

# Investment Tax Credits for Georgia Manufacturers

Georgia is one of the more business-friendly states in the country for corporate incentives, and the state continues to help businesses succeed with new legislation for manufacturing and telecommunications businesses that invest in the state. On December 30, 2019, the Georgia Department of Revenue released revised Regulations on Rule 560-7-8-.37 of the Rules and Regulations of the State of Georgia. These revised regulations affect manufacturing and telecommunications businesses that are eligible to claim Georgia Manufacturing Investment Tax Credits.

The Georgia Manufacturing Investment Tax Credit is available to new or existing manufacturing or telecommunications facilities\* who purchase qualified investment property in the state, through construction or purchase of real or personal property. The credit is calculated as a percentage of the qualifying investment property, which ranges from one percent to five percent, depending on the county in which the facility is located. While this tax credit program is not new to Georgia, the new regulations provide an opportunity for certain businesses to use the tax credits to offset Georgia payroll withholding tax liabilities, where before it was only used to offset income tax. The payroll offset is effective for tax years beginning after January 1, 2020, and is irrevocable once made.

The Georgia payroll withholding offset is only available to business enterprises whose operations are located within counties that are ranked as Tier 1 or Tier 2 counties in the state. Businesses in Tier 3 or 4 counties may only utilize the credits against their corporate income tax liability. The new regulation further provide an additional benefit to businesses in Tier 1 and Tier 2 counties by allowing them to request approval to use carryforwards of Investment Tax Credits generated and claimed before January 1, 2020, against payroll withholding.

Applicants for the payroll tax offset must apply to the Department of Revenue between April 1, and May 31, of the year the credit will be claimed on the return. Approved amounts are treated as a credit against future withholding payments. The election has the effect of converting a deferred income tax benefit to an "above the line" financial statement benefit.

*\* Georgia 560-7-8-.37 defines a manufacturing facility as any business engaged in manufacturing as classified by the North American Industry Classification System ("NAICS") codes that belong to Sectors 31-33. A telecommunications facility is defined as businesses, under certain NAICS codes (517312, 517311, 517911, 517410, and 517919) who are primarily engaged in providing communication via the airwaves, providing the transmission of voice, data, text or sound and video communication, and satellite technologies, to name a few.*

Cherry Bekaert can assist you with filing for and maximizing this credit. Contact Anne Yancey or your trusted professional for more information or assistance.

## 2020 Georgia County Tier Rankings

### Tier 1

Telfair	Irwin	Montgomery	Bulloch	Clarke	Decatur
Wheeler	Webster	Baldwin	Clayton	Tattnall	Wilkinson
Clay	Calhoun	Jefferson	Bleckley	Chattahoochee	Long
Ben Hill	Taliaferro	Pulaski	Terrell	Murray	Echols
Jenkins	Dodge	Dougherty	Washington	Appling	McIntosh
Stewart	Crisp	Dooly	Screven	Laurens	Spalding
Randolph	Treutlen	Charlton	Johnson	Clinch	Chattooga
Taylor	Wilcox	Warren	Mitchell	Coffee	Lamar
Marion	Brantley	Lanier	Atkinson	Candler	Early
Hancock	Sumter	Berrien	Toombs	Meriwether	Talbot
Emanuel	Quitman	Burke	Twiggs	Wayne	Brooks
Macon	Turner	Jeff Davis	Schley	Bacon	

### Tier 2

Colquitt	Ware	Polk	Crawford	Tift	Pierce
Seminole	Upson	McDuffie	Lowndes	Muscogee	Rockdale
Cook	Evans	Wilkes	Towns	Lincoln	Gilmer
Richmond	Baker	Peach	Franklin	Walker	Whitfield
Butts	Grady	Elbert	Glascok	Liberty	Floyd
Worth	Newton	Bibb	Heard	Thomas	

### Tier 3

Putnam	Douglas	Madison	Glynn	Jones	Banks
Gordon	Carroll	Haralson	White	Jasper	Pike
Greene	Miller	Fannin	Henry	Bartow	Barrow
Habersham	Camden	Hart	DeKalb	Catoosa	Monroe
Stephens	Dade	Lumpkin	Houston	Chatham	Walton
Troup	Rabun	Union	Oglethorpe	Fulton	Paulding

### Tier 4

Gwinnett	Hall	Pickens	Effingham	Cobb	Forsyth
Lee	Morgan	Columbia	Jackson	Fayette	Oconee
Bryan	Coweta	Harris	Dawson	Cherokee	

*Let us be your guide forward*



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