



State Opportunity Zone Job Tax Credits

Applicable to initial job threshold met in tax years beginning on or after January 1, 2009

- Part of the Georgia Job Tax Credit Program under O.C.G.A. 48-7-40.1(c)(4)
- Business can be any business of any nature; not bound by “business enterprise” definition
- Business must create at least two (2) net new jobs within a tax year and the new jobs must be full-time jobs of at least 35 hours per week (Note: The two jobs may not be filled by a married couple.)
- New jobs must be offered health insurance upon employment (beginning January 1, 2012 or later); the employer does not have to pay for such insurance, just offer it
- The average wage of each new job created must pay at or above the average wage of the county with the lowest average wage in the state – as of June 2020 this is Glascock County at \$541 per week or \$28,132 per year, per Georgia Department of Labor (GA DOL) (Georgia Employment and Wages – 2019 Averages)
- Job threshold must be created within a single tax year and tax credit may first be claimed on the initial year tax return – for example, eligible new jobs created in 2020 may claim credit on the 2020 tax return – if these jobs are then maintained for the next four years the business may claim the tax credit on each of those years’ tax returns as well; tax credit = \$3,500 per job
- Business must have an accepted State *Opportunity Zone Certification* form prior to filing for tax credit
- Credit is claimed by filing *Form IT-CA* with the Georgia Corporation Income Tax return, along with a copy of the accepted State *Opportunity Zone Certification*
- Credit may be applied against 100 percent of any corporate income tax liability on the Georgia Income Tax Return; Flow-through entities will be able to flow the credit through to the members, partners, or shareholders
- Excess credit may be applied against withholding if the proper steps are taken with the Georgia Department of Revenue (GA DOR)

House Bill 846

House Bill 846 was passed and signed into law by Governor Kemp on June 30, 2020. For purposes of the Georgia Job Tax Credit Program, House Bill 846 allows businesses that were already claiming the Job Tax Credit under any designation (Tier, Opportunity Zone, Less Developed Census Tract, and Military Zone) in tax year 2019 to apply their 2019 employee count for tax years beginning 2020 and 2021 or the option to continue calculating their credit as in prior years based on the number of net new full-time employee jobs that the taxpayer added during the tax years (2020 and 2021).

Further, the Bill also allows personal protective equipment manufacturers (PPE manufacturers) an additional \$1,250 in credit for jobs created, as a supplement to the regular Job Tax Credit claimed. Such term shall include any business enterprise which, in response to COVID-19, began manufacturing PPE in Georgia. Such term shall not include retail businesses that sell PPE. The PPE manufacturer must also claim the regular Job Tax Credit under any designation (Tier, Opportunity Zone, Less Developed Census Tract, and Military Zone) in order to claim the supplemental credit.

For additional information related to House Bill 846, please see:

<http://www.legis.ga.gov/legislation/en-US/Display/20192020/HB/846>



Withholding Tax Credits

- Job Tax Credit claimed against withholding limited to \$3,500 per eligible job
- Credit must first be applied to any corporate income tax liability prior to claiming withholding
- Credit is applied to future withholding tax returns
- Carry forward credits may not be applied to withholding
- Withholding may not be claimed on an amended tax return
- No refund is paid on withholding credits

Claiming Withholding Credit

- For tax years beginning on or after January 1, 2017, to claim any excess tax credit not used on the income tax return against the generating entity's payroll withholding tax liability, the entity must file Revenue Form IT-WH *Notice of Intent* through the Georgia Tax Center within 30 days *after* the due date of the Georgia income tax return (including extensions) or within 30 days after the filing of a timely filed Georgia income tax return, whichever occurs first - **Paper filings will no longer be allowed**
- Failure to file this form as provided will result in disallowance of the withholding tax benefit
- Business files Georgia Business Income Tax Return, along with *Form IT-CA*, by the due date, or extended due date
- DOR has 120 days to review the Job Tax Credit once the return is filed
- Business will receive notification of approved credit and when to claim against withholding from GA DOR
- Business will then apply credit to withholding returns until fully utilized
- Withholding credit has no effect on employees
- Flow-through entities may elect to claim a specific portion of the credit against the entity's payroll withholding and flow the remaining credit through to shareholders, partners, or members; This is an annual irrevocable election dependent upon the filing of *Form IT-WH*

Form IT-CA is available on the GA Department of Revenue web site at:

https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/TSD/Form/IT-A_2012_Job_Tax_Credit_Form_ITCA.pdf

State Opportunity Zone web site:

<https://www.dca.ga.gov/community-economic-development/incentive-programs/state-opportunity-zones>

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