



# Investment Tax Credits for Georgia Manufacturers & Telecommunications Companies

Georgia is one of the more business friendly states for business tax credits and incentives. The state continues to help businesses succeed with new legislation for manufacturing and telecommunications businesses that invest in the state.

## Maximize Your Investments With the Georgia Manufacturing Investment Tax Credit

Georgia provides a time-sensitive opportunity for certain businesses to use the Manufacturing Investment Tax Credits to offset their Georgia payroll withholding tax liabilities.

This opportunity is available for tax credits carried forward from prior years and any new tax credits generated before January 1, 2025. **A credit transfer request must be filed by May 31, 2023, to take advantage of this opportunity.**

The Georgia Manufacturing Investment Tax Credit is available to manufacturing or telecommunications companies that have operated in Georgia for the prior three years and have made qualified investments in the state. The tax credit is calculated as a percentage of the qualified investment, depending on the county in which the facility is located. Prior to the revised regulations, the tax credit could only be used to offset up to 50% of a company's Georgia income tax liability, and then the unused tax credit could be carried forward up to 10 years.

Tier	Investment Tax Credit	Minimum Investment	Use of Tax Credits	Carry Forward
1	5% - 8%*	\$100,000	50% of tax liability**	10 years
2	3% - 5%*	\$100,000	50% of tax liability**	10 years
3	1% - 3%*	\$100,000	50% of tax liability	10 years
4	1% - 3%*	\$100,000	50% of tax liability	10 years
Port Bonus	5% - 8%	\$100,000	50% of tax liability	10 years

\*Recycle, Defense Conversion, and Pollution Control

\*\*In Tier 1 and 2 Counties with rural designation, tax credits may be applied to payroll withholding after first applying to 50% of income tax liability



## How To Claim the Georgia Manufacturing Investment Tax Credit

Businesses may claim either job tax credits or investment tax credits for a project. The project cannot exceed three years, unless it was preapproved by the Georgia Department of Revenue (GA DOR) Commissioner. To receive the investment tax credit, businesses must first receive an approval from the GA DOR on the project plan and the expenditure amount.

Businesses will claim the credit by attaching Form IT-IC and the approval letter to the state tax return. Once the tax credit is applied against 50% of the company's income tax liability, eligible businesses located in Rural Tier 1 or 2 Rural Counties may apply excess tax credit against their payroll withholding tax. Rural Counties have a population of less than 50,000 and poverty in excess of 10%. The counties are ranked on an annual basis.

### Qualified Investments Made On or After January 1, 2020:

To claim the excess tax credit against the company's withholding tax liability, the business must submit the credit transfer pre-approval form (IT-WHRZ-APP) through the Georgia Tax Center (GTC) between **April 1, 2023, and May 31, 2023**. The GA DOR will notify each taxpayer of the tax credit allocation by June 30, 2023.

The business will then submit the credit transfer form (IT-WHRZ-RPT) through GTC to report that the income tax return has been filed, and the excess tax credit will be eligible to be claimed against withholding tax in the second month after the return is filed.

#### Manufacturing or Telecommunications Companies in Tier 1 or 2 Rural Counties

##### Step 1:

File a project plan for assets placed in service in the previous tax year.

##### Step 2:

Receive approval on the project plan and expenditure amount, apply tax credit to 50% of company's income tax liability, then the credit transfer for pre-approval form between April 1, 2023 - May 31, 2023.

##### Step 3:

Receive tax credit allocation by June 30, 2023, file the credit transfer form after income tax return is filed. Then claim the tax credit against payroll withholding tax after second month.

## How Cherry Bekaert Can Help

Cherry Bekaert's State Credit & Incentives team is here to help you with filing and maximizing the potential of the Georgia Manufacturing Investment Tax Credit.

### Qualified Investments Made Before January 1, 2020:

To claim the excess tax credit against the company's withholding tax liability, the business will follow the same steps as filing for qualified investments made on or after January 1, 2020. The business must also meet the additional requirements outlined below.

#### Rural Counties Located in Tier 1:

- Maintain at least 100 full-time jobs, and
- Make at least \$5 million of qualified investment.

#### Rural Counties Located in Tier 2:

- Maintain at least 100 full-time jobs, and
- Make at least \$10 million of qualified investment.

Revised regulations allow the excess tax credits to be applied to payroll withholding up to \$1 million per company per year. The maximum amount for all taxpayers is capped at \$10 million per year. If the total requests exceed the cap, the amount will be prorated for each eligible company.

#### Manufacturing or Telecommunications Companies in Tier 1 or 2 Rural Counties

##### Step 1:

Apply tax credit carried forward to 50% of company's income tax liability, then file the credit transfer pre-approval form between April 1, 2023 - May 31, 2023.

##### Step 2:

Receive tax credit allocation by June 30, 2023, file the credit transfer form after the income tax return is filed. Then claim the tax credit against withholding after second month.

## Let Us Be Your Guide Forward



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## 2022 Georgia County Tier Rankings

Tier 1 (*Rural Counties)											
1	Telfair*	13	Randolph*	25	Warren*	37	Taliaferro*	49	Bleckley*	61	Candler*
2	Wheeler*	14	Wilcox*	26	Emanuel*	38	Murray*	50	Tattnall*	62	Franklin*
3	Clay*	15	Turner*	27	Marion*	39	Irwin*	51	Burke*	63	Pulaski*
4	Jenkins*	16	Dougherty	28	Quitman*	40	Toombs*	52	Evans*	64	Cook*
5	Ben Hill*	17	Clayton	29	Dodge*	41	Mitchell*	53	Atkinson*	65	Elbert*
6	Crisp*	18	Chattooga*	30	Meriwether*	42	Ware*	54	Washington*	66	Spalding
7	Stewart*	19	Baldwin*	31	Clarke	43	Johnson*	55	Early*	67	Wilkes*
8	Treutlen*	20	Bulloch	32	Berrien*	44	Jeff Davis*	56	Bibb	68	Colquitt*
9	Taylor*	21	Calhoun*	33	Terrell*	45	Montgomery*	57	Talbot*	69	Echols*
10	Macon*	22	Jefferson*	34	Lanier*	46	Brantley*	58	Bacon*	70	Lamar*
11	Dooly*	23	Screven*	35	Webster*	47	Charlton*	59	Richmond	71	Baker*
12	Hancock*	24	Sumter*	36	Chattahoochee*	48	Laurens*	60	Coffee*		
Tier 2 (*Rural Counties)											
72	Clarke	78	Wayne*	84	Decatur*	90	Worth*	96	Lincoln*	102	Tift*
73	Newton	79	Appling*	85	Heard*	91	Brooks*	97	Seminole*	103	Whitfield
74	Troup	80	Long*	86	Troup	92	Clinch*	98	Douglas	104	Floyd
75	Grady*	81	Twiggs*	87	Muscogee	93	Rockdale	99	Walker	105	Liberty
76	Seminole*	82	Wilkinson	88	Peach*	94	Schley*	100	Gordon	106	Towns*
77	Burke*	83	Upson*	89	Crawford*	95	Grady*	101	Habersham*		

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6	Wheeler*	18	Quitman*	30	Johnson*	42	Montgomery*	54	Chattahoochee*	66	Early*
7	Jenkins*	19	Terrell*	31	Irwin*	43	Toombs*	55	Lowndes	67	Liberty
8	Treutlen*	20	Ben Hill*	32	Chattooga*	44	Washington*	56	Baldwin*	68	Long*
9	Wilcox*	21	Sumter*	33	Meriwether*	45	Franklin*	57	McDuffie*	69	Muscogee
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11	Stewart*	23	Ware*	35	Richmond	47	Dougherty	59	Appling*	71	Pulaski*
12	Lanier*	24	Screven*	36	Wayne*	48	Atkinson*	60	Bulloch		
Tier 2 (*Rural Counties)											
72	Clarke	78	Marion*	84	Brooks*	90	Talbot*	96	Lamar*	102	Schley*
73	Newton	79	Colquitt*	85	Cook*	91	Stephens*	97	Lincoln*	103	Walker
74	Troup	80	Decatur*	86	Brantley*	92	Clinch*	98	Gordon	104	Bibb
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77	Burke*	83	Bleckley*	89	Madison*	95	Floyd	101	Baker*		

### About Cherry Bekaert

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