, the credit is equal to 100 percent the cost of construction, which is earned over 10 years (10 percent each year). Unused credits can be carried forward for three years.

Employers who provide or sponsor child care are eligible for a credit equal to 75 percent of the employer's direct costs. Credits that are related to providing or sponsoring child care may be carried forward for five years.

All child care tax credits can be applied to 50 percent of the corporate income tax liability.

Child Care Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.6 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.38.





## GEORGIA FILM, TELEVISION AND INTERACTIVE ENTERTAINMENT TAX CREDIT

The Georgia Entertainment Industry Investment Act offers an across-the-board flat tax credit of 20 percent based on a minimum investment of \$500,000 on qualified productions in Georgia.

The \$500,000 minimum expenditure threshold can be met with one or the total of multiple projects aggregated. An additional 10 percent uplift can be earned by including an embedded, animated Georgia logo and web link on the project's promotional webpage, or through approved alternatives if they offer equal or greater marketing opportunities for the state. Qualified expenditures include materials, services and labor.

Eligible productions include:

- Feature Films
- Television Movies
- Pilots or Series
- Commercials
- Music Videos
- Certain Interactive Entertainment Projects (Animation, Special Effects and Video Game Development)

Interactive entertainment companies will be eligible for this credit only if their gross income is less than \$100 million and the maximum credit for any qualified interactive entertainment production company and its affiliates will be \$5 million. The total credits available for interactive entertainment production companies and their affiliates will be capped at \$25 million and will be awarded on a first come, first served basis.

This income tax credit may be used against Georgia income tax liability or the company's Georgia payroll withholding. If the production company chooses, they may make a one-time sale or transfer of the tax credit to one or more Georgia taxpayers.

Film, Television, and Interactive Entertainment Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.26.



THE FILM AND TELEVISION INDUSTRIES IN GEORGIA  
GENERATED MORE THAN \$5 BILLION DURING FY14  
(JULY 1, 2013 - JUNE 30, 2014)

# TAX EXEMPTIONS

## SALES AND USE TAX EXEMPTION

Georgia helps companies lower their cost of doing business by offering the ability to purchase various types of goods and services tax free. These sales tax exemptions are defined in O.C.G.A. § 48-8-3, 48-8-3.2 and 48-8-3.3. Several key exemptions are outlined in the table below.

Exemption	Description
Manufacturing Machinery and Equipment	Manufacturing machinery and equipment that is integral and necessary to the manufacturing process and used in a manufacturing facility located in this state is exempt from sales tax. Qualifying machinery or equipment must be purchased for a new manufacturing facility, as replacement machinery in an existing manufacturing facility, or for the upgrade or expansion of an existing manufacturing facility.
Repair to Industrial Machinery	The sale or use of repair or replacement parts, machinery clothing, molds, dies, waxes or tooling for machinery that is necessary and integral to the manufacture of tangible personal property in an existing manufacturing plant is exempt from taxation.
Industrial Materials and Packaging	Materials used for further processing, manufacture, or conversion into components of a finished product; materials coated upon or impregnated into a product being manufactured for sale; and non-reusable materials used to package products for sale or shipment may be purchased tax-free.
Energy Used in Manufacturing	The sale, use, storage, or consumption of energy that is necessary and integral to the manufacture of tangible personal property at a manufacturing plant in this state shall be exempt from all sales and use taxation except for the sales and use tax for educational purposes. This includes energy used directly or indirectly in a manufacturing facility. The exemption is being phased out by 25 percent each year beginning on January 1, 2013, and reaching 100 percent on January 1, 2016.
Primary Material Handling Equipment	Machinery and equipment used to handle, move, or store tangible personal property in a new or expanded distribution or warehouse facility where the total purchase or expansion is valued at \$5 million or more is exempt. The distribution or warehouse facility may not have retail sales equal to or greater than 15 percent of the facility's total revenues.
Pollution Control Equipment	Machinery and equipment used for the primary purpose of reducing or eliminating air and water pollution is exempt.
Computer Hardware and Software for High Technology Companies	The sale of certain computer equipment is exempt when the total qualifying purchases by a high technology company in a calendar year exceed \$15 million. A high technology company must be classified under certain relevant North American Industry Classification System codes.
Clean Room Equipment	Machinery and equipment and materials used in the construction or operation of a clean room of Class 100 or less when the clean room is used directly in the manufacture of tangible personal property is exempt.
Water Costs	The sale of water delivered through mains, lines, or pipes is specifically exempt.
Telecommunications Services	Local exchange telephone service is subject to sales and use tax. All other call service types (VoIP, long distance) are not.

## INVENTORY TAX EXEMPTION

Business inventory is exempt from state property taxes (0.10 mills in 2014, with full phase out reached in 2016). Almost all (89 percent) of Georgia's counties and over 140 of the cities have adopted a Level One Freeport Exemption, set at 20, 40, 60, 80 or 100 percent of the inventory value.

A Level One Freeport Exemption may exempt the following types of tangible personal property:

- Inventory of goods in the process of being manufactured or produced including raw materials and partly finished goods
- Inventory of finished goods manufactured or produced in Georgia held by the manufacturer or producer for a period not to exceed 12 months
- Inventory of finished goods on January 1 that are stored in a warehouse, dock, or wharf that are destined for shipment outside of Georgia for a period not to exceed 12 months

Local governments can expand the Freeport Exemption and authorize a call for a referendum to approve the creation of a Level Two Freeport Exemption, which would exempt from local property tax any business inventory or real property not covered in the Level One Freeport Exemption, including retail inventory. Like the Level One Exemption, counties and municipalities may choose to implement a Level Two Freeport Exemption at the 20, 40, 60, 80 or 100 percent level.

## FOREIGN-TRADE ZONE (FTZ)

Georgia is home to multiple FTZ sites and is a recognized leader in working with companies to facilitate use of the program. Importing and exporting are central to many businesses' success, and the program streamlines those activities

and lowers costs. The FTZ program allows qualified companies to defer, decrease, or eliminate duties on materials imported from overseas that are used in products assembled in Georgia. Whether a company's needs are best served by locating in one of Georgia's industrial parks with FTZ designation, or applying for FTZ designation of an individual facility located elsewhere in Georgia, GDEcD can provide the right contacts to assist with the process.

## ONE-STOP ENVIRONMENTAL PERMITTING

Georgia's environmental permitting program is consolidated with the U.S. Environmental Protection Agency (EPA) for the issuance of federal permits; a one-stop process that provides a faster turnaround than in states that must rely on US EPA to issue permits. The director of the Environmental Protection Division (EPD) of the Georgia Department of Natural Resources is authorized to grant all permits provided for by EPD-enforced laws, including the Federal Clean Water, Clean Air and Safe Drinking Water Acts.

Major regulatory programs currently assigned to EPD include air quality control, water quality control and withdrawal, hazardous waste management, solid waste management and wastewater land application. Georgia's one-stop permitting reduces government red tape and enables companies to acquire required permits more quickly. In addition, Georgia EPD offers optional expedited air quality permitting for projects with very short lead times.

**MORE THAN 14,500 GEORGIA COMPANIES  
EXPORTED \$37.6 BILLION IN GOODS AND SERVICES  
TO 230 COUNTRIES AND TERRITORIES IN 2013.**



The support we've received from the Georgia Department of Economic Development is tremendous. We were able to get to a much higher level of meetings than if I showed up on a plane and I had to go do this myself."

*Rich Cavagnaro  
President  
AdEdge Technologies*

# HIRING, TRAINING AND EDUCATION

## GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT WORKFORCE DIVISION

The Workforce Division (WD) of the Georgia Department of Economic Development is focused on ensuring that education and training in Georgia is geared toward in-demand jobs. WD plays a critical role in maintaining Georgia's distinction as the No. 1 state in the nation to do business.

**Workforce.Georgia.org**

After you have decided to locate your business in Georgia - the Workforce division can provide access to a number of classroom and on-site training opportunities including work-based learning, on the job training, incumbent worker training and apprenticeship opportunities.

Additionally, the Workforce division can assist in connecting your business with the state's innovative programs such as the Georgia Department of Labor's (GDOL) customized recruitment and the nation's leading training program, Quick Start.

## HIRING ASSISTANCE

Georgia's Department of Labor (GDOL) assists employers with recruiting qualified employees by posting notices of their job openings, collecting and screening applications and resumes, referring qualified applicants to the employer for employment interviews, providing office space for interviews, and hosting job fairs and/or individual recruitments. The department's Business Services Unit will plan and execute customized recruiting for new companies. The GDOL also works with private employment agencies that list job openings with the state.

## QUICK START EMPLOYEE TRAINING

The No. 1 workforce training program in the country, Quick Start, develops and delivers fully customized, strategic workforce solutions for qualified companies investing in Georgia. Quick Start helps companies assess, select and train the right people at the right time for success. **Services are provided free of charge as a discretionary incentive for job creation for clients opening or expanding manufacturing**



operations, distribution centers, headquarters operations and customer contact centers in a broad range of industries.

Services include:

- Strategic workforce consultation – Quick Start’s training professionals work with company subject-matter experts to guarantee training meets business goals.
- Pre-employment assessment – Helps companies assess candidates according to their own defined criteria and preview their skills.
- Customized post-employment and job-specific training – From fundamental knowledge to supervised on-the-job training on a company’s own technology and processes, Quick Start prepares employees for maximum effectiveness and efficiency.
- Leadership and productivity enhancement training – Businesses maintain competitiveness and emphasize continuous improvement for all team members with Quick Start’s guidance.

**GeorgiaQuickStart.org**

### RETRAINING TAX CREDIT

Part of a company’s direct investment in training full-time employees can be claimed as a tax credit. The credit is available to all Georgia businesses that file a Georgia income tax return.

Training programs must:

- Be approved by the Technical College System of Georgia
- Train in quality and productivity enhancements or certain software technologies

The retraining tax credit value is calculated at 50 percent of the employer’s direct costs, up to \$500 per employee per approved retraining program per year. The total amount of credit for one employee cannot exceed \$1,250 per year.

Retraining tax credits can be:

- Used to offset up to 50 percent of a company’s state corporate income tax liability
- Carried forward for 10 years if they are not used during a tax year
- Combined with other tax credits

Retraining Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.5. For a detailed guide on these credits, visit **GeorgiaQuickStart.org/econdev/retrain.html**.

### HOPE SCHOLARSHIP AND GRANT PROGRAM

HOPE – Helping Outstanding Pupils Educationally – is Georgia’s unique scholarship and grant program that rewards students with financial assistance in degree, diploma and certificate programs at eligible Georgia public and private colleges and universities, and public technical colleges.

The HOPE Scholarship is available to Georgia students who meet academic requirements and covers 75-100 percent of tuition costs for degree programs in Georgia’s public colleges and universities.

The HOPE Grant provides tuition assistance to Georgia residents seeking a technical degree or certificate at one of Georgia’s technical colleges, regardless of the student’s high school grade point average or graduation date. These programs can be advantageous to relocating families with children, and for companies training employees through local technical colleges.

**GSFC.org**

### UNIVERSITY SYSTEM OF GEORGIA ECONOMIC DEVELOPMENT

The Board of Regents of the University System of Georgia (USG) drives the success of Georgia’s knowledge-based economy by providing industries, economic developers, students and faculty with a gateway to the research, services and intellectual assets needed to create and attract new companies, support the success of existing businesses and create a better quality of life in Georgia’s communities.

The USG Office of Economic Development acts as a bridge that facilitates collaborations between the System Office, the 30 institutions of the University System, the Georgia Department of Economic Development, Georgia’s businesses and local economic development communities across the state. **USG.edu/economic\_development**

GEORGIA’S UNIVERSITY SYSTEM IS ONE OF THE NATION’S LARGEST, AND MORE THAN 60,000 GRADUATES EMERGE EACH YEAR FROM THE STATE’S COLLEGES AND TECHNICAL COLLEGES.

# ASSISTANCE FOR SMALL BUSINESSES AND ENTREPRENEURS

Small businesses can qualify for many of the programs outlined in this brochure. In addition, Georgia offers several programs specifically designed to meet the needs of small businesses and entrepreneurs. [Georgia.org/SmallBusiness](http://Georgia.org/SmallBusiness)

## ANGEL INVESTOR TAX CREDIT

Georgia offers an income tax credit for qualified investors who invest in certain qualified businesses in Georgia through calendar year 2015. The credit is claimed two years after the investment is made. For example, a qualified investment in 2015 is claimed on the 2017 tax return. The credit is 35 percent of the investment with an individual investor cap of \$50,000 per year. The aggregate annual cap for this program is \$5 million. The qualified investor must get approval from the Georgia Department of Revenue before claiming the credit. Angel Investor Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.30 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.52.

## STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)

The State Small Business Credit Initiative is designed for small business lending through banks or Community Development Financial Institutions (CDFIs) offering loan guarantees and partnership lending opportunities. [Georgia-ssbci.com](http://Georgia-ssbci.com)

## ENTREPRENEUR AND SMALL BUSINESS LOAN (ESB) GUARANTEE PROGRAM

In partnership with the OneGeorgia Authority, the state can provide loan guarantees to spur entrepreneurial growth in specified rural communities throughout Georgia. The guaranteed amounts can range between \$35,000 and \$250,000 and can be used for hard assets or for start-up and working capital. They require a 10 percent cash equity injection by the borrower.

[OneGeorgia.org/programs/esb](http://OneGeorgia.org/programs/esb)



“We see Georgia, the university structure here, the employees, the people that live here as a huge benefit to General Motors.”

*Micky Bly  
Vice President, Europe Powertrain  
General Motors*

# ASSISTANCE FOR GEORGIA'S EXISTING INDUSTRIES

Existing Georgia firms may qualify for many of the programs outlined in this brochure and can also take advantage of several unique programs.

## INVESTMENT TAX CREDIT

Existing Georgia companies that have operated a manufacturing or telecommunications facility or manufacturing or telecommunications support facility in Georgia for at least three years, and that make a minimum \$50,000 additional qualified capital investment in a new or existing manufacturing or telecommunications facility, may claim from one to five percent (depending on tier status) of the new investment as a tax credit.

Qualified investment expenses include, but are not limited to:

- Amounts Expended on Land Acquisition
- Improvements
- Buildings
- Machinery and Equipment to be Used in a Manufacturing or Telecommunications Facility

Higher credits (three to eight percent, depending on tier status) are available for investments in:

- Recycling or Pollution Control Equipment and for Defense Plant Manufacturing Conversion to a New Product

The duration of a project shall not exceed three years unless expressly approved in writing by the Commissioner of the Georgia Department of Revenue. This credit may be applied against 50 percent of state corporate income tax liability and carried forward for 10 years. To be eligible to receive the credits, a taxpayer must submit a

written application to the Georgia Department of Revenue requesting approval of the project plan within thirty (30) days of the completion of the project. Taxpayers may claim only one of the job, investment, or optional investment credits for a given project.

**Example:** In a Tier 1 county, you invest \$100 million in a manufacturing plant plus \$25 million in recycling equipment. You are eligible for a \$7 million tax credit to reduce or eliminate Georgia corporate income tax.  $[\$100 \text{ million} \times 5\%] + [\$25 \text{ million} \times 8\%] = \$7 \text{ million}$ .

Investment Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.2, 48-7-40.3, and 48-7-40.4 and in rules published by the Georgia Department of Revenue in regulation 560-7-8-.37.

## OPTIONAL INVESTMENT TAX CREDITS

Optional Investment Tax Credits are available to taxpayers that qualify for investment tax credits, with the minimum investment ranging from \$5 million to \$20 million (depending on tier status). The duration of a project shall not exceed three years unless expressly approved in writing by the Commissioner of the Georgia Department of Revenue. The aggregate credit amount allowed ranges from six percent of the qualifying capital investment in Tier 3 and 4 counties to 10 percent in Tier 1 counties.

The annual value of the credit is the lesser of:

- Ninety percent of the excess of the taxpayer's state income tax liability for the applicable year (determined without regard to any credits) over the taxpayer's base year average tax liability, or
- The excess of the taxpayer's aggregate credit amount allowed for the applicable year over the sum of the credits under this section already used by the taxpayer in the years following the base year

TIER	INVESTMENT CREDITS	MINIMUM INVESTMENT	LIMITS OF CREDITS	CARRY FORWARD
1	5%-8%*	\$50,000	50% of tax liability	10 years
2	3%-5%*	\$50,000	50% of tax liability	10 years
3	1%-3%*	\$50,000	50% of tax liability	10 years
4	1%-3%*	\$50,000	50% of tax liability	10 years

\*Recycle, Defense Conversion, Pollution Control



The credit may be claimed up to 10 years after the year the property was first placed in service, provided the property remains in service. The optional investment tax credit is a calculated risk. Without large increases each year in income tax liability, the usable tax credit could be very small and possibly zero. To be eligible to receive the credits, a taxpayer must submit a written application to the Georgia Department of Revenue requesting approval of the project plan within thirty (30) days of the completion of the project. Taxpayers may claim only one of the job, investment, or optional investment credits for a given project.

TIER	MINIMUM INVESTMENT	OPTIONAL INVESTMENT CREDITS
1	\$5 million	10%
2	\$10 million	8%
3	\$20 million	6%
4	\$20 million	6%

Optional Investment Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.7, 48-7-40.8, and 48-7-40.9 and in rules published by the Georgia Department of Revenue in regulation 560-7-8-.40.

## CENTERS OF INNOVATION

Exclusive to Georgia, the Centers of Innovation provide the technical industry expertise, collaborative research, and partnerships to help the state’s strategic industries connect, compete and grow globally. As a division of the Department of Economic Development, the six individual centers operate statewide with a focus on: Aerospace, Agribusiness, Energy Technology, Information Technology, Logistics and Manufacturing.

**Georgia businesses receive:**

- Focused, deep technical industry expertise
- Identification of new markets and business opportunities
- New product commercialization and development assistance
- Access to ground breaking research and collaborations
- Business, academic and government partnerships



*“To a large extent AREA-I owes its existence to the Georgia Center of Innovation and to the state of Georgia. I really am immensely grateful for what they’ve given.”*

Nick Alley  
CEO  
AREA-I

# START THE CONVERSATION

The Georgia Department of Economic Development teams help the world's leading companies with everything from site selection to workforce training. To take advantage of our complimentary expertise and connections, **contact us at 404.962.4000 or visit [Georgia.org/GlobalCommerce](http://Georgia.org/GlobalCommerce).**



## ABOUT US

The Georgia Department of Economic Development (GDEcD) plans, manages and mobilizes state resources to attract new business investment to Georgia, drive the expansion of existing industry and small business, locate new markets for Georgia products, inspire tourists to visit Georgia, and promote the state as a top destination for arts events and film, music and digital entertainment projects. Visit [Georgia.org](http://Georgia.org) to learn more.



Georgia Department of Economic Development  
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