

Business Incentives

Companies Benefit From Georgia's Incentive Programs



In this study:

2. Job Tax Credit Tiers
3. Tax Credits
9. Tax Exemptions
10. Training and Development Programs
11. Incentive Zones and Business Climate
13. Job Tax Credit and Special Incentive Zones Map
15. Listing of Incentive Zones by County
19. Listing of Average Annual Wages by County



Community and Economic Development

Location determines the job tax credits available to companies creating jobs in Georgia. Georgia counties receive tier designation based on economic-related conditions annually. Higher credits are available in regions with greater economic challenges. The Georgia Department of Community Affairs issues tier designations at the beginning of each calendar year.

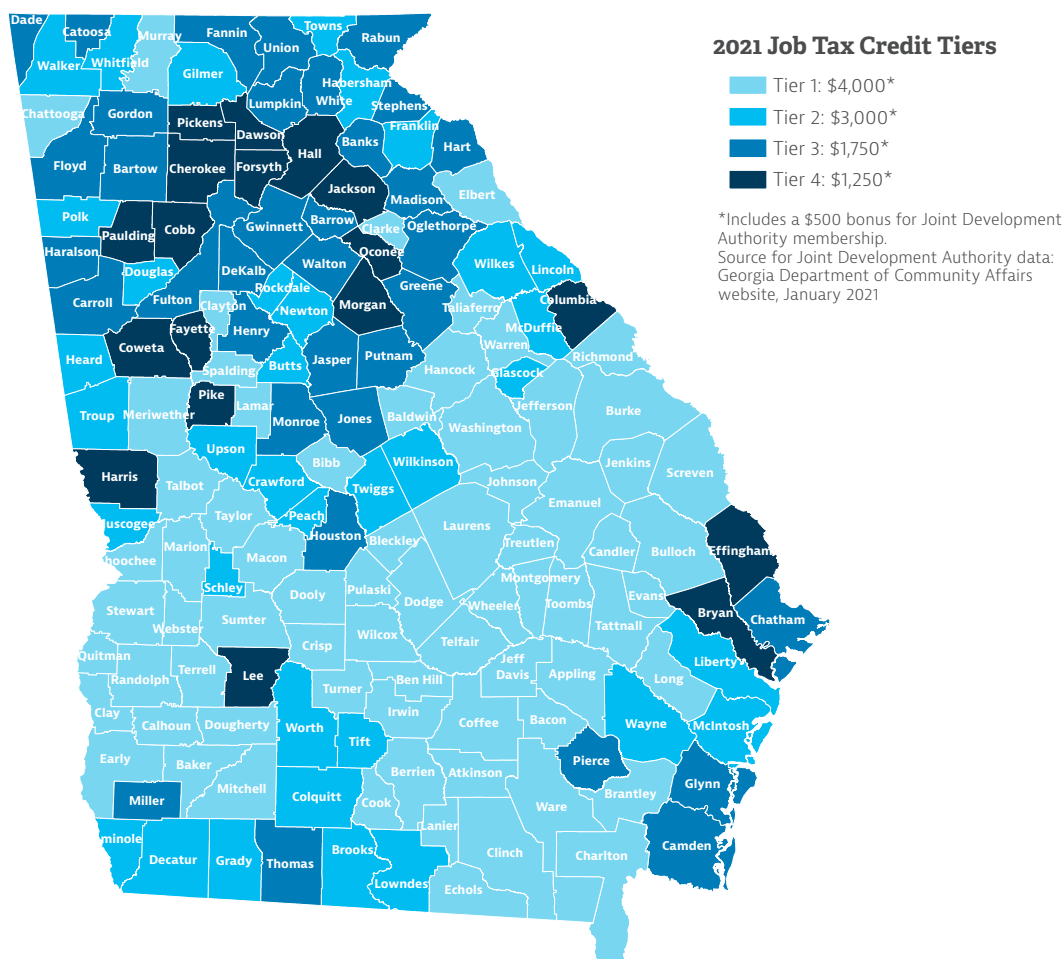
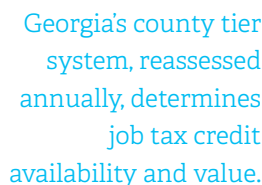
2021 Georgia County Tier Eligibility Levels

	Tier 1	Tier 2	Tier 3	Tier 4	Special Tracts**
Tax credit per new job*	\$4,000	\$3,000	\$1,750	\$1,250	\$3,500
Minimum # of new jobs	2	10	15	25	5 - LDCT 2 - Opp Zone & Military Zone
Maximum use of credit toward tax liability	100%	100%	50%	50%	100%
Applied against payroll withholding	Yes	No	No	No	Yes
Type of business	40 least developed counties: any business type All other Tier 1 counties: see Tier 2-4 business types	Mfg., biomedical mfg., alternative energy warehouse/distribution, telecom, broadcasting, tourism, research and development, services for elderly or persons with disabilities			Opportunity & military zone: any business

*Assumes county participates in a Joint Development Authority (JDA), adding \$500. For details on JDA participation, visit the Georgia Department of Community Affairs website at <http://www.dca.state.ga.us>.

** List and map of Less Developed Census Tracts, Military Zone Tracts and Opportunity Zones are included in Appendix A.

Note: LDCT = Less Developed Census Tract; Opp Zone = Opportunity Zone



Georgia Tax Credits

Businesses expanding or newly arriving in Georgia are often eligible for a variety of state and local incentives and tax exemptions. The following incentives and tax exemptions are of particular interest to companies establishing or expanding operations in Georgia.

Corporate Net Income Tax

Georgia's moderate corporate income tax rate (six percent) has not changed since 1969. This tax applies only to the portion of income that is earned in Georgia and is based on gross receipts in the state.

Job Tax Credit

Companies increasing employment in Georgia qualify for a job tax credit against state corporate income tax liability when the following conditions are met:

- the business entity is engaged in manufacturing, warehousing and distribution, processing, telecommunications, research and development, tourism, insurance, or services for the disabled or elderly, bio medical manufacturing or alternative energy products manufacturing,
- minimum thresholds for new job creation are met,
- the jobs pay in excess of the lowest wage paid by any Georgia county per year and
- the employer makes health care coverage available.

Credits range from \$750 - \$4,000 per job per year for five years. Unused credits may be carried forward for 10 years from the year they are earned.

Administration: The job tax credit is administered through the Georgia Department of Community Affairs and the Georgia Department of Revenue.

Application process:

- Filing for Credit: The taxpayer submits Department of Community Affairs form IT-CA 2001 along with the Georgia Corporate Income Tax filing to the Georgia Department of Revenue.
- Filing for Withholding Credit: Companies applying for the withholding credit must complete form IT-JOBW (Georgia Department of Revenue) and file with the Georgia Department of Revenue 30 days before a tax return is filed.

Coordination With Other Credits: The job tax credit may not be taken with investment tax credits or optional investment tax credits but may be taken with retraining and other tax credits.

Governing Georgia Code and Rules: Official Code of Georgia Annotated Section 48-7-40, Section 40-7-40.1, Section 36-62-5.1, 33-8-4.1 and Rules of Department of Community Affairs (DCA) 110-9 Job Tax Credit Program, Georgia Department of Revenue Rules and Regulations 560-7-8-.36.

Less Developed Census Tracts

As part of the state job tax credit program, the Georgia Department of Community Affairs may designate areas as less developed census tracts. The "less developed" census tracts within Georgia are statistically similar to the bottom 71 counties. Businesses locating within these tracts may:

- take the maximum Job Tax Credit allowed under law – \$3,500 per job created (same as Tier One benefit);
- receive credits for the creation of as few as five jobs;
- credits can be applied against payroll withholding once 100 percent of state tax liability is exhausted.

See maps and listings on pages 13, 14 and 15.

Opportunity Zones

As part of the state job tax credit program, the Georgia Department of Community Affairs may designate areas as "opportunity zones." Opportunity Zones are areas identified by a community as redevelopment or revitalization targets. Businesses locating within these zones may:

- take the maximum Job Tax Credit allowed under law – \$3,500 per job created (same as Tier One benefit);
- receive credits for the creation of as few as two jobs (the lowest of any job tax program);
- credits can be applied against payroll withholding once 100 percent of state tax liability is exhausted;
- be a "business enterprise" of any nature, not just those specified under traditional job tax credit requirements.

See maps and listings on pages 13, 14 and 15 for Georgia's Opportunity Zones.

Military Zones

As part of the state job tax credit program, the Georgia Department of Community Affairs may designate areas as "military zones." Military Zones are located adjacent to a military base and have a poverty rate of at least 15 percent. Businesses locating within these zones may:

- take the maximum Job Tax Credit allowed under law – \$3,500 per job created (same as Tier One benefit);
- receive credits for the creation of as few as two jobs (the lowest of any job tax program);
- credits can be applied against payroll withholding once 100 percent of state tax liability is exhausted;
- be a "business enterprise" of any nature, not just those specified under traditional job tax credit requirements.

See map and listing on pages 13, 14 and 15 for Georgia's Military Zones.

Quality Jobs Tax Credit

When a company creates 50 or more jobs in Georgia that pay more than the average wage of the county in which it locates, the company may qualify for job tax credits.

County average wage rates are determined by *Georgia Employment & Wages*, published annually by the Georgia Department of Labor. The table below summarizes pay level thresholds and the amount and duration of the credit per job.

Quality Job Tax Credit Value by Wage Rate Level

Wage Requirements	Credit per job	Payroll Withholding	Duration
110% of county average	\$2,500	Yes*	5 years
120% of county average	\$3,500	Yes*	5 years
150% of county average	\$4,000	Yes*	5 years
175% of county average	\$4,500	Yes*	5 years
200% of county average	\$5,000	Yes*	5 years

*if credit exceeds company's corporate income tax liability.

If unused credits remain after 100 percent of a given tax year's liability has been offset, the excess credits can be applied against payroll withholding. Credits can be earned for qualifying jobs created within seven years of eligibility. Taking the quality jobs tax credit incentive for a particular job precludes the company from claiming the job tax credit for the same job. However, jobs created that do not meet the wage threshold for this credit may still be eligible for the job tax credit.

Administration: The quality job tax credit is administered by the Georgia Department of Revenue. Credit may be applied against 100 percent of state corporate income tax liability. If the amount of credit exceeds the company's tax liability in a taxable year, the company may take credit against quarterly or monthly withholding tax payments.

Duration: Qualified jobs the company creates during its first seven years of business in Georgia are eligible to earn credit for five years. Any unused credit may be carried forward for 10 years.

Coordination With Other Credits: Positions that are not eligible for the quality job creation tax credit may qualify for ordinary job tax credits. The quality jobs tax credit may not be taken with the investment tax credit or optional investment tax credit.

Governing Georgia Code and Rules: Georgia Code 48-7-40.17, Georgia Department of Revenue Rules and Regulations 560-7-8.51.

Mega Project Tax Credit

Any business, with the exception of retail, that locates or expands in Georgia may take a job tax credit against corporate income tax if minimum job creation, investment and job maintenance requirements are met. Jobs may be created at multiple Georgia locations.

Conditions of Eligibility

Type of business: Any business, except retail.

Number of jobs created: A minimum of 1,800 full-time jobs by the close of the sixth taxable year following the date that the company begins withholding income tax from employees. Companies with high levels of qualified investment will be granted job creation "ramp-up" extensions:

- Companies with \$600 million in qualified investment by year six have an additional two years to create 1,800 jobs.
- Companies with \$800 million in qualified investment by year eight have two additional years to create 1,800 jobs.

Wage rate of new employees: The jobs must pay more than the average wage rate of the county where the company locates. County average wage rates are determined by *Georgia Employment & Wages*, published annually by the Georgia Department of Labor. The required amount in excess varies depending on the county tier level. The table below summarizes pay level thresholds and the amount and duration of the credit per job. The company must maintain a payroll of \$150 million for each year of the recapture period (five consecutive tax years) or meet the investment criteria stipulated below to qualify for the credit.

Mega Project Tax Credits by Tier Designation

Tier	Wage Requirements	Credit per job	Payroll Withholding	Duration
1 - 4	105% to 120% of county average	\$5,250	Yes*	5 years

*if credit exceeds company's corporate tax liability

Amount of investment: A minimum of \$450 million in capital investment is required if the payroll requirement mentioned above is not met.

The type of investment: The investment must be for construction, renovation, leasing or other costs related to construction or expansion of a facility.

Value: A credit of \$5,250 per full-time, qualified job is allowed regardless of location. The previous maximum of 4,500 jobs was removed in 2021. There is now no cap on number of jobs eligible for the credit.

Georgia's Mega Project Tax credit nearly doubles the job tax credit allowance applied against company's corporate income tax liability in most counties.

Georgia Tax Credits

Administration: The Mega Project Tax Credit is administered by the Georgia Department of Revenue.

Credit may be applied against 100 percent of state corporate income tax liability. If the amount of credit exceeds the company's tax liability in a taxable year, the company may take credit against quarterly or monthly withholding tax payments.

Duration: The credit is allowed for five years. Any unused credit may be carried forward for 10 years.

Application Process: Any company wishing to take advantage of the Mega Project Tax credit must file an application with the Georgia Department of Revenue that describes the project and certifies that all the job and investment requirements are met. The application is considered by a panel which determines if the project will have significant economic impact on a given area. The panel shall make a determination within 30 days of submittal.

Coordination With Other Credits: Cannot be taken along with job tax credit or investment tax credit.

Governing Georgia Code and Rules: Georgia Code Sections 48-7-40.24 and 48-7-40.25

Life Sciences Tax Credit Bonus

The new Life Science Tax Credit bonus is an add-on to an eligible Job Tax Credit claim, limited to establishments who are a medical equipment and supplies manufacturer (NAICS 3391) or pharmaceutical and medicine manufacturer (NAICS 3254). The bonus value is \$1,250 per job, per year for five years, specifically applied to JTC-eligible jobs involved in the production of medical equipment, supplies, pharmaceuticals or medicine.

Administration: The bonus is administered by the Georgia Department of Revenue. Bonus credits must first be applied to 100 percent of tax liability, after which additional can be applied to payroll withholding, with a 10 year carry forward available for any remaining claimed but unused credits.

Coordination With Other Credits: Is an added bonus to the job tax credit, may not claim PPE bonus if electing to claim this bonus.

Governing Georgia Code: Georgia Code 48-7-40.1B

Investment Tax Credit

This credit allows a company operating an existing manufacturing or telecommunications facility in the state for the previous three years to obtain a credit against corporate income tax liability for capital investment in the state. Credits range from five percent of the total value of all qualified property in Tier 1 counties to one percent in Tier 4 counties. Higher credits are available for recycling, pollution control and defense conversion activities.

Summary of 2019 Investment Tax Credit Provisions Based on Tier System

	Tier 1	Tier 2	Tier 3	Tier 4
Number of counties	71	35	35	18
Base credit	5%	3%	1%	1%
Higher level credit for certain activities*	8%	5%	3%	3%

*recycling, pollution control and defense conversion activities

A \$50,000 minimum investment is required in all counties. A credit which is claimed but not used in a taxable year may be carried forward for 10 years. This credit may not be taken with the job tax credit. See Georgia Code Sections 48-7-40.2, 40.3 and 40.4, and Georgia Department of Revenue Rules and Regulations 560-7-8-.37 for more detail.

Optional Investment Tax Credit

Companies investing a minimum of \$5 to \$20 million may consider an optional investment tax credit against corporate income tax liability instead of the investment tax credit.

Maximum credits range from 10 percent of qualifying property in Tier 1 counties to six percent in Tier 4 counties. The actual amount of the credit is either:

- 90 percent of the increase in tax liability in the current taxable year over a base year tax or
- the excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year (whichever is the lesser).

The credit may be taken for 10 years. The credit may not be taken with the job tax credit. An election of the optional investment tax credit is irrevocable. See Georgia Code 48-7-40.7, 40.8 and 40.9 and Georgia Department of Revenue Rules and Regulations 560-7-8-.40 for more detail.

Investment Levels, Optional Investment Tax Credit

Tier	Minimum Investment	Tax Credit %
1	\$5 million	10%
2	\$10 million	8%
3 & 4	\$20 million	6%

Small Business Growth Tax Credit

This credit is targeted at fast-growing small businesses experiencing three consecutive years of 20 percent or more growth in corporate income tax liability. Qualifying businesses must have annual corporate income tax liability of \$1.5 million or less. The credit in the current year is computed by deducting 120 percent of the previous year's taxable income from the current year's taxable income. The credit may be used against up to 50 percent of Georgia corporate income tax liability after all other credits have been applied.

Georgia's Mega Project Tax Credit was recently expanded. This incentive modification will help position Georgia as a leader in growing industries such as bio, energy and financial sectors. Georgia is one of the only states in the country that offers a tax incentive to companies that create large projects with high-paying jobs.

Retraining and Education Tax Credits help companies increase productivity.

Research and Development tax credits encourage companies to hire and invest in Georgia.

Port Activity Tax Credit

Port activity tax credits are available to companies that already qualify for job tax or investment tax credits. In general, qualified companies that increase port activity (imports and exports) by 10 percent over the previous year may be eligible for an additional \$1,250 job tax credit, a five percent investment tax credit or a 10 percent optional investment tax credit. Credits may not exceed 50 percent of company's tax liability. See Georgia Code 48-7-40.15 for further details.

Mass Transit Tax Credit

Employers may take a tax credit of \$25 per employee per year against state corporate income tax for funding or partially funding employees' use of mass transit.

Wood Residuals Tax Credit

The Georgia Clean Energy Property and Wood Residuals Tax Credit provides a state income tax credit for the delivery of wood residuals to renewable biomass qualified facilities. This tax credit is administered through the Georgia Forestry Commission. See Georgia Code 48-7-29.14 and Georgia Department of Revenue Rules and Regulations 560-7-8-.48.

Retraining Tax Credit

Georgia offers income tax credits to offset the costs of retraining employees who are affected by the implementation of new equipment or new technology.

Conditions of Eligibility

Type of business: All businesses that file a Georgia income tax return.

Type of training: Credits are available if the company is retraining current employees on newly installed equipment or on newly implemented technology, such as computer platforms, software implementation and upgrades, Total Quality Management (TQM), ISO 9000 and self-directed work teams.

Employees: Eligible employees must be:

- Georgia residents;
- first-line employees or immediate supervisors;
- continuously employed with the company for a minimum of 16 weeks;
- full-time employees (minimum of 25 hours per week).

Value: The credit is equal to one half of the direct cost of retraining, up to \$500 per program per year for each full-time employee. The program must be approved and certified by the Technical College System of Georgia. The credit shall not exceed \$1,250 per full-time employee per year. Retraining costs include:

- instructor salaries;
- employee wages during retraining;
- development of retraining program;

- materials and supplies, textbooks and manuals;
- instructional media, such as videotapes, presentations, etc.;
- equipment used for retraining only;
- reasonable travel costs.

Administration: The program is administered by the Technical College System of Georgia and the Georgia Department of Revenue.

Credit may be applied against 50 percent of state corporate income tax liability.

Duration: Any unused credit may be carried forward for 10 years.

Application Process: A company desiring credit under the Retraining Tax Credit program must apply through the Office of Economic Development at the local technical college. Once training is complete, the company supplies a Completion Form and Form IT-RC to the Georgia Department of Revenue. These forms should accompany the company's corporate income tax filing.

Coordination With Other Credits: May be taken with other credits.

Governing Georgia Code and Rules: Georgia Code Sections 48-7-40.5.

Education Tax Credit

A \$150 credit per employee against corporate tax liability is allowed for basic skills training.

Conditions of Eligibility

Type of business: Any type of business may apply.

Type of training: Credits are available for employer-provided or employer-sponsored "basic skills" training that enhance reading, writing, or math skills to the 12th grade level.

Value: The credit is equal to one-third of the cost of the training or up to \$150 per full-time student per year.

Administration: This credit is administered through the Technical College System of Georgia and the Georgia Department of Revenue.

Duration: Applicable for year in which expense is incurred.

Application Process: Complete form IT-BE for submittal with tax return; contact the Technical College System of Georgia for more information on the program.

Coordination With Other Credits: May be taken with other credits.

Governing Georgia Code and Rules: Georgia Code Sections 48-7-29.16 and Georgia Department of Revenue Rules and Regulations 560-7-8-.47.

Research and Development Tax Credit

A corporate tax credit is available to companies that qualify for a research credit under Section 41 of the 1986 IRS code. The credit is for companies with significant research and development expenses. Companies may apply the research and development tax credit to state withholding liability.

Conditions of Eligibility

Type of business: Any type of business except retail may apply.

Value: The credit is a flat 10 percent of a company's research and development expenses over a "base amount." The base amount is calculated using the previous three years' gross receipts and research expenses.

Determination of "Base Amount." A business enterprise's "base amount" is its Georgia gross receipts in the current taxable year and the average of the ratios of its aggregate qualified research expenses to Georgia gross receipts for the preceding three taxable years or 0.300, whichever is less. A business is not required to have positive taxable net income history for the preceding three taxable years in order to claim the credit.

Qualified Research Expense: Defined by Section 41 of the 1986 IRS Code

Administration: This credit is administered through the Georgia Department of Revenue.

Application Process: Taxpayers seeking the research tax credit must submit Georgia Department of Revenue form IT-RD along with state income tax returns. A copy of Federal Form 6765 must also be included.

Coordination With Other Credits: May be taken with other credits.

Governing Georgia Code and Rules: Georgia Code Sections 48-7-40.12, Department of Revenue Rules and Regulations 560-7-8-42.

Child Care Property Tax Credit

This corporate income tax credit allows businesses to take credits against employer-provided or employer-sponsored child care for employees.

Conditions of Eligibility

Type of business: Any type of business except retail may apply.

Value: Companies may take credit for 75 percent of the qualifying cost of providing or sponsoring child day care.

Administration: This credit is administered through the Georgia Department of Revenue.

Duration: Available in each year the child care is provided or sponsored.

Application Process: Taxpayer must complete Georgia Department of Revenue form IT-CCC75 and submit with state income tax returns.

Coordination With Other Credits: May be taken with other credits.

Governing Georgia Code and Rules: Georgia Code Sections 48-7-40.6(b) and Georgia Department of Revenue Rules and Regulations 560-7-8-38.

Qualified Child Care Property Tax Credit

Companies may take a corporate income tax credit for the value of tangible personal property and real property costs related to child care facilities.

Conditions of Eligibility

Type of business: Any type of business except retail may apply.

Value: Employers placing "qualified child care property" into service may take credit for 100 percent of the tangible personal property and real property cost.

Administration: This credit is administered through the Georgia Department of Revenue and is applied against state corporate income tax liability.

Duration: The credit may be applied at 10 percent per year for 10 years.

Application Process: Taxpayer must complete Georgia Department of Revenue form IT-CCC100 and submit with state income tax returns.

Coordination With Other Credits: May be taken with other credits.

Governing Georgia Code and Rules: Georgia Code Sections 48-7-40.6(d) and Georgia Department of Revenue Rules and Regulations 560-7-8-38.

Georgia Entertainment Industry Investment Act – Tax Credit Cost Savings for All Industries

Companies of any industry may purchase unused tax credits from eligible entertainment companies that claimed credits but cannot use them. Entertainment industry companies that spend \$500,000 or more on production and post production projects are eligible for a 20-30 percent tax credit. **For all types of companies paying Georgia corporate income tax, the Georgia Entertainment Industry Investment Act allows for purchase of unused tax credits from an entertainment company.** Special features of the act include:

- Typically savings can be up to 10-15% savings in tax liability for company buying credit from eligible entertainment company.
- 20- 30% flat, transferable tax credit for entertainment company.
- No sunset clause is applied.
- Credits claimed but not used may be sold to another Georgia taxpayer. See Georgia Rules and Regulations 560-7-8-45 for details on sale transfer of credits.

Governing Georgia Code and Rules: Georgia Code 48-7-40.26, Department of Revenue Rules and Regulations 560-7-8-45

Georgia Tax Exemptions

Property Tax Exemption

Companies financing projects with industrial development bonds issued by a local development authority may obtain property tax relief if the development authority remains the legal owner of the property. Such consideration depends on the lease agreement from the development authority.

Freeport Inventory Property Tax Exemption

Approximately 90 percent of Georgia's counties have adopted property tax exemptions or freeport for inventory. Communities have flexibility in exempting three classes of inventory from property taxation:

- manufacturer's raw materials and goods in process;
- finished goods held by the original manufacturer;
- finished goods held by the distributors, wholesalers and manufacturers destined for out-of-state shipment.

Local governments may, through referendum, create level two freeport inventory tax exemption that will eliminate property tax on any business inventory or real property not already covered by the classes listed above.

The exemptions must be authorized by local referendum and may apply to 20, 40, 60, 80 or 100 percent of any or all of the three classes.

For more information, see Georgia Code 48-5-48.1, 48.2.

Energy Used in Mfg. Sales Tax Exemption

Energy used directly or indirectly in the manufacturing process is exempt from sales and use tax. Notes: Local governments have the opportunity to impose an excise tax equal to the amount collected on local sales tax on energy. Agricultural producers get 100% exemption and local governments are precluded from imposing local excise tax portion 560-12-2-64.

Industrial Materials Sales Tax Exemption

Purchases of the following are exempt from sales and use tax:

- industrial materials used as component parts in the manufacturing process;
- materials used to coat or impregnate into a product at any stage of its processing, manufacturing or conversion. See Georgia Department of Revenue Rules and Regulations 560-12-2-64.

Packaging Materials Sales Tax Exemption

Georgia sales and use tax does not apply to sale, use, storage or consumption of materials, containers, labels, sacks or bags used solely for packaging tangible personal property for shipment of sale. See Georgia Department of Revenue Rules and Regulations 560-12-2-25.

Mfg. Machinery Sales Tax Exemption

This program provides for an exemption from the sales and use tax for machinery used directly in the manufacture of tangible personal property when the machinery is bought to replace or upgrade machinery in a manufacturing plant presently existing in the state. A maximum of \$150,000 of the purchase price of manufacturing machinery components, phased in over a five-year period at 20 percent per year, is eligible.

In addition, the program provides for an exemption from the sales and use tax for machinery used directly in the manufacture of tangible personal property when the machinery is incorporated as additional machinery for the first time into a manufacturing plant presently existing in the state. See Georgia Department of Revenue Rules and Regulations 560-12-2-62.

Primary Material Handling Equipment Sales Tax Exemption

An exemption from the sales and use tax is available for purchases of primary material handling equipment which is used directly for the storage, handling and movement of tangible personal property in a new or expanding warehouse or distribution facility when such new facility or expansion is valued at \$5 million or more and does not have greater than 15 percent retail sales. See Georgia Department of Revenue Rules and Regulations 560-12-2-103.

Pollution Control Equipment Sales Tax Exemption

Machinery, equipment and materials used to control air or water pollution or used for recycling purposes are exempt from sales and use tax. The Georgia Department of Natural Resources must certify that such machinery, equipment or materials are adequate and necessary for pollution control and that no compliance issues with environmental laws currently exist with the company applying for the exemption. See Georgia Department of Revenue Rules and Regulations 560-12-2-87.

Sales and use tax exemptions keep Georgia's businesses competitive.

Tourism Development Tax Exemption

Companies building tourism-related projects such as golf courses, convention hotels or recreation centers are eligible to get back as much as 25 percent of construction costs in Georgia sales and use tax rebates.

Computer Hardware and Software Sales Tax Exemption

All spending on qualified computer equipment purchased or leased for use in a Georgia facility is exempt from sales tax for companies meeting the following conditions:

- companies operating under North American Industrial Classification System code 334413, 334614, 511210, 517311, 517312, 517410, 517911, 517919, 518210, 522320, 541330, 541511, 541512, 541513, or 541519, 541713, 541715, or 541720;
- when the sales price of the purchased equipment and/or the fair market value of the leased equipment exceeds \$15 million in a calendar year;
- qualifying equipment includes any individual computer terminal or organized assembly of hardware, including central processing units and related peripheral equipment and software products, including operating systems, library and maintenance routines. See Georgia Department of Revenue Rules and Regulations 560-12-2-.107.

Custom Computer Software Development Tax Exemption

Software applications uniquely designed to meet the needs of a given business enterprise are not subject to sales tax. See Georgia Department of Revenue Rules and Regulations 560-12-2-.111.

High Tech Data Center Equipment Exemption

Georgia's recently enacted sales and use tax exemption for high tech data center equipment broadens the state's previous exemption on computer hardware and software. The new exemption now includes customer equipment, and the materials, components, machinery, hardware, software or equipment including but not limited to emergency backup generators, air handling units, cooling towers, energy storage or energy efficiency technology, switches, power distribution units, switching gear, peripheral computer devices, routers, batteries, wiring, cabling or conduit. Eligibility thresholds for this exemption depend on the size of the community in which the investment will occur and the amount of investment. The new exemption is an amendment to Georgia Code 48-8-3 relating to exemptions from state sales and use taxes. See Georgia Department of Revenue Rules and Regulations 560-12-2-.117.

Clean Room Equipment Sales Tax Exemption

Sale of machinery, equipment and materials incorporated into and used in the construction or operation of a clean room of class 100 or lower is exempt from sales and use tax. The clean room must be used in the manufacturing process.

Telephone Services Sales Tax Exemption

Sales tax is applicable to local exchange telephone services and cellular telephone services. However, sales tax does not apply to intrastate calls, interstate, WATS or 1-800 calls.

Alternative Fuel Facilities Sales Tax

Sale of biomass materials used to produce electricity or steam or used to produce electricity and steam intended for sale is exempt from sales tax. Biomass materials include agricultural crops, plants, trees, wood, wood wastes and residues, sawmill waste, sawdust, wood chips, bark chips, forest thinning, harvesting or clearing residues, wood waste from pallets or other wood demolition debris; peanut shells, pecan shells, cotton plants, corn stalks, plant matter including aquatic plants, grasses, stalks, vegetation; and residues including hulls, shells or cellulose containing fiber. Fossil fuels are specifically excluded.

Computer hardware and software sales tax exemptions provide savings to companies expanding or just getting started in Georgia.

Training And Recruitment Programs

Quick Start

Quick Start is Georgia's internationally-recognized skills based training program that provides job specific training at no cost for qualified new and expanding companies. Training programs are tailored to meet a company's needs and are conducted in the company's facilities or in a state-supplied facility near the company's site.

For additional information on Georgia's Quick Start program: www.georgiaquickstart.org.

Postsecondary Scholarship Program (HOPE)

HOPE – Helping Outstanding Pupils Educationally – is Georgia's unique program that rewards students' hard work with financial assistance in degree, diploma or certificate programs at any eligible Georgia public or private college, university or technical college. Tuition assistance ranges from 90-100% of tuition paid at Georgia public colleges and universities. Full-time students enrolling in a Georgia private college may be eligible for up to \$2,000 per 15 credit hour grading period.

All Georgia residents are eligible for the HOPE Grant that covers \$70 per credit hour for tuition for non-degree programs of study approved by the Technical College System of Georgia.

Additional information on Georgia's HOPE Scholarship program is available at www.gsfc.org.

Recruitment Resources and Services

On behalf of any new or existing business or industry, the Georgia Department of Labor (GDOL) will assist with the hiring process through recruitment, screening, referral and provision of office space for individual interviews. Funded through the Federal Unemployment Tax Act (FUTA), GDOL services are provided at no charge to employer or applicant.

Additionally, the Georgia Department of Labor's Business Service Unit provides employer-driven recruitment services, including initial applicant screening, candidate interviews, and job fairs.

Georgia's Work Ready Program

Georgia Work Ready was launched in August 2006 by Governor Sonny Perdue and the Georgia Chamber of Commerce to improve the job training and marketability of Georgia's workforce and drive future economic growth for the state.

It is the only initiative of its kind to be conducted through a partnership between a state government and state chamber of commerce, ensuring that companies can more reliably match the right people with the right jobs.

Work Ready is based on a skills assessment and certification for job seekers and a job profiling system for businesses.

Certified Work Ready Communities have the skilled workforce that business demands and the educational infrastructure to drive economic growth and prosperity. To earn the designation, counties must:

- Demonstrate a commitment to improving public high school graduation rates through a measurable increase;
- Show a specified percentage of the available and current workforce have earned Work Ready Certificates.

Georgia's training and recruitment programs are world-class and keep employers connected to the state's best and brightest workers.

Business Climate And Incentive Zones

One Stop Permitting

Georgia offers a consolidated state environmental program with delegated authority from the U.S. Environmental Protection Agency (EPA) for issuance and enforcement of federal permits. The Department of Natural Resources issues or denies all new facility permits required by state and federal environmental protection legislation. One-stop permitting reduces government red tape and enables prospective industries to obtain required permits within an average of 90 days.

Enterprise Zones

In designated zones, companies receive a 100 percent property tax exemption on certain types of manufacturers' inventory for 25 years. In addition, all building construction in the zones is exempt from local property taxes, beginning with a 100 percent exemption in year one and decreasing in 20 percent increments annually for a five-year period.

For more information on Enterprise Zone locations and benefits, visit <http://www.dca.state.ga.us/economic/DevelopmentTools/programs/enterpriseZones.asp>.

Foreign Trade Zones

Georgia has three Foreign Trade Zones. For businesses within these zones, customs duties on products are not levied until incoming merchandise leaves the zone. No duties are paid at all if the merchandise is re-exported. Merchandise may be warehoused in the zone on stand-by to be imported only as needed. No quota restrictions apply to merchandise while in the FTZ.

The condition of the products may be changed while in the zone (through manufacturing, manipulating and assembling) to qualify for lower duty rates. Importers can choose to pay either the duty rate on the imported goods or finished products, whichever is lower.

Goods may be exhibited within the zone without incurring U.S. customs duties. Products may also be repackaged, relabeled, tested, modified or repaired within the zone.

In April of 2018, the U.S. Department of the Treasury designated 260 census tracts in Georgia as Federal Opportunity zones. Investment within these tracts may be eligible for preferential tax treatment with the ultimate goal of facilitating growth. For additional information about the program and a map showing Georgia's zones, visit <https://www.dca.ga.gov/newsroom/news-releases/federal-opportunity-zones-announced-georgia>

Trade Zones Located Across the State

Atlanta FTZ 26

Barrow County

Chico's FAS, Winder
Mizuno USA, Braselton

Clarke County

Noramco, Inc., Athens
SKAPS Industries, Athens

Clayton County

Atlanta Tradeport, Atlanta
Fueling Operations at Hartsfield-Jackson Atlanta International Airport
DHL Global Forwarding, College Park
Expeditors International, Atlanta
Future Forwarding, Atlanta
Sanofi U.S., Forest Park

Coweta County

Yamaha Motor Manufacturing Company, Newnan

Fulton County

Unipart Services America, Inc., Atlanta
Newell-Rubbermaid Distribution, Atlanta
Agility Logistics, Atlanta

Gwinnett County

Hamilton Business Center, Buford
Makita Corporation of America, Buford
Ricoh Electronics, Lawrenceville
NEMA, Inc., Duluth

Muscogee County

Eastman Kodak Company, Columbus
Pratt & Whitney, Columbus
Precision Components International, Columbus

Spalding County

Green Valley Industrial Park, Griffin
Perkins Shibaura Engines, Griffin

Walker County

Roper Corporation, LaFayette

Brunswick FTZ 144

Tradewinds Industrial Park
Georgia Ports Authority Terminal

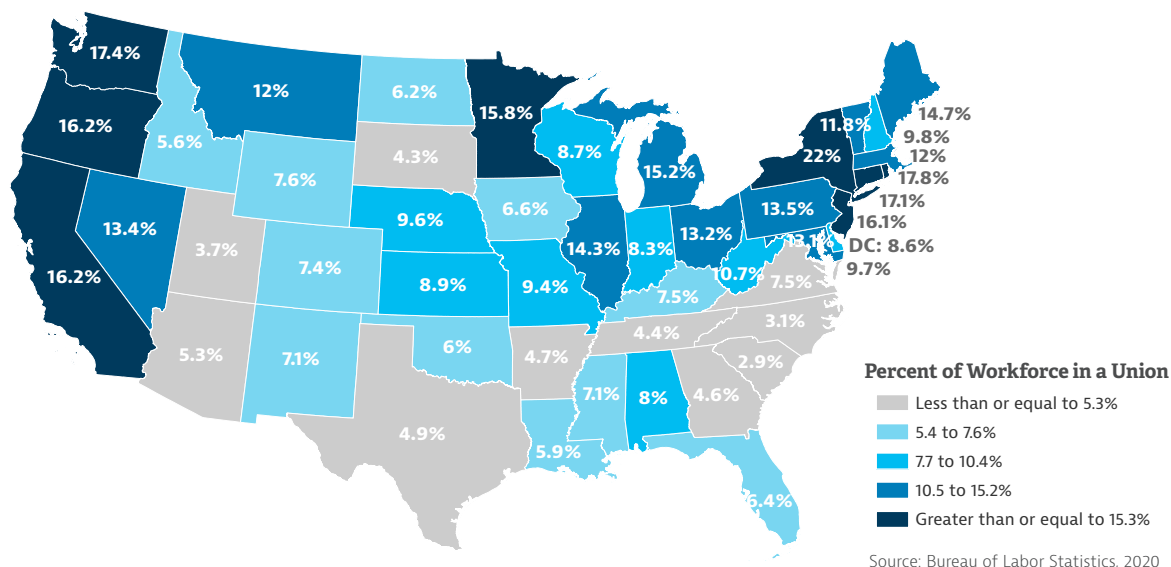
Savannah FTZ 104

Savannah International Airport
Ocean Terminal
Crossroads Business Center
Mulberry Grove Site
Tradeport Business Center
Interstate Centre Industrial Park
Pooler Megasite
Crossgate Road
Garden City Terminal
Tradeport Industrial Park (West)

Business Climate And Incentive Zones

Low Unionization in the Southeast

Georgia is a pro-business, low-unionization, right-to-work state.



Georgia: One of 28 Right-To-Work States

Georgia has been a right-to-work state since 1947. Right-to-work legislation assures that:

- Workers will not be forced to join a union by employers or other union members.
- Employees working for a company with a union presence may decide for themselves whether or not to join a union.
- Workers also cannot be forced to join a strike.
- Interference with an employer's lawful business through violence or mass picketing will not be allowed.

Georgia's union membership rate of 4.6 percent is the seventh lowest in the country and below the national average of 10.8 percent.

More than half of Georgia's 159 counties do not have a union presence. Historically, union activity has been low in Georgia, and organizing activity very minimal. Where collective bargaining does exist, management/union relations are typically constructive.

Source: Bureau of Labor Statistics, Union affiliation of employed wage and salary workers by state, 2020

Renewal Communities/EZs/ECs (Empowerment Zones/Enterprise Communities)

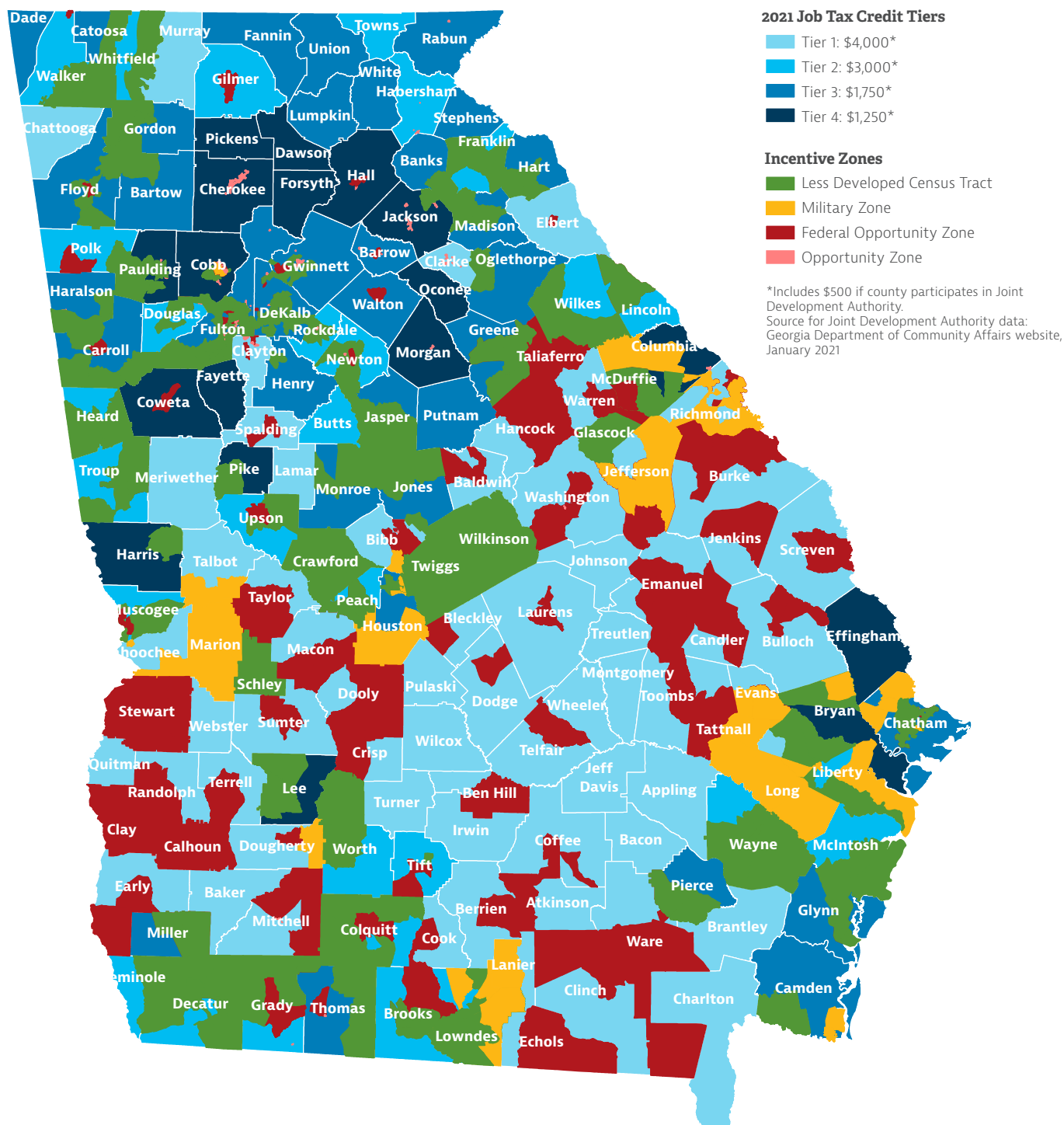
Renewal Communities, Empowerment Zones and Enterprise Communities are areas identified by the U.S. Department of Housing and Urban Development as distressed. As such, these areas are eligible for special tax incentives and grant awards.

Special zones in Georgia include:

- Urban Renewal Community: Areas of Atlanta
- Empowerment Zone: Southwest Georgia United Empowerment Zone
- Enterprise Community: Central Savannah River Area
- Enterprise Community: Albany

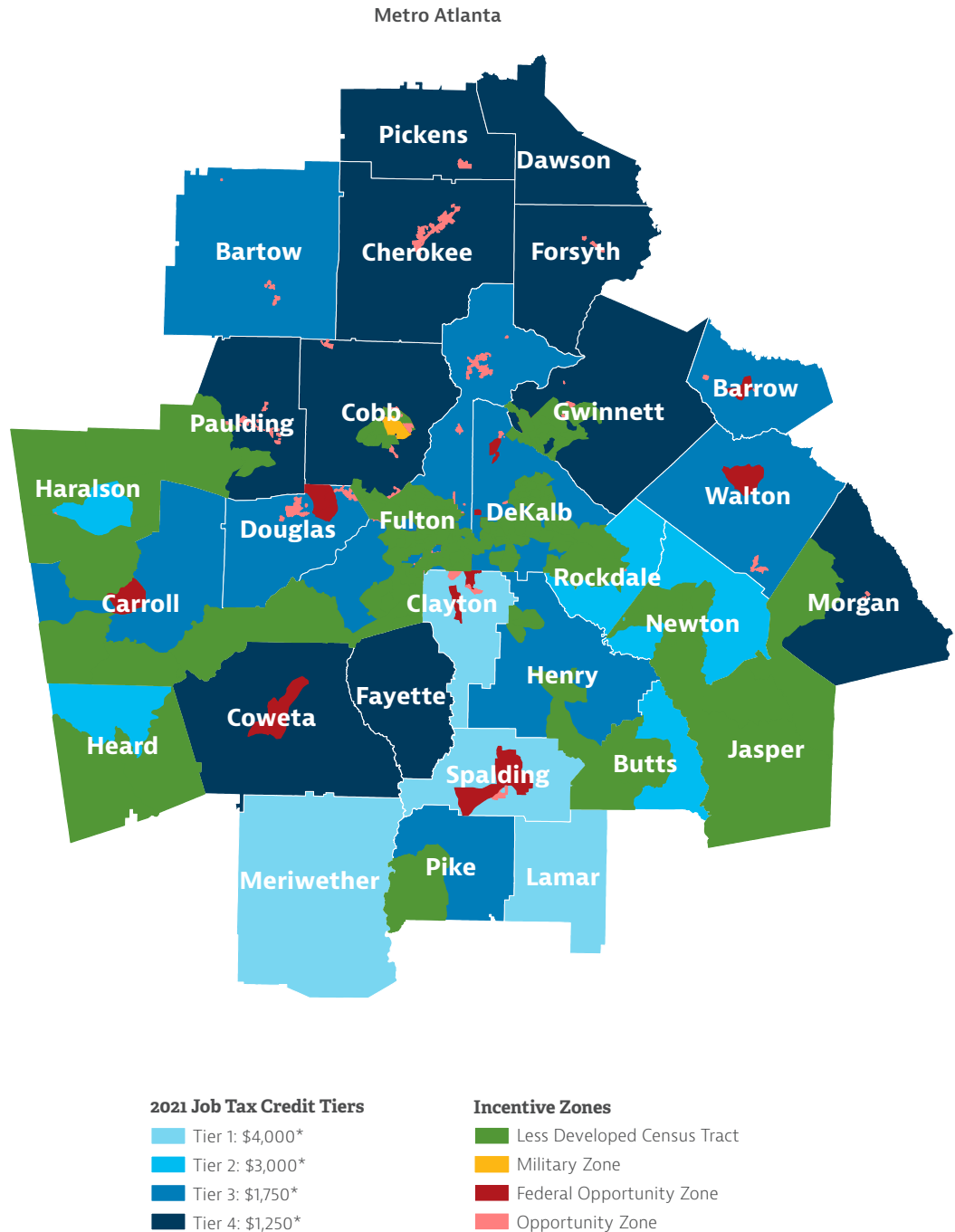
Renewal Community employers are allowed up to \$1,500 per employee in federal tax credit. Employers in Empowerment Zones are eligible for federal tax credits of up to \$3,000 for every employee hired who lives within the Empowerment Zone boundaries. EZ businesses also are eligible for increased deductions for equipment purchases. Tax exempt bond financing at low rates is also available. For further information, see www.hud.gov.

Job Tax Credit and Special Incentive Zones Map



To view interactive maps of incentive zones, visit: <http://selectgeorgia.com/our-services/map.cshhtml>.

Job Tax Credit and Special Incentive Zones Map



*Includes \$500 if county participates in Joint Development Authority.
Source for Joint Development Authority data: Georgia Department of Community Affairs website, January 2021

To view interactive maps of incentive zones, visit: <http://selectgeorgia.com/our-services/map.cshtml>.

Summary of Incentive Zones Available by County

Most counties in Georgia have one or more special incentive zones developed to help encourage investment and job creation. The list below indicates the the availability and number of incentive zones either intersecting or entirely within each county.

County	Federal Opportunity Zone	State Opportunity Zone	Less Developed Census Tract	Military Zone	Total Number of Zones
Appling	1		1	2	4
Atkinson	4				4
Bacon	1		1		2
Baker	4		3		7
Baldwin	6		2		8
Banks		2	4		6
Barrow	1	2			3
Bartow		1	2		3
Ben Hill	4				4
Berrien	2		1	2	5
Bibb	15	1	5	1	22
Bleckley	1		1	1	3
Brantley	1		1		2
Brooks	3		5	1	9
Bryan	1		4	9	14
Bulloch	8		2	2	12
Burke	4			4	8
Butts			3		3
Calhoun	3				3
Camden			2	4	6
Candler	3				3
Carroll	2		10		12
Catoosa			3	1	4
Charlton	1		1	1	3
Chatham	9	1	37	9	56
Chattahoochee	2		2	7	11
Chattooga			2		2
Cherokee		2			2
Clarke		1	1		2
Clay	3				3
Clayton	5	7	4		16
Clinch	3				3
Cobb	6	4	23	4	37
Coffee	5				5
Colquitt	8		11		19
Columbia	1	1	3	5	10
Cook	2		2	1	5
Coweta	2		4		6
Crawford	2		5		7
Crisp	4		1		5
Decatur	1		8		9
DeKalb	15	2	64		81
Dodge	2				2
Dooly	5			1	6
Dougherty	12	1	3	4	20

Note: some counties have yet to activate eligible incentive zones
Source: Georgia Department of Community Affairs, January 2021

Summary of Incentive Zones Available by County

County	Federal Opportunity Zone	State Opportunity Zone	Less Developed Census Tract	Military Zone	Total Number of Zones
Douglas	2	3	13		18
Early	6		2		8
Echols	1		1	2	4
Effingham	1		2	4	7
Elbert	2	1	3		6
Emanuel	8			1	9
Evans	2		2	4	8
Fayette			1		1
Floyd	2		14		16
Franklin		1	6		7
Fulton	28	26	92		146
Gilmer	1				1
Glascok	2		1	3	6
Glynn	3		10		13
Gordon			7		7
Grady	3	1	6		10
Greene	4	2	4		10
Gwinnett	3	2	30		35
Habersham		2			2
Hall	3	1			4
Hancock	3		1		4
Haralson		1	4		5
Harris			2	1	3
Hart		1	4		5
Heard			3		3
Henry			5		5
Houston	5	1	13	7	26
Irwin	3				3
Jackson		3	3		6
Jasper			4		4
Jefferson	3		1	4	8
Jenkins	2				2
Johnson	2		1		3
Jones	2	1	5		8
Lamar			2		2
Lanier	3		1	3	7
Laurens	5				5
Lee	1		3	1	5
Liberty	1	1	10	11	23
Lincoln	1		2	1	4
Long			6	8	14
Lowndes	7		18	8	33
Macon	6		4	2	12
Madison			4		4
Marion	2		2	3	7
McDuffie	3		6	6	15
McIntosh			5	1	6
Meriwether			2		2

Note: some counties have yet to activate eligible incentive zones
Source: Georgia Department of Community Affairs, January 2021

Summary of Incentive Zones Available by County

County	Federal Opportunity Zone	State Opportunity Zone	Less Developed Census Tract	Military Zone	Total Number of Zones
Miller	3	1	5		9
Mitchell	4	1	5		10
Monroe		1	5		6
Morgan	1	1	1		3
Murray			5		5
Muscogee	16	1	35	10	62
Newton	1	1	10		12
Oglethorpe	2		3		5
Paulding	1	1	6		8
Peach	3		5	1	9
Pierce	2		3		5
Pike			2		2
Polk	1		3		4
Pulaski	2			1	3
Putnam	3		2		5
Quitman	3				3
Rabun		1			1
Randolph	7				7
Richmond	15	1		12	28
Rockdale		1	8		9
Schley	3		2	1	6
Screven	3				3
Seminole			3		3
Spalding	5	1			6
Stephens			1		1
Stewart	2			1	3
Sumter	9		2		11
Talbot	1		1	3	5
Taliaferro	3		3		6
Tattnall	3		1	5	9
Taylor	2		4	2	8
Telfair	2				2
Terrell	3		2		5
Thomas	3	1	9		13
Tift	3	1	5		9
Toombs	4				4
Treutlen	1				1
Troup	4	2	10		16
Turner			1		1
Twiggs	2		6	2	10
Upson	2		6		8
Walker	1	1	6		8
Walton	1				1
Ware	7		2		9
Warren	4		5	5	14
Washington	5	1	3	1	10
Wayne	1		5	5	11
Webster	1			1	2

Note: some counties have yet to activate eligible incentive zones
Source: Georgia Department of Community Affairs, January 2021

Summary of Incentive Zones Available by County

County	Federal Opportunity Zone	State Opportunity Zone	Less Developed Census Tract	Military Zone	Total Number of Zones
Wheeler	1				1
Whitfield			15	1	16
Wilkes	2		3	1	6
Wilkinson	1		5		6
Worth	2		6	2	10
Grand Total	417	89	730	183	1,419

Note: some counties have yet to activate eligible incentive zones
Source: Georgia Department of Community Affairs, January 2021

Georgia's Average Annual Wage Rates by County

County	Annual Wage	County	Annual Wage	County	Annual Wage	County	Annual Wage
Appling	\$55,172	Dade	\$37,960	Jeff Davis	\$37,284	Randolph	\$36,504
Atkinson	\$38,584	Dawson	\$35,984	Jefferson	\$41,600	Richmond	\$50,856
Bacon	\$38,844	Decatur	\$37,388	Jenkins	\$35,620	Rockdale	\$51,532
Baker	\$38,428	DeKalb	\$63,284	Johnson	\$32,812	Schley	\$38,376
Baldwin	\$36,712	Dodge	\$33,852	Jones	\$40,040	Screven	\$34,736
Banks	\$36,140	Dooley	\$38,376	Lamar	\$41,756	Seminole	\$40,196
Barrow	\$43,992	Dougherty	\$45,760	Langier	\$33,384	Spalding	\$40,144
Bartow	\$47,060	Douglas	\$44,668	Laurens	\$43,108	Stephens	\$40,508
Ben Hill	\$35,672	Early	\$48,048	Lee	\$39,052	Stewart	\$49,088
Berrien	\$36,296	Echols	\$41,444	Liberty	\$43,888	Sumter	\$41,600
Bibb	\$47,112	Effingham	\$44,564	Lincoln	\$33,748	Talbot	\$38,220
Bleckley	\$33,020	Elbert	\$38,220	Long	\$33,644	Taliaferro	\$35,568
Brantley	\$36,660	Emanuel	\$37,804	Lowndes	\$39,936	Tattall	\$38,584
Brooks	\$39,208	Evans	\$33,384	Lumpkin	\$40,196	Taylor	\$41,704
Bryan	\$39,156	Fannin	\$36,088	Macon	\$43,264	Telfair	\$34,216
Bulloch	\$38,896	Fayette	\$49,504	Madison	\$36,400	Terrell	\$37,856
Burke	\$94,536	Floyd	\$45,292	Marion	\$33,592	Thomas	\$46,280
Butts	\$40,768	Forsyth	\$53,560	McDuffie	\$38,272	Tift	\$42,172
Calhoun	\$33,904	Franklin	\$38,220	McIntosh	\$35,880	Toombs	\$37,024
Camden	\$47,424	Fulton	\$85,332	Meriwether	\$39,416	Towns	\$35,880
Candler	\$31,512	Georgia	\$58,864	Miller	\$42,380	Treutlen	\$34,892
Carroll	\$46,904	Gilmer	\$34,944	Mitchell	\$36,504	Troup	\$46,436
Catoosa	\$38,428	Glascock*	\$30,628	Monroe	\$43,992	Turner	\$37,024
Charlton	\$41,184	Glynn	\$46,124	Montgomery	\$33,488	Twiggs	\$38,688
Chatham	\$50,336	Gordon	\$46,436	Morgan	\$41,444	Union	\$40,404
Chattahoochee	\$49,088	Grady	\$39,728	Murray	\$38,272	Upson	\$38,480
Chattooga	\$34,320	Greene	\$40,248	Muscogee	\$47,736	Walker	\$38,064
Cherokee	\$44,876	Gwinnett	\$57,564	Newton	\$45,812	Walton	\$47,164
Clarke	\$50,544	Habersham	\$40,820	Oconee	\$44,876	Ware	\$37,440
Clay	\$34,372	Hall	\$52,260	Oglethorpe	\$36,608	Warren	\$44,564
Clayton	\$62,400	Hancock	\$37,544	Paulding	\$40,248	Washington	\$41,340
Clinch	\$38,948	Haralson	\$43,992	Peach	\$41,808	Wayne	\$44,772
Cobb	\$65,468	Harris	\$37,336	Pickens	\$48,880	Webster	\$40,872
Coffee	\$37,856	Hart	\$39,624	Pierce	\$37,024	Wheeler	\$37,492
Colquitt	\$38,584	Heard	\$51,480	Pike	\$38,220	White	\$34,216
Columbia	\$42,016	Henry	\$43,160	Polk	\$40,092	Whitfield	\$46,384
Cook	\$35,204	Houston	\$50,024	Pulaski	\$38,688	Wilcox	\$35,516
Coweta	\$44,928	Irwin	\$38,272	Putnam	\$37,284	Wilkes	\$37,908
Crawford	\$33,540	Jackson	\$39,832	Quitman	\$33,800	Wilkinson	\$42,796
Crisp	\$38,584	Jasper	\$35,880	Rabun	\$34,372	Worth	\$36,868
						Georgia	\$58,864

*Lowest Average Wage Rate, 2020

Source: Georgia Department of Labor, Georgia Employment & Wages, 2020

Georgia Power has been helping companies locate in our state for 90 years. We offer a full array of products and services available at no cost. To receive confidential, proven assistance, please contact one of our experienced professionals:

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The information contained in this publication regarding Georgia business incentives is believed to be accurate, is provided as general information only, does not constitute legal or tax advice of any kind, and should not be relied upon in place of a careful reading of the Georgia rules and regulations that govern these business incentives. You should seek professional tax and legal advice to determine whether, and to what extent, you or your company may qualify for any of the Georgia business incentives referred to herein.



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