

# New Jobs Generate Georgia Tax Credits

Georgia offers a variety of tax credits to reward job creation, encourage job retention and boost the economy in rural areas within the state. Many businesses overlook these significant tax credit and incentive savings that offer monetized tax benefits and reductions. While Georgia's jobs tax credit (JTC) program has been in existence for many years, numerous

companies are still unaware of their qualification and the credits go unused every year. To fully utilize the available programs, companies must evaluate their prior and current hiring activities and understand tax law requirements for eligibility. A summary of the available job tax credits and requirements is below:

Program**	Tax Credit Amount (per New Job)	Minimum Number of New Jobs	Business Industry Requirement	Credit Utilized Against
Regular JTC - Tier 1	\$4,000*	2	No - all businesses eligible	100% of Income Tax and GA Payroll Withholding
Regular JTC - Tier 2	\$3,000*	10	Yes	100% of Income Tax and GA Payroll Withholding
Regular JTC - Tier 3	\$1,750*	15	Yes	50% of Income Tax
Regular JTC - Tier 4	\$1,250*	25	Yes	50% of Income Tax
Mega JTC	\$5,250	1,800 + \$450M investment	Yes - all except retail, but business must be preapproved	100% of Income Tax and GA Payroll Withholding
Quality JTC	\$2,500 - \$5,000 depending on wages paid	50	No - all businesses eligible	100% of Income Tax and GA Payroll Withholding
Opportunity Zone	\$3,500	2	No - all businesses eligible	100% of Income Tax and GA Payroll Withholding
Top 40 County	\$3,500	2	No - all businesses eligible	100% of Income Tax and GA Payroll Withholding
Less Developed Census Tract	\$3,500	5	Yes	100% of Income Tax and GA Payroll Withholding
Military Zone	\$3,500	2	No - all businesses eligible	100% of Income Tax and GA Payroll Withholding
Insurance Company JTC	\$750 - \$3,500 depending on county tier	5-10 depending on county tier	Insurance Company	Tiers 1 and 2 - 100% of premiums tax Tiers 3 and 4 - 50% of premiums tax
Rural Zone JTC	\$2,000	2	Yes	100% of Income Tax

\*Includes a \$500 joint development authority bonus

\*\*All JTCs are available for a period of 5 years

## Programs Overview

- ▶ Regular JTC: Credit for business enterprises that create and retain new full-time jobs in the state. Eligible businesses for the credit include manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, research and development industries, and services for the elderly and persons with disabilities. The number of new jobs and the amount of the credit is based on the county tier for which the facility is located.
- ▶ Mega JTC: Credit for a business establishing at least 1,800 new jobs and make a qualifying investment of at least \$450 million. An application and approval is required in advance for the credit.
- ▶ Quality JTC: Credit for a business establishing or relocating at least 50 new quality jobs in Georgia within a 12 month period. A "new quality job" means employment for an individual with a regular work week of 30 hours or more, is not a job that is or was already located in the state, pays at or above 110% of the average wage of the county in which it is located and has no predetermined end date. Fifty new quality jobs are required and the credit is based on the amount of wages paid in excess of 110% of the average county wage.
- ▶ Opportunity Zone (OZ) JTC: Credit for any business located within a designated OZ in the state.
- ▶ Top 40 County JTC: Credit for any business located within the first 40 least developed counties in the state.
- ▶ Less Developed Census Tract (LDCT): Credit for eligible businesses located within a LDCT.
- ▶ Military Zone JTC: Credit for eligible businesses located within a designated military zone.
- ▶ Insurance Company JTC: Credit for an insurance company or the headquarters of an insurance company. The number of new jobs and the amount of the credit is based on the county tier for which the facility is located.
- ▶ Rural Zone JTC: Credit for businesses expanding within a designated rural underdeveloped area establishing at least two new full-time jobs. Application is required for preapproval.

## Let Us Secure Georgia Tax Credits for Your Business

Cherry Bekaert's Credits and Incentives Team has secured sizable dollars in tax credits for companies that were unaware of their eligibility for such programs. We can perform a feasibility review of your eligibility for tax credits at no cost to you. We have the necessary software tools to determine if an address is located within a designated area or zone and we have a team knowledgeable about credits and business taxation.

### About Cherry Bekaert

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v. 03.14.2024 Brochure\_Tax\_Georgia-Job-Tax-Credit\_813636331

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