

Job Tax Credits

Georgia's Business Expansion Support (BEST) Act provides qualified businesses in Gainesville-Hall County Job Tax Credits of \$1,250 each year for five years for each new full time job created. Companies can qualify for this credit if they create 25 new jobs in a year and are engaged in the following:

- Manufacturing
- Processing
- Distribution
- Headquarters
- Research and Development
- Tourism

Example:

\$1,250 x 25 new jobs x 5 years=\$156,250 in tax credits

Port Job Tax Credit Bonus

Georgia's Port Job Tax Credit Bonus is a \$1,250 per job bonus for businesses that already qualify for the regular Job Tax Credits and have an increase in port traffic at a Georgia Port.

Example:

\$2,500 x 25 new jobs x 5 years = \$312,500 in tax credits

Strategic Industries Tax Credit

Strategic Industries Tax Credit is a \$500 per Job Tax Credit Bonus for each new full-time position created by existing business enterprises that have been headquartered in the state for three or more years.

Retraining Tax Credits

Retraining Tax Credits are available to companies whose training programs are approved by the Georgia Department of Technical & Adult Education for new equipment, technology or operating system.

Investment Tax Credits

Georgia's Business Expansion Support (BEST) Act provides qualified businesses in Gainesville-Hall County Investment Tax Credits of 1% on capital investments. Companies can qualify for this credit if they invest \$50,000 or more in a given year on capital and are engaged in existing manufacturing or telecommunications business that has operated a facility in Georgia for three years prior. Higher level credits may be applied to investment in recycled equipment and pollution control equipment.

Examples:

\$1mm investment x 1% = \$10,000 in tax credits

(\$1mm investment x 1%) + (\$10mm recycled equipment investment x 3%) = \$310,000 in tax credits

Port Investment Credit Bonus

Georgia's Port Investment Credit Bonus is for taxpayers with large increases of port traffic at a Georgia port. The bonus tax credit level is increased to 5% in lieu of the 1%.

Example:

(\$1mm investment x 5%) + (\$10mm recycled equipment investment x 3%) = \$350,000 in tax credits

Headquarters Tax Credits

Headquarters Tax Credits are available to companies establishing or relocating HQs in Gainesville-Hall County. Qualifying companies are eligible to receive an income tax credit of \$2,500 - \$5,000 per job per year for five years. The HQs Tax Credits can be used against 100% of tax liability. Credits not applied may be used to reduce withholding tax

**All Tax Credits (except HQs Tax Credits) may be used to offset up to 50% of company's Georgia corporate income tax liability in any taxable year following the year in which the credits are earned. Credits not used may be carried forward and applied for up to 10 years.*

** Created jobs must be full-time with benefits and not replacement positions.*

** Taxpayers may choose between Job Tax Credits, Investment Tax Credits, or Headquarters Tax Credits.*

** Notice of Intent due by January 31st of the year in which the jobs are to be created to maintain Tier level in the event of redesignation.*

**Incentive amount based on Tier 4 designation and JDA participation.*

Inventory Tax Exemption (Freeport)

All Gainesville-Hall County taxing entities allow a 100% Freeport Tax Exemption (ad valorem) for the following classes of inventory:

- Raw materials
- Goods in process
- Finished goods destined for shipment out-of-state

** Application must be made annually.*

Sales and Use Tax and Exemptions

Gainesville-Hall County and State of Georgia Sales Tax totals 7%. Georgia Law provides a 100% Sales and Use Tax Exemption for qualified purchases including:

- Raw materials
- Goods intended for resale
- Qualified machinery used directly in the manufacture of tangible personal property
- Material handling equipment used in qualified distribution businesses

Single Factor - Georgia's Corporate Income Tax

Georgia's Corporate Income Tax rate of 6% has remained unchanged since 1969. For all tax years beginning on or after January 1, 2008, manufacturing, sales and service companies doing business in Georgia are to use a "Single Factor Gross Receipts" apportionment formula. This new method of apportionment results in a substantial reduction of Georgia income taxes for companies that manufacture products within the state of Georgia, sell goods from a Georgia base, or render services from a Georgia base, but sell those products or services to customers in other states. This change was designed to encourage manufacturing, distribution and service companies to invest or expand in Georgia.