

## 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 2017 this is Glascock County at \$480 per week or \$24,960 per year, per DOL (Georgia Employment & Wages – 2016 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 2017 may claim credit on the 2017 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 2012* 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 2012 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. A business must make sure the area retains at least the same benefit in order to continue claiming credit for new jobs to be created.

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 31<sup>st</sup> after the change in rank to preserve the benefit 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.

Withholding Tax Credits – applicable only in Tier 1 or Less Developed Census Tract (LDCT)

- Job Tax Credit claimed against withholding (WH) 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 WH.
- 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: <http://www.dca.ga.gov/economic/TaxCredits/programs/taxcredit.asp>

Contact for Job Tax Credit: Tricia DePadro: (404) 679-1585 or [tricia.depadro@dca.ga.gov](mailto:tricia.depadro@dca.ga.gov)