



## **Job Tax Credits – Tier 2 County**

For initial threshold job creation 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 include a business location primarily engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, research and development, tourism, or services for the elderly and persons with disabilities
- Eligible Business Enterprises must create at least ten (10) net new jobs within a tax year and the new jobs must be full-time jobs, working a minimum of 35 hours per week
- New jobs must be offered health insurance coverage; the employer does not have to pay for such insurance, just offer it
- The average wage of each 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 2023 this is Glascock County at \$636 per week or \$33,072 per year, per Georgia Department of Labor (GA DOL) (Georgia Employment and Wages – 2022 Averages)
- Job threshold must be created in initial year, and then maintained an additional four years – credit is initially claimed on the initial year tax return. For example, an initial threshold of eligible net new jobs created in 2021 may be claimed on the 2021 tax return and additional credit is then claimed on each of the following four years' tax returns as long as the jobs are maintained (i.e., five-year tax credit for maintained jobs); Tax credit = \$2,500 per job (with an additional \$500 bonus credit if the county is within a JDA, which would make the credit = \$3,000 per job)
- Credit is claimed by filing *Form IT-CA* with the Georgia Business Income Tax return
- Credit may be applied against 100% of the corporate income tax liability reflected on the Georgia Business Income Tax Return

### **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 businesses that were already claiming the Job Tax Credit under any designation (Tier, 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 tax years (2020 and 2021).

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, 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>



## Claiming the Job Tax Credit

- Business must file *Form IT-CA* with its Georgia Business Income Tax Return by the due date or extended due date of the return
- Credit is applied against the income tax liability reflected on the Georgia Business Income Tax Return
- Flow-through entities will flow the credit through to shareholders, partners, or members to be applied against their individual Georgia Income Tax Returns

*Form IT-CA* is available on the Department of Revenue web site at:

[https://dor.georgia.gov/sites/dor.georgia.gov/files/related\\_files/document/TSD/Form/IT-CA\\_2012\\_Job\\_Tax\\_Credit\\_Form\\_ITCA.pdf](https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/TSD/Form/IT-CA_2012_Job_Tax_Credit_Form_ITCA.pdf)

Job Tax Credit info on web at:

<https://www.dca.ga.gov/community-economic-development/incentive-programs/job-tax-credits>

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