

Business Incentives

GEORGIA
HAS THE MOST
EXTENSIVE
RAIL SYSTEM
IN THE SOUTHEAST

ATLANTA
HAS THE BUSIEST
MOST EFFICIENT
PASSENGER AIRPORT
IN THE WORLD

SAVANNAH'S
PORT IS THE
FASTEST
GROWING
IN AMERICA

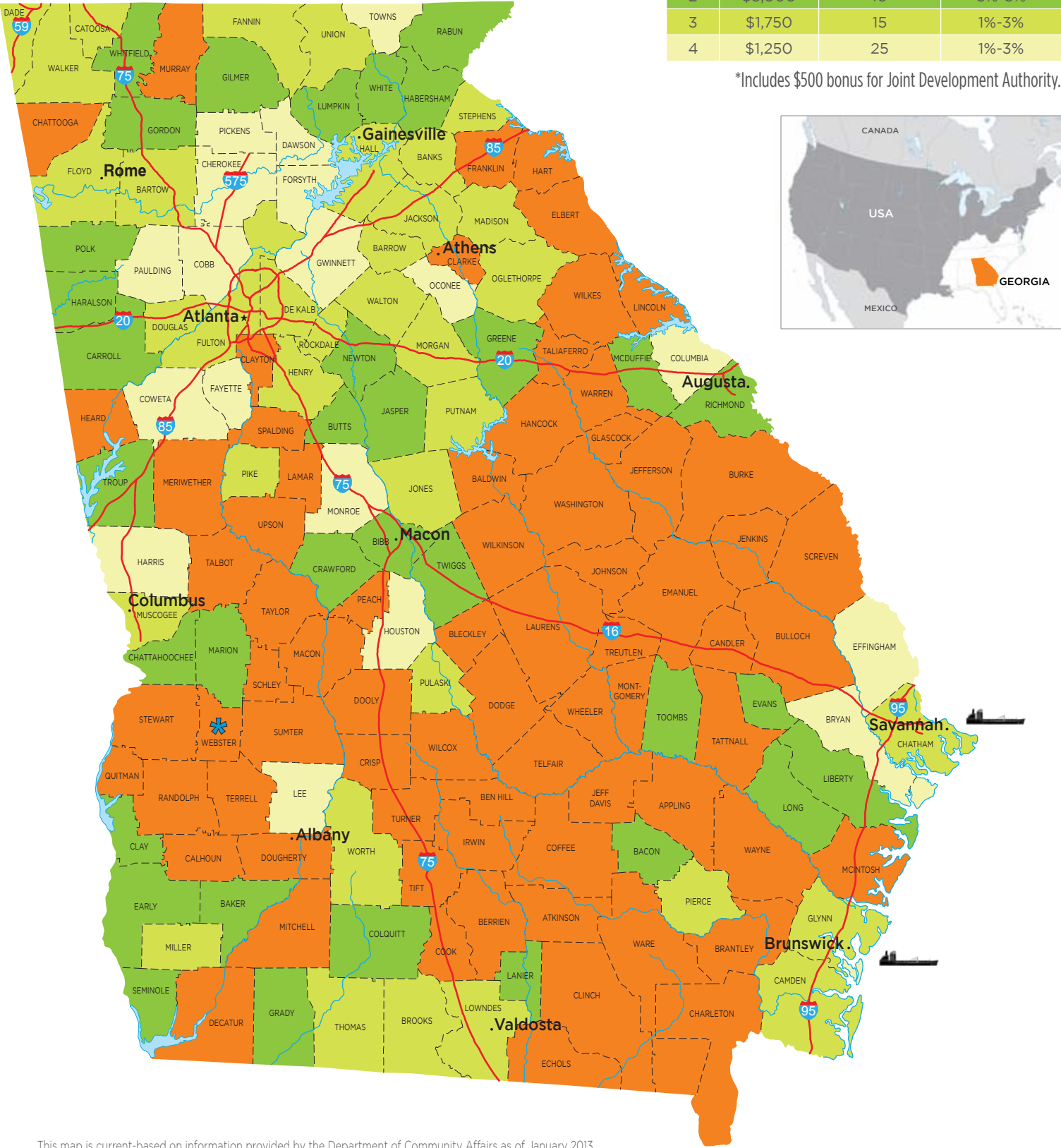
We **SPEAK** **Business**



Georgia 2013 Job Tax Credit Tiers

TIER	JOB TAX CREDITS*	MINIMUM # OF NEW JOBS	INVESTMENT CREDITS
1	\$4,000	2	5%-8%
2	\$3,000	10	3%-5%
3	\$1,750	15	1%-3%
4	\$1,250	25	1%-3%

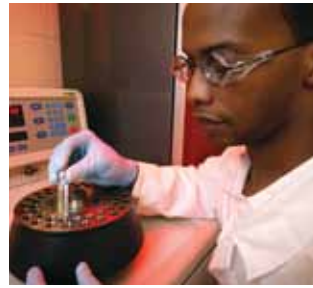
*Includes \$500 bonus for Joint Development Authority.



This map is current-based on information provided by the Department of Community Affairs as of January 2013.

= Georgia port.

Represents a county that is not a member of a joint development authority (JDA) and thus does not qualify for the \$500 JDA bonus. Job tax credit amounts for these counties are \$500 less than indicated on the chart above.



Georgia Department Of Economic Development

OVERVIEW

The Georgia Department of Economic Development (GDEcD) is the state's lead agency for attracting new business investment, assisting with the expansion of existing industry and small businesses, developing new domestic and international markets, attracting tourists, and promoting the state as a location for film, video, music, digital entertainment, and the arts.

Global Commerce

The Global Commerce division assists businesses with an interest in growing or locating in the state by coordinating a variety of services that include site location, employee training, market research and export assistance, and consultation.

Statewide Project Management and Existing Industry and Regional Recruitment teams are available to assist companies seeking to locate in Georgia with the items mentioned above, along with tax incentives and credits suitable for their industry or business. The Statewide Project Managers are divided by industry specialty and offer knowledge within their sectors.

Existing Industry And Regional Recruitment

The Existing Industry and Regional Recruitment Team works with Georgia's existing companies to help those businesses take advantage of growth opportunities. By meeting with company officials on site, GDEcD's Existing Industry Team can better understand a company's needs and match those needs with resources and programs to help them grow and expand in Georgia.

Georgia continues to attract successful companies due to a pro-business environment, a talented workforce, world-class infrastructure and unparalleled access to the world market. State-level, performance-based assistance packages, along with incentives offered by local municipalities and counties, help new and expanding ventures get the good start needed for their future success.

Key Industries:

- Aerospace
- Agribusiness
- Arts
- Automotive
- Contact Centers
- Data Centers
- Defense
- Energy and Environment
- Film, Music and Digital Entertainment
- Financial Services
- Food Processing
- Headquarters
- Information Technology (IT)
- International Trade
- Life Sciences
- Logistics and Transportation
- Manufacturing
- Tourism







GEORGIA BUSINESS INCENTIVES

Georgia Taxes

Single Factor Apportionment

In 2005, Georgia became the first state in the Southeast to adopt a “Single Factor Gross Receipts” apportionment formula. This apportionment formula treats a company’s gross receipts (or sales) in Georgia as the only relevant factor in determining the portion of that company’s income subject to Georgia’s six percent corporate income tax. Georgia is one of only 13 states exclusively using Single Factor Apportionment. Most states still use a traditional apportionment formula in which a company’s in-state property and payroll factor into the calculation of a company’s corporate income tax. Single Factor Apportionment significantly reduces the effective rate of Georgia income taxation of companies with substantial sales to customers outside Georgia. In addition, Georgia does not use the so-called “Throw Back Rule,” which many states use to tax income from sales of goods or services to out-of-state customers if the customer’s state does not already tax that income.

Example: Assume for the 2012 tax year, In-state Manufacturing Co., Inc., has the following total overall taxable income and gross receipt sales in Georgia as compared to total gross receipts:

Taxable Income: \$10 million

Percent of Gross Receipts in Georgia: 5 percent

Accordingly, in 2012, only \$500,000 of In-state Manufacturing Co., Inc.’s, income would be subject to Georgia’s six percent corporate income tax, making its corporate income tax liability \$30,000.
 $[(\$10 \text{ million} \times 5\%) \times 6\%]$



To many companies, Georgia’s single factor apportionment formula could mean savings of hundreds of thousands or even millions of dollars over the long term.

Corporate Tax Credits

Georgia offers a range of corporate tax credits that enable companies to minimize or completely eliminate state corporate income taxes which, at six percent, are already among the lowest in the nation.

Credits include:

- Job Tax Credit
- Port Tax Credit Bonus
- Quality Jobs Tax Credit
- Research & Development Tax Credit
- Mega Project Tax Credit
- Georgia Film, Television and Interactive Entertainment Tax Credit
- Child Care Tax Credit
- Work Opportunity Tax Credit Program (WOTC)

For some of the credits, the amounts are dependent on the “tier status” of the community. **Tier status refers to an annual four-tier ranking of the economic vitality of Georgia’s counties.** The highest credits are offered in the counties with the greatest need (**Tier 1 and 2 counties**), while the most prosperous counties (**Tier 3 and 4 counties**) offer lesser amounts. The tier map can be found on page two.

more than
700,000 INCORPORATED
 BUSINESSES

Job Tax Credit

Companies may qualify for Georgia's Job Tax Credit program if they or their headquarters are engaged in strategic industries such as manufacturing, including, but not limited to, manufacturing alternative energy products for use in solar, wind, battery, bioenergy, biofuel, and electric vehicle enterprises, warehousing & distribution, processing, telecommunications, broadcasting, tourism, research and development industries, biomedical manufacturing, and services for the elderly and persons with disabilities. Depending on the community's tier, companies must create between two and 25 net new full-time jobs in a 12-month period to qualify. Credits may also be accrued for additional jobs created in years two through five.

Jobs created outside of year five may not be claimed unless a new threshold for job creation (year one) is met. Qualified companies can claim a tax credit with a value of \$1,250 – \$4,000 per job, per year, beginning with the first taxable year in which the new job is created and for the following four years the job is maintained.

Companies that create five or more jobs in a Less Developed Census Tract (LDCT) receive Tier 1 tax credits. Opportunity Zones (OZ), Military Zones (MZ), as well as Georgia's 40 least developed counties, offer job tax credits to businesses of any nature, including retail businesses that create at least two new jobs. The credit value for each county is indicated on the tax credit map on page two and payroll withholding benefits are described below.

Credits may be taken against 100 percent of state corporate income tax liability in **Tier 1 and 2** counties, or against 50 percent of state corporate income tax liability in **Tier 3 and 4** counties. Credits that are claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which qualified jobs were established. Additionally, in **Tier 1** counties, excess credits may be credited to Georgia payroll withholding taxes (with a limitation of \$3,500 per job, per year).

Job Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40 and rules published by the Georgia Department of Community Affairs in Chapter 110-9-1.

TIER	JOB TAX CREDIT \$	MIN. NEW JOBS	USE OF CREDITS	CARRY FORWARD
1	\$4,000*	2	100% of tax liability - excess to withholding tax up to \$3,500	10 years
2	\$3,000*	10	100% of tax liability	10 years
3	\$1,750*	15	50% of tax liability	10 years
4	\$1,250*	25	50% of tax liability	10 years
MZ/OZ	\$3,500	2	100% of tax liability - excess to withholding	10 years
LDCT	\$3,500	5	100% of tax liability - excess to withholding	10 years

* Includes \$500 bonus for Joint Development Authority (JDA). Georgia counties can form partnerships that benefit companies with this \$500 Job Tax Credit bonus. There is currently only one county in Georgia that does not participate in a JDA. Therefore, the Job Tax Credit in Webster County, a Tier 1 county, is \$3,500.

Example: Taxpayer creates 50 jobs in a **Tier 1** county offering a \$4,000 credit, receives \$1 million in tax credits over five years to reduce or eliminate Georgia income tax [50 jobs x \$4,000 x 5 years = \$1 million].



Port Tax Credit Bonus

The Port Tax Credit Bonus is available to taxpayers who qualify for the Jobs Tax Credit or the Investment Tax Credit, and increase imports or exports through a Georgia port by 10 percent over the previous or base year. Base year port traffic must be at least 75 net tons, five containers or 10 TEUs (twenty-foot equivalent units); if not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEUs as the base. The Port Tax Credit bonus can be used with either the Job or the Investment Tax Credit program, provided that the company meets the requirements for one of those programs. Port Tax Credits may be used to offset up to 50 percent of the company's corporate income tax liability. Unused credits may be carried forward for 10 years, provided that the increase in port traffic remains above the minimum level and that the company continues to meet the job or investment tax credit requirements. Note that the Port Tax Credit Bonus cannot be utilized with the Quality Jobs Tax Credit. *The Georgia Ports are indicated on the Tier Map found on page two.*

Port Tax Credit Bonus for JOB Tax Credits

This "port bonus" is an additional \$1,250 per job credit for taxpayers with qualified increases in shipments through a Georgia port. The \$1,250 is added to the Job Tax Credit.

Example: Taxpayer that creates 50 jobs in a **Tier 1** county and increases its port traffic by at least 10 percent is eligible to receive the port bonus. Taxpayer is eligible for \$1,312,500 in tax credits spread over five years to reduce or eliminate Georgia income tax: $[50 \text{ jobs} \times (\$4,000 \text{ job tax credit} + \$1,250 \text{ port tax credit bonus}) \times 5 \text{ years}] = \$1,312,500$.

Port Tax Credit Bonus for INVESTMENT Tax Credit

This "port bonus" increases the Investment Tax Credit to the equivalent of a **Tier 1** location regardless of the tier level. The port bonus would therefore be equal to five percent of the qualified investment in expenses directly related to manufacturing or providing telecommunication services with the credit increasing to eight percent for recycling, pollution control and defense conversion. *See page 14 for additional information on Investment Tax Credits.*

Example: Taxpayer qualifies for a port bonus in a **Tier 4** county, invests \$100 million in a manufacturing plant plus \$25 million in recycling equipment. Taxpayer is eligible for a \$7 million investment tax credit to reduce or eliminate Georgia income tax: $[\$100 \text{ million} \times 5\%] + [\$25 \text{ million} \times 8\%] = \7 million .

Port Tax Bonus Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.15.



Quality Jobs Tax Credit

Companies that create at least 50 jobs in a 12-month period where each job pays wages at least 110 percent of the county average are eligible to receive a tax credit of \$2,500 to \$5,000 per job, per year, for up to five years, based on the scaled system below. New quality jobs created within seven years can qualify for the credit. Credits may be used to offset the company's state payroll withholding once all other tax liability has been exhausted, and may be carried forward for 10 years. New jobs that do not meet the requirements for the Quality Jobs Tax credit may count toward the Jobs Tax Credit Program if they meet the eligibility requirements for that program separately.

For Current Average County Wages, visit <http://explorer.dol.state.ga.us/mis/Current/ewcurrent.pdf>.

AVERAGE WAGE REQUIREMENT (% of county average)	CREDIT VALUE PER NEW QUALITY JOB
≥110% and <120%	\$2,500
≥120% and <150%	\$3,000
≥150% and <175%	\$4,000
≥175% and <200%	\$4,500
200% or greater	\$5,000

Quality Job Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.17 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.51.

Research & Development Tax Credit

Georgia offers an incentive to new and existing business entities performing qualified research and development in Georgia. Qualified research expenses are defined in Section 41 of the Internal Revenue Code of 1986, as amended, except that all wages paid and all purchases of services and supplies must be for research conducted within the state of Georgia. Companies may claim a 10 percent tax credit of increased R&D expenses subject to a base amount calculation.

The base amount = Current Year Georgia Gross Receipts x [(the average of the ratios of the company's qualified Georgia research expenses to Georgia gross receipts for the preceding three taxable years) OR 0.300, whichever is less]. For new Georgia companies or for companies with no prior R&D expenditures in Georgia, the base amount is 30 percent of the current year's Georgia gross receipts.

The credit is determined by taking the current year's qualified R&D expenses, subtracting the base amount,

and multiplying by 10 percent. The R&D credit is applied to 50 percent of the company's net Georgia income tax liability after all other credits have been applied. Any excess R&D credits can then be applied to the company's state payroll withholding. Any unused credits can be carried forward for up to 10 years from the close of the taxable year in which the qualified research expenses were made.

Research and Development Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.12.

Mega Project Tax Credit

Companies that hire at least 1,800 net new employees, AND either [invest a minimum of \$450 million OR have a minimum annual payroll of \$150 million] may claim a \$5,250 per job, per year tax credit for the first five years of each net new job position. Companies must create the required 1,800 jobs by the close of the sixth taxable year following the withholding start date. However, if a company has invested at least \$600 million in qualified investment property by year six, the company will have two additional years (until year eight) to meet the job creation requirement. If a company has invested at least \$800 million in qualified investment property by year eight, the company will have two additional years (until year ten) to meet the job creation requirement. Credits are first applied to state corporate income tax liability, with excess credits eligible for use against state payroll withholding. Credits may be carried forward for 10 years. A maximum of 4,500 new jobs created by any one project may be eligible to receive these credits. If the required 1,800 new jobs are not maintained, the company may be subject to recapture provisions.

Example: A taxpayer creates 2,000 new jobs and invests \$500 million in a new facility and equipment. The taxpayer will be eligible to receive \$52.5 million in tax credits over five years to reduce or eliminate Georgia income tax, with any excess credits eligible for use against state payroll withholding. [2,000 jobs x \$5,250 credits/job x 5 years = \$52.5 million].

Mega Project Tax Credits are subject to detailed program requirements as outlined in O.C.G.A. § 48-7-40.24.

Georgia Film, Television and Interactive Entertainment Tax Credit

The Georgia Entertainment Industry Investment Act offers an across-the-board flat tax credit of 20 percent based on a minimum investment of \$500,000 on qualified productions in Georgia. The \$500,000 minimum expenditure threshold can be met with one or the total of multiple projects aggregated. An additional 10 percent uplift can be earned by including an imbedded, animated Georgia logo and web link on

the project's promotional webpage, or through approved alternatives if they offer equal or greater marketing opportunities for the state. Qualified expenditures include materials, services and labor.

Eligible productions include feature films; television movies, pilots or series; commercials; music videos; and certain interactive entertainment projects including types of animation, special effects and video game development. Beginning January 1, 2013, interactive entertainment companies will be eligible for this credit only if their gross income is less than \$100 million and the maximum credit for any qualified interactive entertainment production company and its affiliates will be \$5 million. The total credits available for interactive entertainment production companies and their affiliates will be capped at \$25 million and will be awarded on a first come, first served basis.

This income tax credit may be used against Georgia income tax liability or the company's Georgia payroll withholding. If the production company chooses, they may make a one-time sale or transfer of the tax credit to one or more Georgia taxpayers.

Film, Television, and Interactive Entertainment Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.26.

Child Care Tax Credits

Employers who purchase or build qualified child care facilities are eligible to receive Georgia income tax credits equal to 100 percent of the cost of construction. The credit for the cost of construction is spread over 10 years [10 percent each year]. Unused child care credits from the purchase or construction of a child care facility can be carried forward for three years. The child care facility must be licensed by the state.

Employers who provide or sponsor child care for employees are eligible for a credit against Georgia income tax equal to 75 percent of the employer's direct

costs. Credits that are related to the operating cost of the facility may be carried forward for five years.

All child care credits can be used against 50 percent of the taxpayer's income tax liability in a given year.

Child Care Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.6 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.38.

Work Opportunity Tax Credit Program (WOTC)

The Georgia Department of Labor (GDOL) coordinates the federal Work Opportunity Tax Credit Program. The WOTC program is a federal tax credit incentive that the U.S. Congress provides to private-sector businesses for hiring individuals from nine target groups who have consistently faced significant barriers to employment. Among others, target groups include unemployed veterans, certain TANF (Temporary Assistance for Needy Families) and food stamp recipients, and certain residents of an Empowerment Zone (EZ) or Rural Renewal County (RRC). Participating companies are compensated by being able to reduce their federal income tax liability with a tax credit between \$1,200 to \$9,000 per qualified employee, depending on the target group. The most frequently certified WOTC is \$2,400 for each adult new hire. An employer must request and receive certification from the Georgia Department of Labor that the new hire is a member of at least one of the nine WOTC target groups before the employer can claim the WOTC on its federal income tax return. Although veterans are the only target group currently approved to receive these credits, Congress may extend the credits to the other eight target groups, so employers are encouraged to submit the required paperwork for all new hires in any of the nine target groups to Georgia's WOTC Coordinator no later than 28 calendar days after the new hire begins work.

www.dol.state.ga.us/em/learn_about_tax_credits_and_incentives.htm



Tax Exemptions

Sales and Use Tax Exemption

Georgia helps companies lower their cost of doing business by offering the ability to purchase various types of goods and services tax free. These sales tax exemptions are defined in O.C.G.A. § 48-8-3 and several key exemptions are outlined in the table below.

Exemption	Description
Manufacturing Machinery and Equipment	Manufacturing machinery and equipment that is integral and necessary to the manufacturing process and used in a manufacturing facility located in this state is exempt from sales tax. Qualifying machinery or equipment must be purchased for a new manufacturing facility, as replacement machinery in an existing manufacturing facility, or for the upgrade or expansion of an existing manufacturing facility. [Ga. Comp. R. & Regs. 560-12-2-.62]
Repair to Industrial Machinery	The sale or use of repair or replacement parts, machinery clothing, molds, dies, waxes or tooling for machinery that is necessary and integral to the manufacture of tangible personal property in an existing manufacturing plant is exempt from taxation.
Raw Materials and Packaging	Materials used for further processing, manufacture, or conversion into components of a finished product; materials coated upon or impregnated into a product being manufactured for sale; and non-reusable materials used to package products for sale or shipment may be purchased tax-free.
Energy Used in Manufacturing (New starting in 2013!)	The sale, use, storage, or consumption of energy that is necessary and integral to the manufacture of tangible personal property at a manufacturing plant in this state shall be exempt from all sales and use taxation except for the sales and use tax for educational purposes. This includes energy used directly or indirectly in a manufacturing facility. The exemption will be implemented over four years, with 25 percent phased-in each year beginning on January 1, 2013, and reaching 100 percent on January 1, 2016.
Primary Material Handling Equipment	Machinery and equipment used to handle, move, or store tangible personal property in a new or expanded distribution or warehouse facility where the total purchase or expansion is valued at \$5 million or more is exempt. The distribution or warehouse facility may not have retail sales equal to or greater than 15 percent of the facility's total revenues. [Ga. Comp. R. & Regs. 560-12-2-.103]
Pollution Control Equipment	Machinery and equipment used for the primary purpose of reducing or eliminating air and water pollution is exempt.
Computer Hardware and Software for High Technology Companies	The sale of certain computer equipment is exempt when the total qualifying purchases by a High Technology Company in a calendar year exceed \$15 million. A High Technology Company must be classified under certain relevant North American Industry Classification system codes. [GA. Comp. R. & Regs. 560-12-2-107]
Clean Room Equipment	Machinery and equipment and materials used in the construction or operation of a clean room of Class 100 or less when the clean room is used directly in the manufacture of tangible personal property is exempt.
Water Costs	The sale of water delivered through mains, lines, or pipes is specifically exempt.
Telecommunications Services	In-state calls are taxed. Interstate calls are exempt.

Inventory Tax Exemption

Business inventory is exempt from state property taxes (0.25 mills). More than sixty percent of Georgia counties and cities have also adopted a Level One Freeport Exemption, set at 20, 40, 60, 80 or 100 percent of the inventory value. A Level One Freeport Exemption may exempt the following types of tangible personal property:

- Inventory of goods in the process of being manufactured or produced including raw materials and partly finished goods
- Inventory of finished goods manufactured or produced in Georgia held by the manufacturer or producer for a period not to exceed 12 months
- Inventory of finished goods on January 1 that are stored in a warehouse, dock, or wharf that are destined for shipment outside of Georgia for a period not to exceed 12 months

Local governments can expand the Freeport Exemption and authorize a call for a referendum to approve the creation of a Level Two Freeport Exemption, which would exempt from local property tax any business inventory or real property not covered in the Level One Freeport Exemption, including retail inventory. Like the Level One Exemption, counties and municipalities may choose to implement a Level Two Freeport Exemption at the 20, 40, 60, 80 or 100 percent level.

Other Incentives

Foreign-Trade Zone (FTZ)

Georgia is home to multiple FTZ sites and is a recognized leader in working with companies to facilitate use of the program. Importing and exporting are central to many businesses' success, and the program streamlines those activities and lowers costs. The FTZ program allows qualified companies to defer, decrease, or eliminate duties on materials imported from overseas that are used in products assembled in Georgia. Whether a company's needs are best served by locating in one of Georgia's industrial parks with FTZ designation, or applying for FTZ designation of an individual facility located elsewhere in Georgia, GDEcD can provide the right contacts to assist with the process.

One-Stop Environmental Permitting

Georgia is one of a handful of states whose environmental permitting program is consolidated with the U.S. Environmental Protection Agency (EPA) for the issuance of federal permits; a one-stop process that provides a faster turnaround than in most other states. The director of the Environmental Protection

Division (EPD) of the Georgia Department of Natural Resources is authorized to grant all permits provided for by EPD-enforced laws. Major regulatory programs currently assigned to EPD include air quality control, water quality control and withdrawal, hazardous waste management, solid waste management and wastewater land application. The EPA allows the Georgia EPD to issue permits under the Federal Clean Water, Clean Air and Safe Drinking Water Acts. Georgia's one-stop permitting reduces government red tape and enables companies to acquire required permits more quickly.

Hiring, Training and Education

Hiring Assistance

Georgia's Department of Labor (GDOL) assists companies in recruitment by posting job notices, collecting and screening applications and/or résumés, providing interview space, scheduling interviews and hosting job fairs. GDOL will work with private employment agencies that list jobs with the state.

Quick Start Employee Training

The number-one workforce training program in the country, Quick Start, develops and delivers fully customized, strategic workforce solutions for qualified companies investing in Georgia. Quick Start helps companies assess, select and train the right people at the right time for success. Services are provided free of charge as a discretionary incentive for job creation for clients opening or expanding manufacturing operations, distribution centers, headquarters operations and customer contact centers in a broad range of industries. Services include:

- Strategic workforce consultation – Quick Start's training professionals work with company subject-matter experts to guarantee training meets business goals.
- Pre-employment assessment – Helps companies assess candidates according to their own defined criteria and preview their skills.
- Customized post-employment and job-specific training – From fundamental knowledge to supervised on-the-job training on a company's own technology and processes, Quick Start prepares employees for maximum effectiveness and efficiency.
- Leadership and productivity enhancement training – Businesses maintain competitiveness and emphasize continuous improvement for all team members with Quick Start's guidance.

www.GeorgiaQuickStart.org

Go Build Georgia

Go Build Georgia is designed to educate young people and the public at large about the wage, lifestyle and employment benefits in skilled labor trades, dispel misconceptions about the skilled trade industry and inspire them to consider building a career as a skilled tradesman. Through this public awareness effort, Go Build Georgia aims to provide better opportunities for craft tradesmen, more highly skilled employees for businesses and enhanced economic development for Georgia and the nation.

www.gobuildgeorgia.com

Retraining Tax Credit

A company's direct investment in training can be claimed as a tax credit. The credit is available to all Georgia businesses that file a Georgia income tax return. The credit is calculated at 50 percent of the employer's direct costs of retraining full-time employees, up to \$500 per employee per approved retraining program per year. For employees who have successfully completed more than one approved retraining program, the total amount of credit cannot exceed \$1,250 per employee per year. Training programs must be approved by the Technical College System of Georgia. The retraining program must be for quality and productivity enhancements and certain software technologies. This tax credit can be used to offset up to 50 percent of a company's state corporate income tax liability for a tax year. Unused credits can be carried forward for 10 years. These credits can be combined with other tax credits.

Retraining Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.5. For a detailed guide on these credits, visit

www.georgiaquickstart.org/econdev/retrain.html.

HOPE Scholarship and Grant

HOPE — Helping Outstanding Pupils Educationally — is Georgia's unique scholarship and grant program that rewards students with financial assistance in degree, diploma, and certificate programs at eligible Georgia public and private colleges and universities, and public technical colleges. The HOPE Grant provides tuition assistance to Georgia residents seeking a technical degree or certificate at one of Georgia's technical colleges, regardless of the student's high school grade point average or graduation date. These programs can be advantageous to relocating families with children, and for companies training employees through local technical colleges.

University System of Georgia Economic Development

The Board of Regents of the University System of Georgia created an Office of Economic Development in 1995. The System's Economic Development staff, working with a team of economic development leaders from each campus, bridges the intellectual resources of Georgia's 31 public college and universities to the Georgia Department of Economic Development and the state's business community in innovative ways. Georgia businesses can connect with college-educated talent, the latest research and business and operations advice.

www.usg.edu/economic_development

Assistance For Small Businesses And Entrepreneurs

Small businesses can qualify for many of the programs outlined in this brochure. In addition, Georgia offers several programs specifically designed to meet the needs of small businesses and entrepreneurs.

Angel Investor Tax Credit

Georgia now offers an income tax credit for qualified investors who invest in certain qualified businesses in Georgia in calendar years 2011, 2012 and 2013. The credit is claimed two years later, in 2013, 2014 and 2015, respectively. The credit is 35 percent of the investment with an individual investor cap of \$50,000 per year. The aggregate annual cap for this program is \$10 million. The qualified investor must get approval from the Georgia Department of Revenue before claiming the credit.

Angel Investor Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.30 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.52.

Small Business Tax Relief

Georgia allows for faster depreciation on equipment deduction, in which businesses can choose to claim the expense in year one as opposed to over several years.

Entrepreneur and Small Business Loan (ESB) Guarantee Program

In partnership with the OneGeorgia Authority, the state can provide loan guarantees to spur entrepreneurial growth in specified rural communities throughout Georgia. The guarantee amounts can range between \$35,000 and \$250,000, can be used for hard assets or for start-up and working capital, and require a 10 percent cash equity injection by the borrower.

www.onegeorgia.org/programs/esb



Assistance For Georgia's Existing Industries

Existing Georgia firms may qualify for many of the programs outlined in this brochure and can also take advantage of several unique programs.

Investment Tax Credit

Existing Georgia companies that have operated a manufacturing or telecommunications facility or manufacturing or telecommunications support facility in Georgia for at least three years, and that make a minimum \$50,000 additional qualified capital investment in a new or existing manufacturing or telecommunications facility, may claim from one to five percent (depending on tier status) of the new investment as a tax credit. Qualified investment expenses include, but are not limited to, amounts expended on land acquisition, improvements, buildings, building improvements, and machinery and equipment to be used in the manufacturing or telecommunications facility. Higher credits (three to eight percent, depending on tier status) are available for investments in recycling or pollution control equipment and for defense plant manufacturing conversion to a new product. The duration of a project shall not exceed three years unless expressly approved in writing by the Commissioner of the Georgia Department of Revenue. This credit may be applied against 50 percent of state corporate income tax liability and carried forward for 10 years. To be eligible to receive the credits, a taxpayer must submit a written application to the Georgia Department of Revenue requesting approval of the project plan within thirty (30) days of the completion of the project. Taxpayers may claim only one of the job, investment, or optional investment credits for a given project.

TIER	INVESTMENT CREDITS	MINIMUM INVESTMENT	LIMITS OF CREDITS	CARRY FORWARD
1	5%-8%*	\$50,000	50% of tax liability	10 years
2	3%-5%*	\$50,000	50% of tax liability	10 years
3	1%-3%*	\$50,000	50% of tax liability	10 years
4	1%-3%*	\$50,000	50% of tax liability	10 years

*Recycle, Defense Conversion, Pollution Control

Example: Taxpayer in a **Tier 1** county invests \$100 million in a manufacturing plant plus \$25 million in recycling equipment. Taxpayer is eligible for a \$7 million tax credit to reduce or eliminate Georgia corporate income tax. $[\$100 \text{ million} \times 5\%] + [\$25 \text{ million} \times 8\%] = \7 million .

Investment Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.2, 48-7-40.3, and 48-7-40.4 and in rules published by the Georgia Department of Revenue in regulation 560-7-8-.37.

Optional Investment Tax Credits

Optional Investment Tax Credits are available to taxpayers that qualify for investment tax credits, with the minimum investment ranging from \$5 million to \$20 million (depending on tier status). The duration of a project shall not exceed three years unless expressly approved in writing by the Commissioner of the Georgia Department of Revenue. The aggregate credit amount allowed ranges from six percent of the qualifying capital investment in Tier 3 and 4 counties to 10 percent in Tier 1 counties. The annual value of the credit is the lesser of:

- Ninety percent of the excess of the taxpayer's state income tax liability for the applicable year (determined without regard to any credits) over the taxpayer's base year average tax liability, or
- The excess of the taxpayer's aggregate credit amount allowed for the applicable year over the sum of the credits under this section already used by the taxpayer in the years following the base year

The credit may be claimed up to 10 years after the year the property was first placed in service, provided the property remains in service. The optional investment tax credit is a calculated risk. Without large increases each year in income tax liability, the usable tax credit could be very small and possibly zero. To be eligible to receive the credits, a taxpayer must submit a written application to the Georgia Department of Revenue requesting approval of the project plan within thirty (30) days of the completion of the project. Taxpayers may claim only one of the job, investment, or optional investment credits for a given project.

TIER	MINIMUM INVESTMENT	OPTIONAL INVESTMENT CREDITS
1	\$5 MILLION	10%
2	\$10 MILLION	8%
3	\$20 MILLION	6%
4	\$20 MILLION	6%

Optional Investment Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40.7, 48-7-40.8, and 48-7-40.9 and in rules published by the Georgia Department of Revenue in regulation 560-7-8-.40.

Centers of Innovation

The Georgia Centers of Innovation provide connections and innovative solutions to Georgia businesses operating in our six strategic industries. Centers of Innovation in Aerospace, Agribusiness, Energy, Life Sciences & IT, Logistics and Manufacturing provide direct access to university and technical college applied research, commercialization resources, technology connections, matching grant funds, industry networks and key government agencies. Client companies are connected with experts who are on the leading edge of technology and new ideas in their respective industries. Within this framework, the Centers of Innovation create a supportive business environment to help Georgia companies grow, prosper and compete globally.

www.georgiainnovation.org



Aerospace



Agribusiness



Energy



Life Sciences & IT



Logistics



Manufacturing

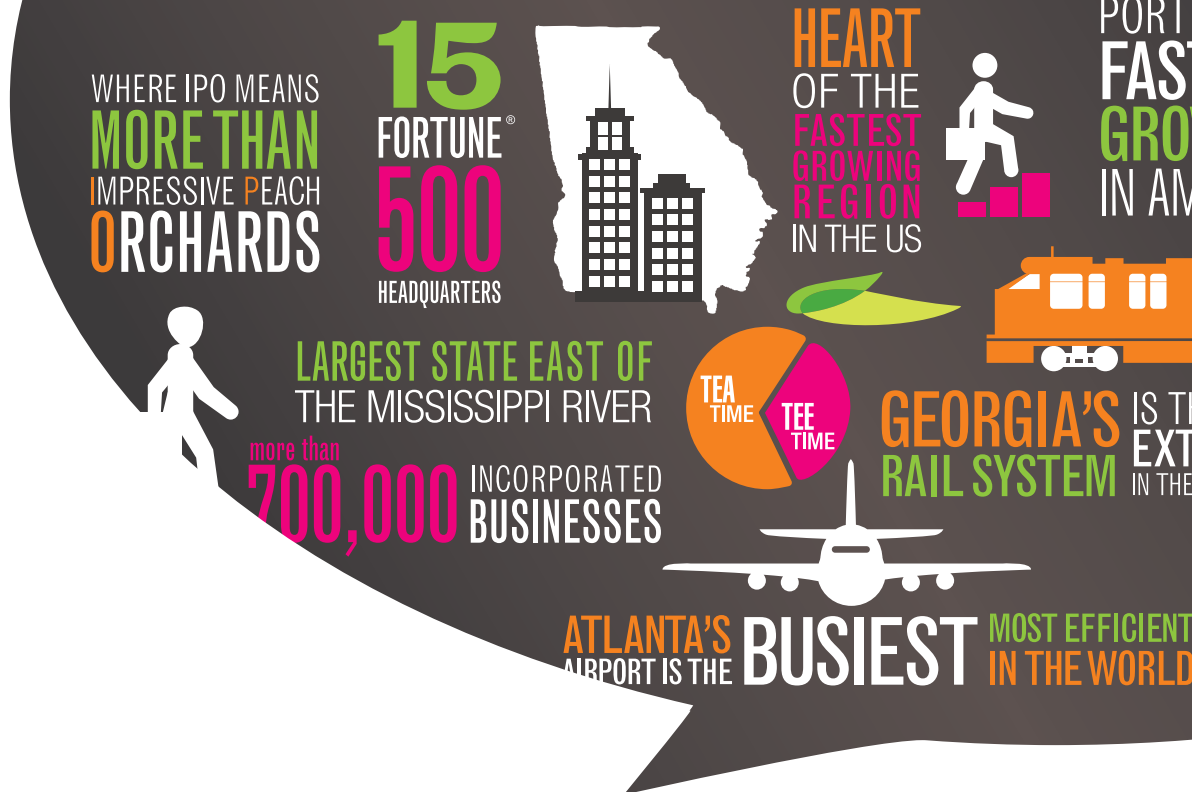


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For further information about any of these programs and others that may assist companies with new or expanded investments in Georgia, please contact:

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“Strategic economic growth in Georgia can be traced back to the state’s vast range of competitive resources that keep Georgia top of mind for businesses here and around the world. From our talented workforce, comprehensive incentives and other business assets, Georgia takes intentional steps to make certain businesses in our state can compete in the global marketplace.”

*Chris Cumiskey, Commissioner
Georgia Department of Economic Development*

We **SPEAK** Business

