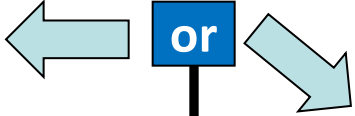


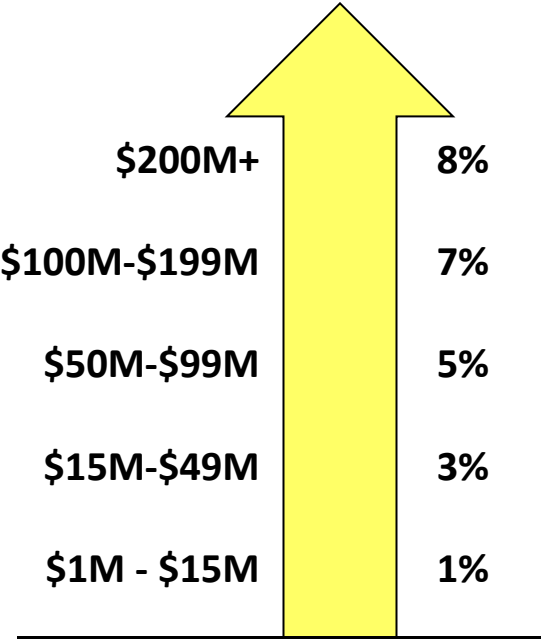
# Proposed Georgia Statutory Incentive Structure

## Job Creation Tax Credits

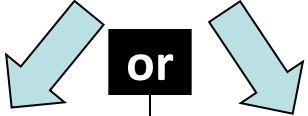


## Investment Tax Credit

This credit is in lieu of, not in addition to, qualifying job tax credits.



**2014 Sunset**



### Standard Job Tax Credit

**\$1750 per job created**

- No min job creation requirement
- No withholding liability benefit
- Retail not eligible

**Bonus: \$500 for Existing Industry**

**Bonus: \$250 JDA**

**Bonus: \$1500 and W'holding Benefit for Tier1 or Opp Zone**

**Standard Job Tax Credit  
Maximum Credit Total:  
\$2500 per job created  
\$4000 in Tier1 County**

**2014 Sunset**

### Quality Job Tax Credit

**Reduce threshold from 50 (currently) to 15**

**Current Credit Scale:**  
110%- \$2500  
120%- \$3000  
150%- \$4000  
175%- \$4500  
200%- \$5000

**Withholding Accountability**

**2014 Sunset**

## HB 384 - JOB TAX CREDIT AND INVESTMENT TAX CREDIT REFORM

Under Georgia's current system of tax credits, the amount of some of the credits is dependent on the "tier status" of the community where jobs and investment are located. Tier status refers to an annual four-tier ranking of the economic vitality of Georgia's counties. The highest credits are offered in Tier 1 and 2 counties, while Tier 3 and 4 counties offer lesser amounts and higher job creation thresholds to qualify for this credit.

This system, created in the early 1990's, was intended to encourage economic growth and expansion. Unfortunately, it has resulted in limiting the utilization of available credits and geography restraining some areas of the state. In today's economy, Georgia must compete interstate rather than intrastate for new jobs and investment.

To update this system and make it more viable and Georgia more competitive, HB384 recommends:

- 1) Creating a standard base job tax credit for job creation,
- 2) Changes to current thresholds in the Quality Job Tax Credit, and
- 3) Creates a sliding scale of investment credits for direct investment.

Under the proposed legislation:

- "Business Enterprise" is defined as any business of any nature or the headquarters of any such business, with the exception of retail;
- "Existing business enterprise" is expanded to include a business, other than retail, that has operated a facility in the state for the preceding three years;
- "Full-time employee or job" would be defined as any job not currently located in Georgia, involving 35 hours or more per week and paying at or above the average wage of the county with the lowest average wage in the state.
- **Jobs Tax Credit:**
  - A business that creates or relocates any job in Georgia can qualify for a tax credit of \$1,750 per job for five years
  - In addition to this credit businesses can qualify for additional bonuses:
    - \$250 Bonus for counties that participate in a Joint Development Authority
    - \$500 Bonus for each new full-time job created by an "Existing business enterprise"
    - \$1500 Bonus for jobs credits earned in Tier1 or Opportunity Zones
      - Credits earned in these areas are eligible to use against payroll withholding liability after 100% of income tax liability is exhausted
  - The credits are available beginning the first taxable year in which the full-time job is created and the four immediately succeeding taxable years.
  - Qualifying job tax credits may be carried forward for up to 10 years.
  - The number of eligible qualifying jobs will be determined by comparing the monthly average number of full-time employees for the current taxable year with the corresponding period the prior taxable year.
  - The employer must also offer health insurance coverage to the employee filling the new job.
  - Sunset provision
- **Quality Jobs Credits:**
  - The threshold for qualifying for quality jobs tax credits has been reduced to:
    - 15 quality jobs in the state,
  - 2 year Sunset provision

- **Investment Tax Credit:**

- New and existing manufacturing, telecommunications facilities, recycling manufacturing facilities and targeted business enterprises can qualify for the following credits:
  - 1 percent of the cost of all qualified investment property between \$1 million and \$14,999,999;
  - 3 percent of the cost of all qualified investment property between \$15 million and \$49,999,999;
  - 5 percent of the cost of all qualified investment property between \$50 million and \$99,999,999;
  - 7 percent of the cost of all qualified investment property between \$100 million and \$199,999,999; or
  - 8 percent of the cost of all qualified investment property of at least \$200 million
- This credit is in lieu of, not in addition to, qualifying job tax credits or other credits claimed under previous provisions.
- Qualifying investments begin after January 1, 2011 but credits claimed under the previous code shall be grandfathered and governed under this new section.
- 2 year Sunset provision