Code

TAX CREDITS

Note: A return is required to be filed electronically if the return generates, allocates, claims, utilizes, or includes in any manner a Series 100 credit.

Qualified Subchapter S Subsidiary (QSSS) Credit Instructions. In addition to filing the net worth tax return, the QSSS should complete Schedule 10 if the QSSS generates credits or has credits assigned, allocated, or transferred to it. Also, Schedule 11 should be used to transfer the credit to the parent S Corporation and Schedule 12 should be completed if applicable. This is necessary so that the returns can be processed and the credits flow to the proper taxpayer.

Disregarded Single Member LLC Credit Instructions. If the taxpayer owns or is owned by a disregarded single member LLC, the single member LLC should be disregarded for filing purposes. All credits should be claimed on the owner's return. All tax credit forms should be filed in the name of the single member LLC but included with the owner's return. This is necessary so that the returns can be processed and the credits flow to the proper taxpayer.

Series 100 Credits

102 **Employer's Credit for Approved Employee Retraining.** The retraining tax credit allows employers to claim certain costs of retraining employees to use new equipment new technology, or new operating systems. For tax years beginning on or after January 1, 2009, approved retraining shall not include any retraining on commercially, mass produced software packages for word processing, database management, presentations, spreadsheets, e-mail, personal information management, or computer operating systems except a retraining tax credit shall be allowable for those providing support or training on such software. The credit is calculated at 50% of the direct costs of retraining full-time employees, up to $500 per employee per approved retraining program per year. For tax years beginning on or after January 1, 2009, there is a cap of $1,250 per year per full-time employee who has successfully completed more than one approved retraining program. The credit may be utilized up to 50% of the taxpayer's total state income tax liability for a tax year. For tax years beginning on or after January 1, 2009, the credit must be claimed within 1 year instead of the normal 3 year statute of limitation period. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Technical College System of Georgia. This credit should be claimed on Form IT-RC, with Program Completion forms signed by Technical College System of Georgia personnel attached. For more information, refer to O.C.G.A. §48-7-40.5.

103 **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 Designation	County Rankings	New Jobs Created	Credit Amount
Tier 1	1 through 71	5 or more*	$3,500
Tier 2	72 through 106	10 or more	$2,500
Tier 3	107 through 141	15 or more	$1,250
Tier 4	142 through 159	25 or more	$750

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. Note that the average wage for each new job 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. For taxpayers that initially claimed this credit for any taxable year beginning before January 1, 2009, 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. To claim the credit against withholding, a business must file Form IT-WH as provided in the job tax credit regulation or as instructed by the Commissioner. 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 the new full-time jobs and maintained jobs is based on average monthly employment. Georgia counties are re-ranked annually based on updated statistics. 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 per O.C.G.A. §36-62-5.1. For taxpayers that create a new year one under DCA regulations for any taxable year beginning on or after January 1, 2009 the following apply:

1. The definition of a business enterprise now also includes a business or headquarters of a business that provides services for the elderly and persons with disabilities (only for the jobs credit provided pursuant to O.C.G.A. 48-7-40).
2. The credit may be claimed beginning with the year the job is created as opposed to the year after the job is created.
3. The credit may be claimed against withholding tax for a business enterprise engaged in a competitive project (as certified by the Department of Economic Development) which is located in a tier 2, 3, or 4 county.
4. The additional new full-time jobs created in the 4 years after the initial year shall be eligible for the credit.
5. The credit must be claimed within 1 year instead of the normal 3 year statute of limitation period.

*For a business enterprise that creates a new year one under DCA regulations for any taxable year beginning on or after January 1, 2012, in tier 1 counties, the business enterprise must increase employment by 2 or more new full-time jobs for the taxable year to be eligible for the credit. See the Job Tax Credit law (O.C.G.A. 48-7-40 and 48-7-40.1) and regulations for further information or refer to the Department of Community Affairs website.

For taxable years beginning in 2020 and 2021, taxpayers that claimed the Jobs tax credit in a taxable year beginning on or after January 1, 2019 and before December 31, 2019, have the option to utilize the number of new full-time jobs that the taxpayer claimed in the taxable year beginning on or after January 1, 2019 and before December 31, 2019; or calculate the number of new full-time jobs based on the number of full-time jobs created and maintained in that respective tax year.

104 **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. Any unused credit may be carried forward for three years and the credit is limited to 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.

105 **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 may not exceed 50% of the taxpayer's total state income tax liability for the 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.

106 **Manufacturer's Investment Tax Credit. Based on the same Tier Ranking as the Job Tax Credit program.** It allows taxpayer that has operated an existing manufacturing or telecommunications facility in the state for the previous three years to obtain a credit against income tax liability. The credit is calculated on expenses directly related to manufacturing or to providing telecommunications services. Taxpayers must apply (use Form IT-APP) and receive approval before claiming the credit on the appropriate tax return. A taxpayer may not claim the job tax credit or the optional investment tax credit when claiming this credit for the same project. Companies must invest a minimum of $50,000 per project/location during the tax year in order to claim the credit.

Tier Location	Tax Credit	Credit for Recycling, Pollution Control or Defense Conversion Activities
Tier 1	5%	8%
Tier 2	3%	5%
Tier 3 or 4	1%	3%

For a taxpayer with a manufacturing or telecommunications facility in a rural county located in a tier 1 county or tier 2 county that has purchased or acquired qualified investment property in a taxable year beginning on or after January 1, 2020 (which is then claimed on an income tax return in the taxable year after the purchased or acquired taxable year), the excess investment tax credit may be used to offset withholding as provided in the investment tax credit regulation. The taxpayer must receive preapproval as provided in DOR's regulation to use the excess credit against withholding. A taxpayer that has investment tax credit carry forward for qualified investment property that was purchased or acquired in a taxable year beginning before January 1, 2020, may request pre-approval to use such investment tax credit carry forward against withholding tax if certain requirements are met; this provision is repealed on December 31, 2024. The taxpayer must receive preapproval as provided in DOR's regulation to use the credit carry forward against withholding. The total amount of tax credits preapproved to be used against withholding tax for taxpayers in rural counties located in tier 1 and tier 2 counties and for taxpayers to use investment tax credit carry forward against withholding together shall not exceed $1 million per taxpayer per calendar year and $10 million for all taxpayers per calendar year.

This credit should be claimed on Form IT-IC and accompanied by the approved Form IT-APP. For more information, refer to O.C.G.A. §48-7-40.2, 40.3, and 40.4.

107 **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	Tax Credit
Tier 1	$ 5 Million	10%
Tier 2	$10 Million	8%
Tier 3 or 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.

The credit must be claimed on **Form IT-OIC**. For more information, refer to O.C.G.A. §48-7-40.7, 40.8, and 40.9.

108 **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 IRC of 1986. For more information, refer to O.C.G.A. §48-7-29.3.This credit was repealed on December 31, 2018 so only carryover can be used.

109 **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. Credit must be claimed on Form IT-HC and accompanied with Federal Form K-1 from the providing entity and a schedule of the building allocation. For more information, refer to O.C.G.A. §48-7-29.6.

111 **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.

112 **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, tourism, broadcasting 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. For tax years beginning on or after January 1, 2009, the base amount calculation is based on Georgia gross receipts instead of Georgia taxable net income. (Note that for tax years beginning before January 1, 2009, the base amount must contain positive Georgia taxable net income for all years.) The credit may not exceed 50% of the business’ Georgia net income tax liability after all other credits have been applied in any one year. Any unused credit may be carried forward 10 years. Excess research tax credit earned in taxable years beginning on or after January 1, 2012, may be used to offset withholding as provided in the research tax credit regulation. This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.

113 **Headquarters Tax Credit.** Companies establishing their headquarters or relocating their headquarters to Georgia prior to January 1, 2009 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 new full-time jobs. To qualify, each job must pay a salary which is a stated percentage of the average county wage where the job is located: Tier 1 counties at least 100%; Tier 2 counties at least 105%; Tier 3 counties at least 110%; and Tier 4 counties at least 115%. The company has the ability to claim the credit in years one through five for jobs created in year one and may continue to claim newly created jobs through year seven and claim the credit on each of those jobs for five years. The credit is equal to $2,500 annually per new full-time job meeting the wage requirement or $5,000 if the average wage of all new qualifying fulltime jobs is 200% or more of the average county wage where 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. To claim the credit against withholding, a business must file Form IT-WH as provided in the headquarters tax credit regulation or as instructed by the Commissioner. This credit should be applied for and claimed on Form IT-HQ. For more information, refer to O.C.G.A. §48-7-40.17.

114 **Port Activity Tax Credit (Use 114J for Port Activity Job Tax Credit and 114M for Port Activity Investment Tax Credit).** For taxable years beginning before January 1, 2010, 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 tax credit amounts are as follows for all Tiers: An additional job tax credit of $1,250 per job; investment tax credit of 5%; or optional investment tax credit of 10%. 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. The credit is claimed by filing the appropriate form for the applicable credit (job tax: Form IT-CA; investment tax: Form IT-IC or optional: Form IT-OIC) with the tax return and providing a statement with port numbers to verify the increase in port traffic. For more information, refer to O.C.G.A. §48-7-40.15.
For tax years beginning on or after January 1, 2010, the following changes apply:
1. "Base year port traffic" means the amount of imports and exports during the second preceding 12 month period. For example, if the taxpayer is trying to claim the credit for 2010, they would compare 2009 to 2008 and if the increase is more than 10% they would qualify. 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.
2. "Port traffic" means the amount of imports and exports.

115 **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.

116 **Low Emission Vehicle Credit.** This is a credit, 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 emission vehicle is defined as an "alternative fuel" vehicle and does not include any gasoline powered vehicles (i.e. hybrids). A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7- 40.16. **The low emission vehicle tax credit was repealed and cannot be claimed for vehicles purchased or leased on or after July 1, 2015.**

117 **Zero Emission Vehicle Credit.** This is a credit, 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. **The zero emission vehicle tax credit was repealed and cannot be claimed for vehicles purchased or leased on or after July 1, 2015.**

118 **New Facilities Jobs Credit**. For business enterprises who first qualified in a taxable year beginning before January 1, 2009, $450 million in qualified investment property must be purchased for the project within a six-year period. 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. For business enterprises who first qualify in a taxable year beginning on or after January 1, 2009; the definition of business enterprise is any enterprise or organization which is registered and authorized to use the federal employment verification system known as "E-Verify" or any successor federal employment verification system and is engaged in or carrying on any business activities within this state. Retail businesses are not included in the definition of a business enterprise. The business enterprise must meet the job creation requirement and either the qualified investment requirement, $450 million qualified investment property, or the payroll requirement, $150 million in total annual of Georgia W-2 reported payroll within the six-year period. For tax years beginning on or after January 1, 2012, the job creation requirement is extended if certain amounts of qualified investment property are purchased. After an affirmative review of their application by a panel, the business enterprise is rewarded with the new facilities job tax credit. The credit is $5,250 per job created. The credit offsets income tax liability and any excess credit may be used to offset withholding taxes. There is a 10-year carryforward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.24.

119 **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 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.

120 **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 jobs 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 $50 million. The credit offsets income tax liability and any excess may be used to offset withholding taxes. There is a 15-year carry forward of any unused tax credit. There are different provisions for certain high-impact aerospace defense projects. For more information, refer to O.C.G.A. §48-7-40.25.

121 **Historic Rehabilitation Credit For Historic Homes.** A credit will be available for the certified rehabilitation of a historic home. Standards set by the Department of Community Affairs must be met. For taxable years beginning on or after January 1, 2009, a credit not to exceed $100,000 for a historic home will be available. 2022 is the last year of the credit and historic homes completed on or after January 1, 2022 require preapproval. For more information, refer to O.C.G.A. 48- 7-29.8 and the regulation or the Department of Community Affairs website.

122 **Film Tax Credit (use code 133 if the credit is for a Qualified Interactive Entertainment Production Company).** 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 (DECD). 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** as provided in the film tax credit regulation or as instructed by the Commissioner. The production company also has the option of selling the tax credit to a Georgia taxpayer. For projects certified by DECD on or after January 1, 2021, that exceed $2.5 million in credit, the production company must apply and receive an audit under O.C.G.A. § 48-7-40.26 and Revenue Regulation 560-7-8-.45 before the credit is claimed or utilized in any manner. For projects certified by DECD on or after January 1, 2022 that exceed $1.25 million in credit, the production company must apply and receive an audit under O.C.G.A. § 48-7-40.26 and Revenue Regulation 560-7-8-.45 before the credit is claimed or utilized in any manner. For projects certified by DECD on or after January 1, 2023, the production company must apply and receive an audit under O.C.G.A. § 48-7-40.26 and Revenue Regulation 560-7-8-.45 before the credit is claimed or utilized in any manner. For more information, refer to O.C.G.A. §48-7-40.26.

124 **Land Conservation Credit.** This provides for an income tax credit for the qualified donation of real property that qualifies as conservation land. 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 state income tax liability not exceeding 25 percent of the fair market value of the 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 for less than fair market value, up to a maximum credit of $250,000 per individual, and 500,000 per corporation, and $500,000 per partnership. However, the partners of the 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. Please note that the Department of Natural Resources cannot accept new applications after December 31, 2021. A copy of this certificate must be filed with the taxpayer's tax return in order to claim the credit. This credit should be claimed on Form IT-CONSV. The taxpayer beginning January 1, 2012, has the option of selling the credit to a Georgia Taxpayer. For more information, refer to O.C.G.A. §48-7-29.12 and Regulation 560-7-8-.50. For donations in taxable years beginning on or after January 1, 2013, to claim the credit Form IT-CONSV, the DNR certification, the State Property Commission's determination, and the appraisal must be attached to the income tax return; and the taxpayer must add back to Georgia taxable income the amount of any federal charitable contribution related to the Georgia conservation credit. For donations made on or after January 1, 2016 the aggregate amount of tax credits shall not exceed $30 million per calendar year and the taxpayer must request preapproval.

125 **Qualified Education Expense Credit.** This provides a tax credit for qualified educational expenses. The credit is allowed on a first come, first served basis. The aggregate amount of the tax credit allowed to all taxpayers cannot exceed $100 million per tax year. The taxpayer must add back to Georgia taxable income that part of any federal charitable contribution deduction taken on a federal return for which a credit is allowed. Taxpayers 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 and Revenue Regulation 560-7-8-.47.

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

128 **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 $5 million for calendar years 2012, 2013, and 2014. Taxpayers 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.

129 **Qualified Health Insurance Expense Credit.** Effective for taxable years beginning on or after January 1, 2009, an employer (but only an employer who employs 50 or fewer persons either directly or whose compensation is reported on

Form 1099) is allowed a tax credit 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 as defined by 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. The qualified health insurance premium expense must equal at least $250 annually.

130 **Quality Jobs Credit.** For tax years beginning on or after January 1, 2009, a taxpayer creating at least 50 "new quality jobs" may be entitled to a credit provided certain conditions are met. A "new quality job" means a job that: 1) Is located in this state; 2) Has a regular work week of 30 hours or more; 3) Is not a job that is or was already located in Georgia regardless of which taxpayer the individual performed services for; 4) which pays at or above 110 percent of the average wage of the county in which it is located; and 5) For a taxpayer that initially claimed the credit in a taxable year beginning before January 1, 2012, the job has no predetermined end date. The credit amount varies depending upon the pay of the new quality jobs. The credit must be claimed within 1 year instead of the normal 3 year statute of limitation period. The taxpayer may claim the credit in years one through five for new quality jobs created in year one and may continue to claim newly created new quality jobs through year seven and claim the credit on each of those new quality jobs for five years. 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. To claim the credit against withholding, a taxpayer must file Form IT-WH as provided in the quality jobs tax credit regulation or as instructed by the Commissioner. For a taxpayer that initially qualifies to claim the credit in a taxable year beginning on or after January 1, 2016, the term "taxpayer" means any person required by law to file a return or to pay taxes, except that any taxpayer may elect to consider the jobs within its disregarded entities, as defined in the Internal Revenue Code, for purposes of calculating the number of new quality jobs created by the taxpayer. Such election shall be irrevocable and must be made on the initial qualifying return (on Form IT-QJ) or within one year of the earlier of the date the initial qualifying return was filed or the date such return was due, including extensions. In the event such election is made, such disregarded entities shall not be separately eligible for the credit. Also, if the first date on which the taxpayer, pursuant to the provisions of Code Section 48-7-101, withhold wages for employees in this state occurs in a taxable year beginning on or after January 1, 2017, the taxpayer has two years to employ at least 50 persons in new quality jobs in this state instead of the prior one year period. In 2017 the statute was changed to provide that only a taxpayer that completes the creation of a qualified project in a taxable year beginning on or after January 1, 2017 is eligible to begin a subsequent seven-year job creation period. For a taxpayer that initially qualifies to claim the credit in a tax year beginning on or after January 1, 2020, the 50 new quality jobs requirement is reduced if the jobs are located in a rural county as defined in the statute. For taxable years beginning in 2020 and 2021, taxpayers that claimed the quality jobs tax credit in a taxable year beginning on or after January 1, 2019 and before December 31, 2019, have the option to utilize the number of new quality jobs that the taxpayer claimed in the taxable year beginning on or after January 1, 2019 and before December 31, 2019; or calculate the number of new quality jobs based on the number of new quality jobs created and maintained in that respective tax year. For more information, refer to O.C.G.A. § 48-7-40.17.

131 **Alternate Port Activity Tax Credit.** O.C.G.A. § 48-7-40.15A provides an alternate port tax credit. The definitions of "base year port traffic" and "port traffic" include imports and exports of product. It allows the credit to any business enterprise located in a tier two or three county established pursuant to O.C.G.A. § 48-7-40 and in a less developed area established pursuant to O.C.G.A. § 48-7-40.1 and which qualifies and receives the tax credit under O.C.G.A. § 48-7-40.1 and which:
1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008;
2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and
3. Has a minimum of 8 retail stores in this state in the first year of operations. The business enterprise shall not be authorized to claim both this credit and the port credit provided in O.C.G.A. § 48-7-40.15, unless such business enterprise has increased its port traffic of products during the previous twelve month period by more than 20 percent above its base year port traffic, and also has increased employment by 400 or more no sooner than January 1, 1998. The tax credit, in addition to the tax credit under O.C.G.A. § 48-7-40, shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year. No credit may be claimed and allowed under this code section for any jobs created on or after January 1, 2015.

132 **Qualified Investor Tax Credit.** This provides a 35% credit for amounts invested in a registered qualified business. The aggregate amount of credit allowed an individual person for one or more qualified investments in a single taxable year, whether made directly or by a pass-through entity and allocated to such individual, shall not exceed $50,000.00. The credit is available for investments made in 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018. The credit is claimed 2 years later, in 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 respectively. The aggregate amount of tax credits allowed is $10 million for investments made in calendar years 2011, 2012, and 2013; and $5 million for investments made in calendar years 2014, 2015, 2016, 2017, and 2018. The taxpayer must get approval as provided in O.C.G.A. § 48-7-40.30 before claiming the credit. This became effective January 1, 2011. See Code Section 48-7-40.30 and Regulation 560-7-8-.52 for more information.

133 **Film Tax Credit for A Qualified Interactive Entertainment Production Company.** For taxable years beginning during 2013 the aggregate amount of film tax credits allowed for qualified interactive entertainment production companies and their affiliates which are qualified interactive entertainment production companies shall not exceed $25 million. Such cap for taxable years beginning in 2014 and later is $12.5 million for each year. The maximum credit for any qualified interactive entertainment production company and its affiliates which are qualified interactive entertainment production companies is $5 million for taxable years beginning in 2013, 1.5 million for taxable years

beginning in 2014 and later. For taxable years beginning in 2014 through 2017 no qualified interactive entertainment production company shall be allowed to claim an amount of tax credits for any single year in excess of its total aggregate payroll expended to employees working within Georgia for the calendar year directly preceding the start of the year the qualified interactive entertainment production company claims the film tax credit. For taxable years beginning in 2018 and later no qualified interactive entertainment production company shall be allowed to claim an amount of tax credits for any single year in excess of its total aggregate payroll expended to employees working within Georgia for the taxable year the qualified interactive entertainment production company claims the film tax credit. The amount in excess of these limits is not eligible for carry forward to the succeeding years' tax liability, nor shall such excess amount be eligible for use against the qualified interactive entertainment production company's quarterly or monthly payment under Code Section 48-7-103, nor shall such excess amount be assigned, sold, or transferred to any other taxpayer. For taxable years beginning in 2014 through 2017 before the Department of Economic Development issues its approval to the qualified interactive entertainment production company for the qualified production activities related to interactive entertainment, the qualified interactive entertainment production company must certify to the Department of Revenue that it maintains a business location physically located in Georgia and that it had expended a total aggregate payroll of $500,000.00 or more for employees working within Georgia during the calendar year directly preceding the start of the taxable year of the qualified interactive entertainment production company. For taxable years beginning in 2018 and later before the Department of Economic Development issues its approval to the qualified interactive entertainment production company for the qualified production activities related to interactive entertainment, the qualified interactive entertainment production company must certify to the Department of Revenue that it maintains a business location physically located in Georgia and that it had expended or intends to expend a total aggregate payroll of $250,000.00 or more for employees working within Georgia during the taxable year the qualified interactive entertainment production company claims the credit; if these requirements are met the Department of Revenue will issue a certification. For the taxable years beginning in 2013, 2014 and 2015 the credits are allowed on a first-come first-served basis based on the date the film tax credits are claimed. For taxable years beginning in 2016 and later the qualified interactive entertainment production company must request preapproval to claim the credit and must report certain information to the Department. The credit can be sold to a Georgia taxpayer.

135 **Historic Rehabilitation Tax Credit for any Other Certified Structure (not a historic home).** This provides a tax credit for certified rehabilitation of any other certified structure. Standards set by the Department of Community Affairs must be met. For taxable years beginning on or after January 1, 2017, a taxpayer must receive preapproval as provided in DOR's regulation and the credit can be sold to a Georgia taxpayer as provided in DOR's regulation. 2022 is the last year of the credit. For more information, refer to O.C.G.A. § 48-7-29.8 and Revenue Regulation 560-7-8-.56.

136 **Qualified Rural Hospital Organization Expense Tax Credit.** This provides a tax credit for a donation to a Rural Hospital Organization. The credit is allowed on a first come, first served basis. The aggregate amount allowed for all taxpayers cannot exceed $60 million per tax year through 2024. The taxpayer must add back to Georgia taxable income that part of any federal charitable contribution deduction related to the credit. Taxpayers must request preapproval to claim this credit. For more information, refer to O.C.G.A. § 48-7-29.20 and Revenue Regulation 560-7-8-.57.

137 **Qualified Parolee Jobs Tax Credit.** Effective for taxable years beginning on or after January 1, 2017, an employer that employs a qualified parolee before January 1, 2020 in a full-time job may claim this credit if certain requirements are satisfied. This credit must be claimed on Form IT-QPJ. For more information, refer to O.C.G.A. § 48-7-40.31 and Revenue Regulation 560-7-8-.58.

138 **Postproduction Film Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, postproduction companies that have at least $500,000 in qualified postproduction expenditures may claim this tax credit if they have received preapproval from the Department. Postproduction companies must request certification and preapproval electronically from the Department through the Georgia Tax Center. The aggregate amount of tax credits allowed is $10 million per tax year through 2022; and the maximum credit allowed for any postproduction company and its affiliates that are postproduction companies is $2 million. Any excess credit may be used to offset the postproduction company's withholding taxes; and the credit may be sold by the postproduction company to a Georgia taxpayer. For more information, refer to O.C.G.A. § 48-7-40.26A and Revenue Regulation 560-7-8-.59.

139 **Small Postproduction Film Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, small postproduction companies that have at least $100,000 but less than $500,000 in qualified postproduction expenditures may claim this tax credit if they have received preapproval from the Department. Small postproduction companies must request certification and preapproval electronically from the Department through the Georgia Tax Center. The aggregate amount of tax credits allowed is $1 million per tax year through 2022. Any excess credit may be used to offset the small postproduction company's withholding taxes; and the credit may be sold by the small postproduction company to a Georgia taxpayer. For more information, refer to O.C.G.A. § 48-7-40.26A and Revenue Regulation 560-7-8-.59.

140 **Qualified Education Donation Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, this credit is allowed on a first come first served basis. The aggregate amount of the tax credit allowed to all taxpayers cannot exceed $5 million per tax year through 2023. The taxpayer must add back to Georgia taxable income that part of any federal charitable contribution deduction taken on a federal return for which a credit is allowed. Taxpayers must request preapproval electronically from the Department through the Georgia Tax Center. For more information, refer to O.C.G.A. § 48-7-29.21 and Revenue Regulation 560-7-8-.60.

141 **Musical Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, a production company that meets or exceeds $500,000 in qualified production expenditures in a taxable year for a musical or theatrical performance; or $250,000 in qualified production expenditures in a taxable year for a recorded musical perfor-

mance which is incorporated into or synchronized with a movie, television, or interactive entertainment production; or $100,000 in qualified production expenditures in a taxable year for any other recorded musical performance may claim this tax credit if they have received a pre-certification from the Department of Economic Development and preapproval from the Department. Production companies must request preapproval electronically from the Department through the Georgia Tax Center. The aggregate amount of tax credits allowed is: for taxable years beginning on or after January 1, 2018 and before January 1, 2019, $5 million, and the maximum credit amount allowed for any production company and its affiliates that are production companies shall not exceed $1 million; for taxable years beginning on or after January 1, 2019 and before January 1, 2020, $10 million, and the maximum credit amount allowed for any production company and its affiliates that are production companies shall not exceed $2 million; for taxable years beginning on or after January 1, 2020 and before January 1, 2023, $15 million, and the maximum credit amount allowed for any production company and its affiliates that are production companies shall not exceed $3 million. Any excess credit may be used to offset the production company's withholding taxes. For more information, refer to O.C.G.A. § 48-7-40.33 and Revenue Regulation 560-7-8-.61.

142 **Rural Zone Tax Credits.** Effective for taxable years beginning on or after January 1, 2018, certified entities and eligible businesses that have received certification from the Department of Community Affairs may claim this tax credit. Standards set by the Department of Community Affairs must be met. This credit will be repealed on December 31, 2027. For more information, refer to O.C.G.A. § 48-7-40.32 and Revenue Regulation 560-7-8-.62.

143 **Agribusiness and Rural Jobs Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, a rural investor that has made a capital investment in a rural fund and has received certification from the Department of Community Affairs may claim this tax credit. Standards set by the Department of Community Affairs must be met. For more information, refer to O.C.G.A. § 33-1-25 and Revenue Regulation 560-7-8-.63.

144 **Post-Consumer Waste Materials Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, a qualified employer, taxpayer that operates a facility in Georgia that recycles post-consumer waste materials into polyester bulk continuous filament fibers, may claim this tax credit. The credit may be used to offset the qualified employer's withholding taxes. For more information, refer to O.C.G.A. § 48-7-40.35.

145 **Timber Tax Credit.** This is a refundable income tax credit for taxpayers that suffered damage due to Hurricane Michael during 2018. Taxpayers must request preapproval electronically from the Department through the Georgia Tax Center during specific dates. The aggregate amount of tax credits allowed is $200 million. In the case of a partnership or S Corporation, the owners claim the refundable portion instead of the partnership or S Corporation. The credit can be sold to a Georgia taxpayer as provided in the regulation, the credit is not refundable for the purchaser of the timber tax credit. For more information, refer to O.C.G.A. § 48-7-40.36 and Revenue Regulation 560-7-8-.65.

146 **Railroad Track Maintenance Tax Credit.** Effective for taxable years beginning on or after January 1, 2019 and ending on or before December 31, 2026, a Class III railroad must request preapproval electronically from the Department through the Georgia Tax Center for this credit. The credit can be sold to a Georgia taxpayer as provided in the regulation. For more information, refer to O.C.G.A. § 48-7-40.34 and Revenue Regulation 560-7-8-.64.

147 **Personal Protective Equipment Manufacturer JobsTax Credit.** Effective for taxable years beginning on and after January 1, 2020 and if certain requirements are met, a personal protective equipment manufacturer that qualifies for and claims the jobs tax credit under O.C.G.A. § 48-7-40 or O.C.G.A. § 48-7-40.1, may claim an additional job tax credit of $1,250 per job for jobs engaged in the qualifying activity of manufacturing personal protective equipment. The credit may be used to offset 100 percent of the taxpayer's 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. To claim the credit against withholding, a taxpayer must file Form IT-WH timely. No credit shall be claimed and allowed for jobs created on or after January 1, 2025. No taxpayer shall be eligible for this tax credit for any job for which the taxpayer claims the tax credit provided for under O.C.G.A. § 48-7-40.1B. For more information reference O.C.G.A. § 48-7-40.1A and Revenue Regulation 560-7-8-.66.

148 **Life Sciences Manufacturing Job Tax Credit.** For taxable years beginning on and after January 1, 2021 and if certain requirements are met, a medical equipment and supplies manufacturer or pharmaceutical and medicine manufacturer that qualifies for and claims the jobs tax credit under O.C.G.A. § 48-7-40 or O.C.G.A. § 48-7-40.1 may claim an additional job tax credit of $1,250 per job for jobs engaged in the qualifying activity of manufacturing medical equipment or supplies or manufacturing pharmaceuticals or medicine. The credit may be used to offset 100 percent of the taxpayer's 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. To claim this credit against withholding, a taxpayer must file Form IT-WH timely. No taxpayer shall be eligible for this tax credit for any job for which the taxpayer claims the tax credit provided for under Code Section 48-7-40.1A, or for any job created pursuant to Code Section 48-7-40 or 48-7-40.1 prior to July 1, 2021. For more information reference O.C.G.A. § 48-7-40.1B and Revenue Regulation 560-7-8-.67.