

Rural Zone Tax Credits

For taxable years beginning on or after January 1, 2018, O.C.G.A. § 48-7-40.32 establishes the rural zone tax credits. Use Form IT-RZ 2025 if you acquired your property or if your Year One begins on or after January 1, 2025.

Name	Federal Employer Identification Number/Social Security Number
Street Address	Type of Business: <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership/LLC <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> Fiduciary
City, State, and Zip Code	Tax Year Ending
Contact Person	Telephone Number of Contact Person

The certified entity or business must attach their Department of Community Affairs certification(s) to this form.

A. Rural Zone Property/Investment Tax Credit-Only a certified investor that meets the requirements of the Rural Zone Property Tax Credit should complete Part A.

Street Address of Investment Property	City, State and Zip Code
Name of Eligible Business Located in Investment Property	

Please check which one of the following commercial requirements applies:

1. _____ An eligible business is located in this investment property and the eligible business receives the rural zone jobs tax credit: or
2. _____ An eligible business is located in this investment property and maintains a minimum of two full-time equivalent jobs for each year the credit is claimed.
3. If number 2 is checked, enter the number of full-time equivalent jobs maintained this year by the eligible business. _____

Credit Calculation

1. Purchase price	\$ _____
2. Percent of credit	_____ 25% _____
3. Multiply Line 1 by Line 2	_____
4. Maximum Credit Amount per project	_____ \$125,000 _____
5. Credit Amount (Enter the lesser of Line 3 or Line 4)	_____
6. Divide amount on Line 5 by 5 (Maximum credit allowed per year for 5 years)	_____

A certified investor is allowed to claim the rural zone property/investment tax credit for up to seven years from the date of initial eligibility in the event the commercial requirement in O.C.G.A. 48-7- 40.32 (d)(1) is not satisfied in consecutive years.

B. Rural Zone Qualified Rehabilitation Expenditures Tax Credit - Only certified entities or certified investors that meet the requirements of the Rural Zone Qualified Rehabilitation Expenditures Tax Credit should complete Part B.

Street Address of Project with Qualified Rehabilitation Expenditures	City, State and Zip Code
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1. Number of full-time equivalent jobs maintained this year by the certified entity or certified investor or eligible business located in the property	_____
2. Amount of Qualified Rehabilitation Expenditures	\$ _____
3. Percent of credit	_____ 30% _____
4. Multiply Line 2 by Line 3	_____
5. Maximum Credit Amount per project	_____ \$150,000 _____
6. Credit Amount (Enter the lesser of Line 4 or Line 5)	_____
7. Divide amount on Line 6 by 3 (Maximum credit allowed per year for 3 years)	_____

D. Summary for Rural Zone Tax Credit(s)

1. Total Part A Line 6, Part B Line 7, and Part C Line 14 for Pre-2025 Jobs*	\$ _____
2. Part C Line 14 for jobs beginning on/after Jan 1, 2025**	\$ _____
3. Prior Year Carry Forward	\$ _____
4. Total of Lines 1, 2 and 3	\$ _____
5. Georgia Income Tax Liability for the Current Year	\$ _____
6. Current Year Credit Amount (Enter the lesser of Line 4 or Line 5)	\$ _____
7. Remaining Tax Credit to be Carried Forward (Line 4 minus Line 6, but not less than zero)	\$ _____

*Unused credit in a taxable year may be carried forward for ten years from the close of the taxable year in which the credit was claimed.

**Unused credit in a taxable year may be carried forward for five years from the close of the taxable year in which the credit was claimed.

**Department of Community Affairs Definitions for Rural Zone Tax Credits in DCA
Regulation 110-34-1-.02**

- (1) **Certified entity** means any eligible business which establishes a new location within a Rural Zone on or after January 1, 2018, or any existing eligible business located within a Rural Zone that expands its operations on or after January 1, 2018, and which:
 - (a) Creates at least two new full-time equivalent jobs in a taxable year; and
 - (b) Has been certified by the Commissioner of Community Affairs as eligible to receive the Rural Zone tax credit based on established criteria in O.C.G.A. §48-7-40.32 and promulgated in these regulations by the Commissioner of Community Affairs.
 - (c) A "certified entity" may also be considered a "certified investor" if the eligible business purchases a property or incurs qualified rehabilitation expenditures while renovating a property within the Rural Zone.
- (2) **Certified investor** means an investor or investors who have been certified by the Commissioner of Community Affairs as eligible to receive the Rural Zone tax credit based on criteria established in O.C.G.A. § 48-7-40.32 and promulgated in regulations by the Commissioner of Community Affairs. Such certification shall be attached to the income tax return when the credit is claimed, and who
 - (a) For purposes of the Rural Zone Investment Tax Credit, acquire and develop real estate within a designated Rural Zone; or
 - (b) For purposes of the Rural Zone Rehabilitation Tax Credit, either acquire or lease (for a period of at least 3 years) real estate within a designated Rural Zone for the purpose of rehabilitating the property.
 - (c) A "certified investor" may also be considered a "certified entity" in cases in which the investor establishes an eligible business within the investment property and creates at least two new full-time equivalent jobs in a taxable year.
 - (d) A "certified investor" may qualify for the Rural Zone tax credits if the investor acquires or rehabilitates property within the Rural Zone even in such cases as when the required jobs are created by a separate "certified entity."
- (3) **Eligible business** means any establishment that is primarily engaged in providing professional services or in retailing merchandise and rendering services incidental to the sale of merchandise, including but not limited to the North American Industry Classification System Codes 31, 44-45, 54, and 72. Any establishment primarily engaged in activity not specifically referenced in the aforementioned NAICS code sections may seek a determination from the Commissioner of Community Affairs to ensure it will be deemed an eligible entity.
- (4) **Full-time equivalent** means an aggregate of employee hours worked totaling 40 hours per week, the equivalent of one full-time job, provided the work is performed by at least two people.

- (5) **Local government** means a county, municipality, or consolidated local government created pursuant to Article IX, Sections I, II, or III of the Georgia Constitution; applicable general state statutes; a local Act of the General Assembly; or such other method as was valid at the time of its creation.
- (6) **Maintained job** means any new full-time equivalent job continued for all or part of the consecutive four-year period after its creation.
- (7) **Qualified rehabilitation expenditure** means labor and material costs associated with the rehabilitation of a certified investor property which:
 - (a) Complies with the state minimum standard codes and any applicable local codes; and
 - (b) Has been certified by the Commissioner for the Department Community Affairs as eligible to receive the Rural Zone tax credit based on established criteria in O.C.G.A. §48-7-40.32 and promulgated in regulations by the Commissioner for the Department of Community Affairs. Such certification shall be attached to the income tax return when the credit is claimed.
- (8) **Rural Zone** means the same as a revitalization zone as specified in O.C.G.A. §48-7-40.32 and means a specified geographic region that meets all criteria provided by this Code section and has been designated by the Commissioner of Community Affairs and the Commissioner of Economic Development to be in need of economic revitalization. There is no minimum or maximum size to the Rural Zone, but it shall meet all the requirements set forth in O.C.G.A. §48-7-40.32.
- (9) **Rural Zone Job Tax Credit** means a tax credit equal to \$2,000 per new full-time equivalent job created within a designated Rural Zone. To be eligible, a certified entity must create at least 2 new full-time equivalent jobs.
- (10) **Rural Zone Investment Tax Credit** means a tax credit equal to 25 percent of the purchase price of a property located within a designated Rural Zone, not to exceed \$125,000. An eligible business must be located within the investment property and maintain a minimum of two-full time equivalent jobs for each year the tax credit is claimed.
- (11) **Rural Zone Rehabilitation Tax Credit** means a tax credit equal to 30 percent of the qualified rehabilitation expenditures, not to exceed \$150,000, spent on a property located within a designated Rural Zone. An eligible business must be located within the investment property and maintain a minimum of two-full time equivalent jobs for each year the tax credit is claimed.
- (12) **To Generate/Trigger Credits** means to meet all requirements in law and regulation for the Rural Zone tax credits allowed under Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, except for maintenance of full-time equivalent jobs in all or part of the subsequent four years after their creation.
- (13) **Year One** means that tax year in which sufficient new full-time equivalent jobs are created that, meeting the requirements of these regulations, entitle an eligible business to claim Rural Zone tax credits in years one through five after the creation of the full-time equivalent jobs.
- (14) **Years One Through Five** means the consecutive five-year period in which Rural Zone tax credits may be allowed for the new full-time equivalent jobs created in year one as well as the subsequent four years in which additional new full-time equivalent jobs may be created that may also qualify for Rural Zone tax credits.