

JOB TAX CREDIT



CONTACTS

Brian Sengson
770.635.5041
brian.sengson@btcpa.net

Both new and expanding companies may benefit from the Job Tax Credit for creating new jobs within Georgia. The Job Tax Credit incentivizes and rewards companies for growing and hiring employees within Georgia. Companies may claim the credit to reduce their Georgia income tax or Georgia payroll withholding liability.

The credit ranges from \$750 to \$4,000 per job created and maintained, per year, for five years. Additionally, companies may begin claiming the Job Tax Credit for years after the jobs were created.

The requirements and benefits of the Job Tax Credit depend on the location (e.g., county) where the new jobs are located. Each year, Georgia assigns all counties a tier based on poverty, unemployment rate, and per capita income. Notably, Georgia also provides special designations, such as Opportunity Zones, Less Developed Census Tracts, and Military Zones. These unique areas offer significantly lowered job creation requirements, regardless of the county tier.

County Tier & Designation	Job Tax Credit Per Job	Job Creation Requirement
Opportunity Zone	\$3,500	2
Less Developed Census Tract	\$3,500	5
Tier 1	\$4,000*	2
Tier 2	\$3,000*	10
Tier 3	\$1,750*	15
Tier 4	\$1,250*	25

*The amount provided includes a \$500 bonus for Joint Development Authority ("JDA"); Georgia counties may form partnerships resulting in the \$500 bonus. Currently, only six counties are not part of the JDA.

To illustrate, Company A creates 10 new jobs in a Tier 1 county that offers a \$4,000 credit per job. Company A will receive \$200,000 in tax credits over the five-year credit lifespan [\$4,000 x 10 jobs x 5 years]. Also, Company A may annually increase its credit amount with any additional jobs created.

To qualify for the Job Tax Credit, the company must meet the following criteria:

- Offer health insurance benefits
- Subject to Georgia payroll withholding
- New jobs created must be Full-Time (35+ hours per week)
- Create the required minimum number of qualifying jobs based on tier or special zone designation
- Total compensation must exceed the \$480 per week threshold

Evaluating eligibility for the job tax credit and calculating the credit can be complex. At Bennett Thrasher, we have a team of professionals to assist you with navigating and calculating the credit.

For more information about Bennett Thrasher's Job Tax Credit services, contact Brian Sengson by calling 770.396.2200 to schedule a consultation. www.btcpa.net