



Overview of Job Tax Credit Program

Applicable to Initial Job Creation Threshold met in tax years beginning on or after January 1, 2012

Eligibility Requirements for the Job Tax Credit Program

- The Georgia Job Tax Credit Program falls under O.C.G.A. 48-7-40 and 48-7-40.1.
- Eligible Business Enterprises (see DCA Reg. 110-9-1-.01(6)(b)) must create the required number of net new jobs within a single tax year. (Note: When the Job Tax Credit is claimed within a designated Opportunity Zone, Military Zone, or Bottom 40 County (i.e. Tier 1 counties ranked 1-40), then any lawful business is eligible.)
- The new jobs must be a newly created position of employment not previously located in this state and requires a minimum of 35 hours worked each week.
- The new jobs must be offered health insurance upon employment; 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 2023 this is Glascock County at \$636 per week or \$33,072 per year, per DOL (Georgia Employment and Wages – 2022 Averages).
- There is no application process. The business must meet the program eligibility requirements and create eligible net new jobs to Georgia. However, if located within an Opportunity Zone, then the Opportunity Zone Certification form must be completed and accepted prior to claiming the tax credit.
- Job creation requirement must be met within a single tax year and the tax credit may first be claimed on the initial year tax return. For example, eligible net new jobs created in 2021 may claim credit on the 2021 tax return. If these jobs are then maintained for the next four years, then the business may claim the tax credit on each of those years' tax returns as well.
- Credit is claimed by filing *Form IT-CA* with the Georgia corporation income tax return.
- Credit may be filed on an amended tax return within one year of the original, timely filed, tax return.
- Business has 10 years from the year the new jobs are created to utilize the tax credit.

The Job Tax Credit can be claimed by an eligible business as long as it is subject to corporate income tax in the State of Georgia. For flow-through entities, the credit is claimed by filing the Form IT-CA with the business return and the credit will then flow-through to the members, partners, or shareholders.

Annual Job Tax Credit Ranking – The counties and census tracts in Georgia are ranked annually. The designations are released in December for the coming year. The designation that is used when the job becomes a net new job is the designation used for the entire 5 years that the job is maintained.

Notice of Intent – The annual ranking of counties and census tracts can change the expected benefit of the Job Tax Credit. If applicable, a Notice of Intent (NOI) must be filed by March 31st after the change to a less beneficial designation to preserve the more beneficial designation of the prior year for an additional three (3) years of job creation. DCA's annual JTC ranking memo lists those areas for which a NOI is recommended. The NOI only needs to be filed in the event the change in ranking will negatively affect the tax credit benefit.



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 – applicable in Tier 1, Less Developed Census Tract, Opportunity Zone, or Military Zone only

- Job Tax Credit claimed against withholding is limited to a maximum of \$3,500 per eligible job.
- Credit must first be applied to any corporate income tax liability prior to claiming withholding.
- Withholding benefit is claimed on the original, timely filed, tax return and may not be claimed on an amended tax return.

Job Tax Credit web site:

<https://www.dca.ga.gov/community-economic-development/incentive-programs/job-tax-credits>

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