

# **GEORGIA TOURISM DEVELOPMENT ACT**

## **FORMAL APPLICATION INSTRUCTIONS**

Thank you for your interest in the Georgia Tourism Development Act (“GTDA”) Program, created by O.C.G.A. § 48-8-270. This document outlines the basic requirements of submitting a formal application for eligibility of a GTDA sales tax refund. All applicants are strongly encouraged, prior to submitting this formal application and its required fees, to first submit to DCA a pre application for the Georgia Tourism Development Act Tax Credit Program. The pre-application can be accessed at <https://dca.georgia.gov/document/applications/pre-application-gtda-0/download>. Questions can be directed to the Program Manager, Sally Mrus at (404) 982-3400-Office, (404) 823-0556-Cell, or [sally.mrus@dca.ga.gov](mailto:sally.mrus@dca.ga.gov).

- I. All applicants need to be aware that the following fees will be incurred as a result of participating in the Georgia Tourism Development Act (GTDA) process:
  - A. Application Fee – A nonrefundable application and processing fee of 0.5% of the proposed cumulative annual sales tax rebate amount over the ten-year period, or \$10,000, whichever is less, is required with each application. The payment must be sent in the form of a certified check. Please read further in this document for additional details on how to calculate and submit the application fee.
  - B. Consultant’s Fee - The GTDA statute requires that the Department of Community Affairs engage an independent third party consultant to review the application and related information to prepare a written report in connection with the GTDA request. The fee charged by the consultant will be the responsibility of the applicant. Contact DCA for information on its Consultant Contract.
- II. Requirement for Public Hearing

Regulation 110-32-1-.03(3) requires that prior to the local governing authority’s approval of the project by resolution, the local governing authority must hold a public hearing to obtain comments on the project. Local government should ensure that proper procedures and notice are followed.
- III. Requirement for Application to Local Government and Resolution; Local Sales and Use Taxes to be Specifically Authorized in the Local Government’s Resolution
  - A. Regulation 110-32-1-.03(3) requires that, prior to submitting an application for Georgia Tourism Development Act tax credits to the state, the applicant first submit an application to the governing authority of the city or county in which the Tourism Attraction will be located. Following the aforementioned public hearing to obtain comments, the project must be approved by resolution of the proper local government. The resolution should contain language indicating the applicable local government’s endorsement of the tourism project and, where

applicable, appropriate affirmative clauses regarding permitting, land use, local incentives, and the provision of public infrastructure.

- B. In addition to the state sales and use tax rebate authorized by the statute, the statute at O.C.G.A. 48-8-273 also authorizes local sales and use taxes rebates, except that local option sales taxes for educational purposes are explicitly prohibited from being a part of any rebates under the Georgia Tourism Development Act. To the extent that Local Option, Special Purpose Local Option, or other local Optional Sales and Use Taxes are made a part of the application's proposed rebates, the subject taxes must be explicitly designated and authorized within the local resolution, along with language specifying that the intended uses align with any authorizing referendum for LOST or SPLOST. (See O.C.G.A. § 48-4-273 and 110-32-1-.02(12).)

#### IV. Submitting the Application

- A. A complete formal application for TDA eligibility will require the submission of the application form and fee, as well as all applicable items listed in Exhibit 1, List of Required Supporting Documents.
- B. For electronic submission of the PDF application, the applicant will send an e-mail to the Program Manager ([sally.mrus@dca.ga.gov](mailto:sally.mrus@dca.ga.gov)) which contains, as attachments, the completed PDF application form and all supporting documents listed in Exhibit 1. For paper submission, the applicant should combine the completed PDF application form (signed by the applicant), all supporting documents listed in Exhibit 1, and the certified check for the application fee into one package. Paper submissions require an original and one copy of the application form and attachments. The paper application should be mailed to:  
  
Georgia Department of Community Affairs (DCA)  
ATTN: Office of Economic Development/GTDA Program Manager  
60 Executive Park South, NE  
Atlanta, GA 30329
- C. **Application Fee.** The application form on the DCA website contains a link to an Excel spreadsheet which is one of the required supporting documents for the GTDA application. The second worksheet in that Excel spreadsheet, entitled "Estimated Refund & Applic Fee", contains formulas to help the applicant estimate both the anticipated refund and the appropriate application fee amount. For questions on how to use this spreadsheet and calculate the estimated refund and application fee, contact the GTDA program manager.

As mentioned above, applicants submitting a paper application will simply enclose the certified check for the application fee with their application package. Applicants submitting the PDF version of the application by e-mail should mail a certified check for their application fee to the address in paragraph C above, accompanied by a brief cover letter that contains the name of the project, name of the developer, the date on which the application was electronically submitted, and the signature of the applicant. Review of the application will not begin until the application fee is physically received at DCA.

V. Application Review and Approval.

- A. Upon receipt, DCA staff will review the GTDA application for completeness. A completeness letter will be sent to the applicant, acknowledging receipt of the application and notifying the applicant whether or not additional items are required for further review. If the Consultant's Report has not yet been conducted and included in the application, the completeness letter will contain guidance for the applicant to start that process.
- B. After conducting a thorough review of all application materials as well the Independent Consultant's report, DCA staff will issue a Recommendation for consideration of the Commissioners of the Department of Community Affairs and the Department of Economic Development. The Preliminary Recommendation will include staff assessments regarding project feasibility, economic and employment impact, revenues, out-of-state visitation and other factors, as well as a recommendation to approve or deny the application.
- C. Both Commissioners must approve the application in order to obtain final approval for Tourism Development Act tax credits. The decision reached by the Commissioners shall be final, and no appeal shall be granted.
- D. Following approval by both Commissioners, the Department of Community Affairs will enter into an agreement with the approved company. The terms and provisions of the agreement shall include, but not be limited to, the following: projected amount of approved costs; a date certain by which the approved company shall have completed the tourism attraction project; and, a statement specifying the term of the agreement.
- E. Upon full execution of the agreement between DCA and the approved company, the approved company may begin the process of submitting refund paperwork to the Department of Revenue, in accordance with the terms of the agreement.

**Exhibit 1, List of Required Supporting Documents, is on the next two pages.**

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## EXHIBIT 1 - LIST OF REQUIRED SUPPORTING DOCUMENTS

The following items are required with all GTDA applications, whether submitted electronically or by paper.

- I. Project Projections** In addition to the items listed below, each application requires a source and use statement, as well as projections of sales revenues, sales taxes, calculation of application refunds, employment, project attendance, and other project benefits. [Click here](#) for a copy of an Excel Spreadsheet which contains eight worksheets addressing economic and financial elements. Applicants for New Projects must complete all six worksheets tabbed in green. Applicants for Expansion Projects must complete all six green-tabbed worksheets as well as the two yellow-tabbed worksheets. For Expansion Projects, please remember that projection figures (project costs, sales revenues, taxes, employment, attendance, etc.) should be incremental amounts for the eligible expansion activity as opposed to grand totals for the entire tourism attraction.
- II. Business Plan** Business plan should include the months of the year, the average number of days in a year, and the hours of operation during which the tourism attraction is open to the public. The business plan also should contain a detailed explanation of the economic impact of the project, including how the project shall:

  - a) have approved costs in excess of one million dollars (\$1,000,000);
  - b) produce sufficient revenues and public demand to be operating and open to the public for a minimum of one hundred (100) days per year, including the first year of operating;
  - c) not adversely affect existing employment in the state of Georgia; and,
  - d) have a significant and positive economic impact on the state considering, among other factors, the extent to which the tourism attraction project will compete directly with tourism attraction in Georgia.
  - e) Business plan should also estimate the amount by which increased state and local tax revenues and other economic benefits from the tourism attraction project will exceed the refund to be given to the approved company.
- III. Marketing Plan** The marketing plan should include the following elements:

  - a) identification of who prepared the marketing plan, and if applicable, the name and address of the applicant's advertising agency;
  - b) plans to target individuals who are not residents of this state and a thorough explanation of how the project will attract at least twenty-five percent (25%) of its customers each year from out-of-state by the third year of operation;
  - c) a five-year proposed advertising budget, including the percent of advertising costs dedicated to in-state and out-of-state advertising;
  - d) a list of the types of media to be used for marketing (T.V., radio, newspaper, magazine, web page, other) and their percent of the overall marketing budget;
  - e) identification of the primary markets from which the project will draw customers; and,
  - f) an affirmation agreeing to cooperate with the Independent Consultant's analysis of the market and requests for data.

**IV. Business Financial Information and Commitment of Support**

- a) Last three years' financial statements
- b) Signed commitment letters from all project investors, lenders, and equity partners who are listed as a funding source in the Source & Use Statement

**V. Ownership and Key Management Information**

- a) Resumes of owners identified in Question #3 of the application form and other key management.
- b) Authorization to investigate credit

**VI. Local Government Project Support**

- a) Evidence of the Project's compliance with zoning and land use development regulations.
- b) Copy of local public hearing notice and minutes from the hearing.
- c) Copy of the resolution by local governing authority approving the Project. The resolution should contain language indicating the applicable local government's endorsement of the tourism project and, where applicable, appropriate affirmative clauses regarding permitting, land use, local incentives, and the provision of public infrastructure. Additionally, if the applicant plans to pursue a local sales and use tax refund, the subject taxes must be explicitly designated and authorized within the local resolution along with language specifying that the intended uses align with any authorizing referendum for LOST or SPLOST.

**VII. Site Plan/Project Map & Supporting Cost Estimates**

- a) An easily legible site plan or map that contains the following elements: title and legend clearly identifying the Project; local government's name; date of map preparation; scale shown geographically; name and contact data of applicant; and all facilities and buildings contained or proposed within the Tourism Attraction's legal boundaries.
- b) Project cost estimates, certified by an engineer or American Institute of Architects professional, as well as construction contract and specifications, as available, with contact information (name, address, phone number, e-mail). Where applicable, such cost estimates must segment and explain specific costs as either "Expansion Costs" or "Renovation Costs" in accordance with sections 110-32-1-.02(7) and (9) and sections 110-32-1-.03(6)(r) of the regulations.

**VIII. Project Timeline** The project timeline should include actual or estimated completion dates for, at a minimum, the following stages:

- a) acquisition of necessary land and real estate;
- b) acquisition of project financing required to complete the project;
- c) acquisition of major environmental clearances or government permits required;
- d) physical completion of planned construction; and,
- e) the date on which the project amenities will be operational and open to the public.