Employer's Credit for Basic Skills Education. Businesses may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12th grade or classes to receive a GED certificate. The program is administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625. This credit should be claimed on Form IT-BE. For more information, refer to O.C.G.A. §48-7-41.

Employer's Credit for Approved Employee Retraining. The retraining tax credit allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full-time employees up to $500 per employee per approved retraining program per year. The credit cannot be more than 50% of the taxpayer's total state income tax liability for a tax year. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-253-2800. This credit should be claimed on Form IT-RC. For more information, refer to O.C.G.A. §48-7-40.5.

Employer's Jobs Tax Credit. This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties. Tier 1 counties, the state's least developed counties, are ranked 1 through 71. Companies creating five or more new jobs in a Tier 1 county may receive a $3,500 tax credit. Tier 2 counties are ranked 72 through 106. Companies creating 10 or more new jobs in a Tier 2 county may receive a $2,500 tax credit. Tier 3 counties are ranked 107 through 141. Companies creating 15 or more new jobs in a Tier 3 county may receive a $1,250 tax credit.

Tier 4 counties are ranked 142 through 159. Companies creating 25 or more new jobs in a Tier 4 county may receive a $750 tax credit.

Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain "less developed" census tracts in the metropolitan areas of the state. At least 30% of the new jobs created in these census tracts must be held by residents of the eligible census tracts or a Tier 1 county. Note that average wages for the new jobs must be above the average wage of the county that has the lowest average wage of any county in the state. Also employers must make health insurance available to employees filling the new full-time jobs. Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. Credits are allowed for new full-time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and "less developed" census tracts only, credits may also be taken against a company's income tax withholding. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of new full-time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics. See the Job Tax Credit law and regulations for further information. This credit should be claimed on Form IT-CA. An additional $500 per job is allowed for a business locating within a county that belongs to a Joint Development Authority. For more information, refer to O.C.G.A. §48-7-40 and 48-7-40.1

Employer's Credit for Purchasing Child Care Property. Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. The qualified property credit may be carried forward for three years from the close of the taxable year in which the qualified property is placed in service, and the limitation on the use of the credit in any one year is 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. This credit should be claimed on Form IT-CCC100. For more information, refer to O.C.G.A. §48-7-40.6.

Employer's Credit for Providing or Sponsoring Child Care for Employees. Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit cannot be more than 50% of the taxpayer's total state income tax liability for that taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. This credit should be claimed on Form IT-CCC75. For more information, refer to O.C.G.A. §48-7-40.6.

Manufacturer's Investment Tax Credit. Based on the same tiers as the Job Tax Credit program. It allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax liability. The credit is available in reference to expenses directly related to manufacturing or providing telecommunications services. Taxpayers must apply (use Form IT-APP) and receive approval before they claim the credit on their returns. Taxpayer may choose either the job tax credit, the investment tax credit or the optional investment tax credit but only one. Companies expanding in Tier 1 counties must invest $50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities. Companies expanding in Tier 2 counties must invest $50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities. Companies expanding in Tier 3 or Tier 4 counties must invest $50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities. For more information, refer to O.C.G.A. §48-7-40.2, 40.3, and 40.4.

Optional Investment Tax Credit. Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria:

Designated Area	Minimum Investment	Percent Tax Credit
Tier 1	$ 5 Million	10%
Tier 2	$10 Million	8%
Tier 3 or Tier 4	$20 Million	6%

Taxpayers must apply (use Form OIT-APP) and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable. The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts:
1. 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or 2. The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year. For more information, refer to O.C.G.A. §48-7-40.7, 40.8, and 40.9.

Qualified Transportation Credit. This is a credit of $25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as described in Section 132(f) of the IRS Code of 1986. For more information, refer to O.C.G.A. §48-7-29.3.

Low Income Housing Credit. This is a credit against Georgia income taxes for taxpayers owning developments receiving the federal Low-Income Housing Tax Credit that are placed in service on or after January 1, 2001. For more information, refer to O.C.G.A. §48-7-29.6.

Diesel Particulate Emission Reduction Technology Equipment. This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For more information, refer to O.C.G.A. §48-7-40.19.

Business Enterprise Vehicle Credit. This credit is for a business enterprise for the purchase of a motor vehicle used exclusively to provide transportation for employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. §48-7-40.22.

Research Tax Credit.A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. The credit may be carried forward 10 years but may not exceed 50% of the business's Georgia net income tax liability after all other credits have been applied in any one year. (Note that the base amount must contain positive Georgia taxable net income for all years.) This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.

Headquarters Job Tax Credit. Companies establishing their headquarters or relocating their headquarters to Georgia may be entitled to a tax credit if the following criteria are met: 1) At least fifty (50) headquarters jobs are created; and 2) within one year of the first hire, $1 million is spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company or a subsidiary of the company. The credit is available for establishing jobs (full time jobs only). To qualify, jobs must pay a salary, which is a stated percentage above the county average wage in which it is located. Above the county average for Tier 1 counties, at least 105% of the average wage for Tier 2 counties, at least 110% of the average wage for Tier 3 counties, and at least 115% of the average wage for Tier 4 counties. The company has the ability to earn the credit in years one through five, however it has seven years in which to earn the credit. The credit is equal to $2,500 annually per new full-time job or $5,000 if the average wage of the new fulltime jobs is 200% or more of the average wage of the county in which the new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. For more information, refer to O.C.G.A. §48-7-40.17.

Port Activity Tax Credit. Businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development that have increased shipments out of Georgia ports during the previous 12- month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons, five containers or ten 20-foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. **NOTE:** Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The job tax and investment tax credits are as follows:

Tier 1 companies:

An additional $1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.

Tier 2 companies:

An additional $1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.
Tier 3 companies:
An additional $1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.
Tier 4 companies:
An additional $1,250 per job, or 5% investment tax credit, or 10% optional investment tax credit.
Companies that create 400 or more new jobs, invest $20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. For more details about this credit, call the Tax Conferee's Office at 404-417-2441. For more information, refer to O.C.G.A. §48-7-40.15.

Bank Tax Credit. All financial institutions that conduct business or own property in Georgia are required to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. §48-7-29.7.

Low Emission Vehicle Credit. This is a credit, of the lesser of 10% of the cost of the vehicle or $2,500, for the purchase or lease of a new low emission vehicle. Also there is a credit for the conversion of a standard vehicle to a low emission vehicle which is equal to 10% of the cost of conversion, not to exceed $2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.

Zero Emission Vehicle Credit. This is a credit of the lesser of 20% of the cost of the vehicle or $5,000, for the purchase or lease of a new zero emission vehicle. Also there is a credit for the conversion of a standard vehicle to a zero emission vehicle which is equal to 10% of the cost of conversion, not to exceed $2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A zero emission vehicle is a motor vehicle which has zero tailpipe and evaporative emissions as defined under rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided the electricity is not generated by an on-board combustion device. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16.

New Manufacturing Facilities Jobs Credit. In order to qualify, $450 million in qualified investment property must be purchased for the project. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period and can receive credit for up to a maximum of 3,300 jobs. After an affirmative review of their application by a panel, the manufacturer is rewarded with the new job tax credit. The credit is $5,250 per job created. There is a 10-year carry forward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.24.

Electric Vehicle Charger Credit. This is a credit for a business enterprise for the purchase of an electric vehicle charger located in the State of Georgia. The credit allowed is the lesser of 10% of the cost of the charger or $2,500. For more information, refer to O.C.G.A. §48-7-40.16.

New Manufacturing Facilities Property Credit. This is an incentive for a manufacturer who has operated a manufacturing facility in this state for at least 3 years and who spends $800 million on a new manufacturing facility in this state. There is also the requirement that the number of full-time employees equal or exceed 1,800. However, these do not have to be new jobs to Georgia. An application is filed which a panel must approve. The benefit awarded to a manufacturer is a credit against taxes equal to 6 percent of the cost of all qualified investment property purchased or acquired. The total credit allowed is limited to $50 million. The credit offsets any income tax and any excess is allowed as a credit to offset withholding taxes. There is a 15-year carry forward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.25.

Historic Rehabilitation Credit. A credit not to exceed $5,000 will be available for the certified rehabilitation of a certified structure or historic home. Standards set by the Department of Natural Resources must be met. This credit is applicable to taxable years beginning on or after January 1, 2004.For taxable years beginning on or after January 1, 2009, a credit not to exceed $100,000 for a historic home and $300,000 for a certified structure will be available. This credit should be claimed on **Form IT-RHC.** For more information, refer to O.C.G.A. § 48-7-29.8 or the Department of Natural Resources website at: http://hpd.dnr.state.ga.us/.

Film Tax Credit. Production companies which have at least $500,000 of qualified expenditures in a state certified production may claim this credit. Certification must be approved through the Georgia Department of Economic Development.The credit is equal to 20 percent of the base investment in the state, with an additional 10 percent for including a qualified Georgia promotion in the state certified production. There are special calculation provisions for production companies whose average annual total production expenditures in this state exceeded $30 million for 2002, 2003 and 2004. This credit may be claimed against 100 percent of the production company's income tax liability, while any excess may be used to offset the production company's withholding taxes.To claim the credit against withholding, the production company must file **Form IT-WH** at least 30 days prior to filing the return on which the credit will be claimed. Once the income tax return is filed, the Department has 90 days to review the withholding credit being claimed and notify the production company of the approved credit and when and how it may be claimed. Once the income tax return is filed, the Department has 90 days to review the withholding credit being claimed and notify the production company of the approved credit and when and how it may be claimed. The production company also has the option of selling the tax credit to a Georgia taxpayer. A credit claimed but not used in any taxable year may be carried forward for 5 years from the close of the taxable year in which the investment occurred. This credit should be claimed on **Form IT-FC,** along with certification from the Film Office of the Georgia Department of Economic Development. For more information, refer to O.C.G.A. § 48-7-40.26.

Land Conservation Credit. This provides for an income tax credit for the qualified donation of real property that qualifies as conservation land pursuant to Chapter 22 of Title 36. Property donated to increase building density levels or property that will be used, or is associated with the playing of golf shall **not** be eligible.Taxpayers will be able to claim a credit against their income tax liability not exceeding 25 percent of the fair market value of the donated property, or 25 percent of the difference between the fair market value and the amount paid to the donor if the donation is effected by a sale of property for less than fair marker value, up to a maximum credit of $250,000 per individual, $500,000 per corporation, and $1 million per partnership. However, the partners in a partnership are subject to the per individual and per corporation limits. The amount of the credit used in any one year may not exceed the taxpayer's income tax liability for that taxable year. Any unused portion of the credit may be carried forward for ten succeeding years. The Department of Natural Resources will certify that such donated property is suitable for conservation purposes. **A copy of this certificate must be filed with the taxpayer's tax return in order to claim the credit.** For more information, refer to O.C.G.A § 48-7-29.12
http://www.legis.ga.gov/legis/GaCode/?title=48&chapter=7&section=29.12

Teleworking Credit. Employers who permit their employees to telework will be allowed an income tax credit for expenses incurred up to $1,200 per participating employee.The percentage of the credit for allowed expenditures ranges from 100%, 75% and 25% depending upon whether the business is located in a federal nonattainment area, and the number of telework days per month required by the participating employee's telework agreement. In addition, the employer will also be allowed a credit for conducting a telework assessment in the year of implementation for 100% of the cost of preparing the assessment, up to a maximum of $20,000 per employer. However, such costs shall not be eligible for the credit if the employer has already deducted such expenses from income in any tax year. The aggregate maximum that can be claimed for this credit is $2 million in 2008 and $2 million in 2009.This credit is only available for taxable years 2008 and 2009 and became **effective July 1, 2007**. Costs incurred between July 1, 2007 and January 1, 2008 will be treated as being incurred on January 1, 2008. For more information, refer to O.C.G.A § 48-7-29.11.

Qualified Education Expense Credit. This provides a tax credit for qualified educational expenses. An individual is eligible for a credit of up to $1,000 (single or head of household), $1,250 (married filing separate), or $2,500 (married filing joint). A corporation is eligible for a credit amount that can equal up to 75% of its income tax liability. The credit is allowed on a first come, first served basis. The taxpayer must add back to taxable income that part of any federal charitable contribution deduction taken on a federal return for which a credit is allowed. The aggregate amount of tax credits allowed to all taxpayers is $50 million per tax year. Taxpayer must request preapproval to claim this credit on Form IT-QEE-TP1. For more information, refer to O.C.G.A. § 48-7-29.16.

Seed-Capital Fund Credit. This provides tax credits for certain qualified investments made on or after July 1, 2008. This credit should be claimed on Form IT-SCF. For more information, refer to O.C.G.A. §§ 48-7-40.27 and 48-7-40.28.

Clean Energy Property Credit. This provides a tax credit for the construction, purchase, or lease of clean energy property that is placed into service in Georgia between July 1, 2008 and December 31, 2012. The aggregate amount of tax credits allowed for both the clean energy property tax credit and the wood residuals tax credit is $2.5 million for calendar years 2008, 2009, 2010, 2011, and 2012. Taxpayer must request preapproval to claim this credit on Form IT-CEP-AP. For more information, refer to O.C.G.A. § 48-7-29.14.

Wood Residuals Credit. This provides a tax credit for transporting or diverting wood residuals to a renewable biomass qualified facility on or after July 1, 2008. The aggregate amount of tax credits allowed for both the clean energy property tax credit and the wood residuals tax credit is $2.5 million for calendar years 2008, 2009, 2010, 2011, and 2012. Taxpayer must request preapproval to claim this credit on Form IT-WR-AP. For more information, refer to O.C.G.A. § 48-7-29.14.

Qualified Health Insurance Expenses Credit. This allows an employer (but only an employer who employs 50 or fewer persons either directly or whose compensation is reported on Form 1099) a tax credit against the tax imposed by Code Section 48-7-20 (Individuals and Partnerships) or 48-7-21 (Corporations), as applicable, for qualified health insurance expenses in the amount of $250.00 for each employee enrolled for twelve consecutive months in a qualified health insurance plan. Qualified health insurance means a high deductible health plan that includes, at a minimum, catastrophic health care coverage which is established and used with a health savings account established under Section 223 of the Internal Revenue Code. The qualified health insurance must be made available to all employees and compensated individuals of the employer pursuant to the applicable provisions of Section 125 of the Internal Revenue Code. The total amount of the tax credit for a taxable year cannot exceed the employer's income tax liability. Any unused tax credit is allowed against the employer's succeeding years' tax liability, but no credit is allowed against the employer's prior years' tax liability. The qualified health insurance premium expense must equal at least $250 annually. This credit is applicable to taxable years beginning on or after January 1, 2009. For more information, refer to O.C.G.A. § 48-7-29.13.

Tax Credit Forms