



## Job Tax Credits – Tier 1 County

*For initial job creation threshold met in tax years beginning January 1, 2012, or later*

- The Georgia Job Tax Credit Program falls under O.C.G.A. §48-7-40.
- Eligible Business Enterprises (see DCA Reg. 110-9-1-.01(6)(b)) must create at least two (2) net new jobs within a tax year. The net new jobs must be a newly created position of employment not previously located in Georgia and require a minimum of 35 hours worked each week.
- The average wage of each net new job created must pay at or above the average wage of the county with the lowest average wage in the state – as of June 2025 (and applicable to 2025 income tax filings) is Taliaferro County at \$680 per week or \$35,360 per year, per Georgia Department of Labor's publication (Georgia Employment and Wages – 2024 Averages).
- The net new jobs must be offered health insurance upon employment; the employer does not have to pay for such insurance, just offer it.
- The job creation requirement must be met within a single tax year and the tax credit may first be claimed on the initial year Georgia income tax filing. For example, eligible net new jobs created in 2025 may claim credit on the 2025 Georgia income tax filing. If these net new jobs are then maintained for the next four years, then the business may claim the tax credit on each of those years' Georgia income tax filings as well.
- The credit is claimed by submitting Georgia Department of Revenue's (GA DOR) Form IT-CA with the Georgia income tax filing.
- The credit may be applied against 100 percent of any income tax liability on the Georgia income tax filing and Georgia withholding. Flow-through entities will be able to flow the credit through to the members, partners, or shareholders.
- Any excess credit may be applied against withholding if proper steps are taken with GA DOR.

### Withholding Tax Credits

- The Job Tax Credit claimed against withholding may not exceed \$3,500 per job.
- The credit must be first applied to any Georgia income tax liability prior to claiming withholding.
- Any carry forward of Job Tax Credit may not be applied to withholding, nor may withholding be claimed on an amended tax return.
- Credit is applied to future withholding tax filings if proper steps are taken with GA DOR.
- There is no refund paid on unused Georgia withholding credits.
- Credits not applicable to withholding (i.e., Joint Development Authority bonus, port credit; such bonus credits are only available to job tax credit claimed under a Tier 1 county and not in a Less Developed Census Tract) may be carried forward or flowed through to partners, members, or shareholders (if applicable)

### Claiming Withholding Credit

- For tax years beginning on or after January 1, 2017, to claim any excess tax credit not used on the Georgia income tax filing against the generating entity's payroll withholding tax liability, the entity must file GA DOR Form IT-WH *Notice of Intent* through the Georgia Tax Center within 30 days after the due date of the Georgia income tax return (including extensions) or within 30 days after the filing of a timely filed Georgia income tax filing, whichever occurs first - **Paper filings are no longer allowed.**
- Failure to file the GA DOR Form IT-WH *Notice of Intent* through the Georgia Tax Center as provided will result in disallowance of the withholding tax benefit.
- GA DOR has 120 days to review once Georgia income tax filing is submitted



Claiming Withholding Credit (continued)

- The business will receive notice of approved credit and when to claim against Georgia withholding from GA DOR.
- The business will then apply credit to withholding returns until fully utilized.
- The Georgia withholding credit has no effect on employees.
- Flow-through entities may elect to claim a specific portion of the credit against the entity's payroll withholding and flow the remaining credit through to shareholders, partners, or members.
- This is an annual irrevocable election dependent upon the filing of GA DOR

*Form IT-WH. Form IT-CA* may be obtained from the GA Department of Revenue web site at:

<https://dor.georgia.gov/it-ca>

Job Tax Credit info on the web at:

<https://dca.georgia.gov/financing-tools/incentives/job-tax-credits>

### **House Bill 846**

House Bill 846 was passed and signed into law by Governor Kemp on June 30, 2020. For purposes of the Georgia Job Tax Credit Program, House Bill 846 allows taxpayers that were already claiming the Job Tax Credit under any designation (Tier, State Opportunity Zone, Less Developed Census Tract, and Military Zone) in tax year 2019 to apply their 2019 employee count for tax years beginning 2020 and 2021 or the option to continue calculating their credit as in prior years based on the number of net new full-time employee jobs that the taxpayer added during the 2020 and 2021 tax years.

Further, the Bill also allows personal protective equipment manufacturers (PPE manufacturers) an additional \$1,250 in credit for jobs created, as a supplement to the regular Job Tax Credit claimed. Such term shall include any business enterprise which, in response to COVID-19, began manufacturing PPE in Georgia. Such term shall not include retail businesses that sell PPE. The PPE manufacturer must also claim the regular Job Tax Credit under any designation (Tier, State Opportunity Zone, Less Developed Census Tract, and Military Zone) in order to claim the supplemental credit.

For additional information related to House Bill 846, please see:

<http://www.legis.ga.gov/legislation/en-US/Display/20192020/HB/846>

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