IT 611S
Rev. 04.23.24
Brian P. Kemp
Governor

Frank M. O'Connell
Revenue Commissioner

State of Georgia
Department of Revenue
2023
S Corporation Income Tax
General Instructions

File Form 600S and pay the tax electronically. Visit our website dor.georgia.gov for more information.

ELECTRONIC FILING

georgia tax center

Accuracy. Security. Paperless. More Features.

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CREDIT CARD PAYMENTS

The Georgia Department of Revenue accepts Visa, American Express, MasterCard, and Discover credit cards for payment of:

- √ Current-year individual and corporate tax payments;
- √ Liabilities on Department of Revenue-issued assessment notices;
- √ Individual and corporate estimated tax payments.

FROM THE COMMISSIONER

This booklet is designed to provide information and assist S Corporations in filing their Georgia corporate tax returns.

You can electronically file your corporate return. I strongly encourage you to take advantage of this feature. I also recommend that you review the Department's website prior to filling out your return.

This booklet contains the instructions required by most S Corporations. If you need forms, we encourage you to visit our website at dor.georgia.gov. There you can download forms and obtain up-to-date tax information and news from the Department of Revenue.

The Department of Revenue, as outlined in the Taxpayer Bill of Rights (https://dor.georgia.gov/taxpayer-bill-rights), will provide "fair, courteous and timely service" to the taxpayers of Georgia. Our mission is to administer the tax laws of the state of Georgia fairly and efficiently in order to promote public confidence and compliance while providing excellent customer service.

Frank M. O'Connell
Revenue Commissioner

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Georgia Tax Center

What is the Georgia Tax Center? The Georgia Tax Center (GTC) is the Department of Revenue's secure self-service customer facing portal for making online Individual or Business Tax payments and for corresponding with the Department.

Who Can Sign Up? Any taxpayer that pays taxes in the State of Georgia is eligible to use GTC for Adult Entertainment Tax, Alcohol License, Composite Tax, Corporate Income Tax, Fiduciary Income Tax, Fireworks Excise Tax, International Fuel Tax, Motor Fuel Distributor Tax, Non-Prepaid 911 Charge, Prepaid Wireless 911 Charge, Public Service Commission, Public Utilities and Airlines, Qualified Timberland Property, Railroad Equipment, Sales & Use Tax, State Hotel-Motel Fee, Tobacco License, Transportation Services Tax, Withholding Misc., Withholding Misc. Film and Withholding Tax. For more information, see https://gtc.dor.ga.gov.

Note: Third party filers can sign up for GTC to access their clients information with the proper documentation and authorization. For more information see https://dor.georgia.gov/taxes/information-tax-professionals/third-party-filers.

How Do I Sign Up? To use GTC, visit our website at https://gtc.dor.ga.gov. First time users must register before accessing tax accounts. To register, you will need:

- Tax type account number
- Federal Employer Identification Number (FEIN) / Social Security Number (SSN)
- Amount of your last payment
- ZIP code of your business location
- A valid e-mail address

Please visit our website for instructional videos and frequently asked questions: dor.georgia.gov/georgia-tax-center-help

GTC Features

- **Register a new business and receive an account number in 15 minutes!**
- Request:
  - Refund
  - Filing frequency change
  - Address updates
  - Penalty waivers
  - Protest of Proposed Assessments
- Register and add access to accounts
- Submit and/or amend returns
- View account balances
- Make payments for returns and assessments
- View copies of correspondence
- Request Tax Clearance Letter

For a complete list of features visit GTC at https://gtc.dor.ga.gov

GENERAL INFORMATION: INCOME TAX

INTRODUCTION

Georgia law recognizes an election to file as an S Corporation under the provisions of the I.R.C. as defined in the income tax laws of Georgia, only in cases of nonresident shareholders who must complete Form 600S-CA. It also provides for the imposition of a Net Worth Tax.

WHAT'S NEW

Passive Loss/Capital Loss Deduction: A new line was added to Schedule 1, Computation of Georgia Taxable Income for this type of deduction. The deduction cannot exceed Passive Gains/Capital Gains included in Schedule 1 Line 3 of Form 600S. A schedule must be attached when this line is used. The schedule must include the Loss Year, Passive/Capital Loss from Federal Return, Passive/Capital Loss Apportioned to Georgia, Amount Utilized and the Passive/Capital Loss Carry Forward.

Current Year NOL Types: Normal Loss, Farm Loss and Insurance Loss checkboxes added to Schedule 10, Georgia NOL Carry Forward Worksheet.

Georgia Treatment of Research and Experimental Expenditures: Under the Federal Tax Cuts and Jobs Act, taxpayers must amortize research and experimental expenditures over five years for tax years beginning on or after January 1, 2022. However, Georgia does not follow the Federal rule and allows taxpayers to fully deduct research and experimental expenditures in the tax year they were paid or incurred for tax years beginning on or after January 1, 2022.

New Tax Credits: Qualified Foster Child Donation and Qualified Law Enforcement Donation credit. See Tax Summary for more details, https://dor.georgia.gov/tax-credit-summaries.

Historic Rehabilitation Tax Credits: These credits have been extended and revised, for more information, see Tax Credits Section in this booklet or https://dor.georgia.gov/tax-credit-summaries.

Qualified Education Expense and Qualified Rural Hospital Expense: These credits have been revised, for more information, see Tax Credits section in this booklet or https://dor.georgia.gov/tax-credit-summaries.

New Facilities Job Credit Force Majeure Update to Include Disease Pandemic: For projects certified after July 1, 2023 for the new facilities job credit but fail to meet the job or payroll maintenance requirements during the recapture period, force majeure relief from these maintenance requirements now includes pandemics. A pandemic is defined as an outbreak of disease that occurs over a wide geographic area, affects a significant proportion of the population, causes a substantial and unforeseeable threat to the public health, and materially impacts the ability to conduct business.

Quality Jobs Tax Credit: This credit has been revised, for more information, see Tax Credits section in this booklet or https://dor.georgia.gov/tax-credit-summaries.

Qualified Education Donation Credit: This credit has been extended. For more information, see Tax Credits Section in this booklet or https://dor.georgia.gov/tax-credit-summaries.

FEDERAL TAX CHANGES/CONFORMITY, LEGISLATION, AND OTHER POLICY INFORMATION

Federal Tax Changes/Conformity with Federal Changes, New Legislation, and other Policy Information are available via the Department's website https://dor.georgia.gov/taxes/tax-rules-and-policies/.

FILING REQUIREMENTS

All corporations that own property, do business in Georgia, or derive income from Georgia sources are required to file a Georgia income tax return. Please round all dollar entries. Nonresidents only need to file a single consent in the year in which the Subchapter "S" Corporation is first required to file a Georgia income tax return. For a Subchapter "S" Corporation in existence prior to January 1, 2008, the consent agreement must be filed for each shareholder in the first Georgia tax return filed for a year beginning on or after January 1, 2008. A consent agreement will also need to be filed in any subsequent year for any additional nonresident who becomes a shareholder of the Subchapter "S" corporation in that year.

Georgia resident shareholders of Subchapter "S" Corporations may make an adjustment to Federal adjusted gross income for Subchapter "S" income where the Subchapter "S" election is not recognized for Georgia purposes or by another state. The adjustment is allowed in order to avoid double taxation on this type of income. Therefore, this adjustment will be allowed only for the portion of income on which tax was actually paid by the corporation to Georgia or to another state(s).

ELECTRONIC FILING REQUIREMENTS

Taxpayers that remit payments by electronic funds transfer, whether on a mandatory or voluntary basis, must file all associated returns electronically. Also, a nonindividual income tax return must be electronically filed when the Federal counterpart of such return is required to be filed electronically pursuant to the Internal Revenue Code of 1986 or Internal Revenue Service regulations. Finally, a return is required to be electronically filed if the return generates, allocates, claims, utilizes, or includes in any manner a series 100 credit (see page 12, etc.).

TWO-DIMENSIONAL (2D) BARCODE FORMS

The Department of Revenue has given approval to certain software companies to produce tax programs that include a 2D barcode. A list of these companies is available on our website at dor.georgia.gov.

NOTE: The Department of Revenue encourages the use of 2D barcode returns; however, we neither support nor recommend any software company. Returns with a 2D barcode should be mailed to the address indicated by the software program.

CORPORATE PARTNERS OF PARTNERSHIPS

A corporation will be considered to own property in Georgia, do business in Georgia, or have income from Georgia sources whenever the corporation is a partner, whether limited or general, in a partnership which owns property or does business in Georgia, or has income from Georgia sources.

DEFERRED COMPENSATION

A nonresident, who receives deferred compensation or income from the exercise of stock options that were earned in Georgia in a prior year is required to pay tax on the income, but only if the prior year's income exceeds the lesser of: 1) 5 percent of the income received by the person in all places during the current taxable year; or 2) $5,000. However, the income is not taxed if Federal law prohibits the state from taxing it. Federal law prohibits state taxation of some types of retirement income including pensions as well as income received from nonqualified deferred compensation plans if the income is paid out over the life expectancy of the person or at least 10 years. An employer is required to withhold Georgia income tax on any amounts that are required to be included in the nonresident's income. See Regulation 560-7-4-.05 for more information.

PV CORP PAYMENT VOUCHER

If you owe taxes, mail your return and payment with Form PV- CORP. If you file electronically, mail Form PV- CORP with your payment to the address on the form. Do not use Form PV-CORP as a substitute for form IT-560C. Failure to properly complete and mail the PV-CORP could result in delayed or improper posting of your payment.

GENERAL INFORMATION: INCOME TAX (continued)

WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This would be March 15th if filing on a calendar-year basis. If the due date falls on a weekend or holiday, the return shall be due on the next day that is not a weekend or a holiday. Returns should be mailed to Georgia Department of Revenue, Processing Center, P.O. Box 740391, Atlanta, Georgia 30374-0391.

RELATION TO FEDERAL RETURN

The Georgia return correlates to the Federal return in most respects (see page 3 for a link to the Federal Tax Change Section on the website). The accounting period and method for the Georgia return must be the same as on the Federal return. A complete copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If a Federal audit results in a change in taxable income, the taxpayer shall file an amended Form 600S return reflecting the changed or corrected net income within 180 days of the final IRS determination. The return should be mailed to: Processing Center, Georgia Department of Revenue, P.O. Box 740391, Atlanta, Georgia 30374-0391. Further, if the changes result in a refund, the refund must be claimed within one year of the date the changes are submitted. Please check the "Amended due to IRS Audit" box on page 1 of Form 600S.

S CORPORATION REPRESENTATIVE

On Page 1 of Form 600S indicate the S Corporation representative. See Regulation 560-7-3-.11 for more information.

QUALIFIED SUBCHAPTER S SUBSIDIARY (QSSS)

For income tax purposes, Georgia follows the Federal treatment for a Qualified Subchapter S Subsidiary (QSSS). However, the QSSS and its parent must file separate net worth tax returns. If the parent is not registered with the Secretary of State, and does not do business or own property in Georgia (other than through the QSSS), they would not be required to file a net worth tax return. If this is the case, please check the "QSSS Exempt" box on page 1 of the Form 600S.

Qualified Subchapter S Subsidiary (QSSS) Credit Instructions. In addition to filing the net worth tax return, the QSSS should complete Schedule 11 if the QSSS generates credits or has credits assigned, allocated, or transferred to it. Also, Schedule 12 should be used to transfer the credits to the parent S Corporation and Schedule 13 should be completed if applicable. This is necessary so that the returns can be processed and the credits flow to the proper taxpayer.

FREQUENTLY ASKED QUESTIONS

Frequently asked questions regarding S corporations, corporations, partnerships, and LLCs are available on our website at https://dor.georgia.gov/help/faqs.

PUBLIC LAW 86-272

Public Law 86-272 provides an exemption from taxation in the following circumstances. If the employee merely solicits orders for sales of tangible personal property that are sent outside of Georgia for approval and are filled and shipped from outside Georgia (from a state other than Georgia where the employee's corporation conducts its business) then the exemption from taxation may apply. It must be noted that if an employee goes beyond mere solicitation then the exemption does not apply. Additionally, the Public Law 86-272 exemption does not apply to the net worth tax, so a Form 600 or 600S must be filed with Georgia and the net worth tax must be paid if due. Even when the exemption applies, we recommend that the corporation complete all schedules on the Georgia return relating to income tax and attach a copy of its Federal income tax return. Attach a statement that indicates the Corporation's belief that it falls under the protection of Public Law 86-272. Additionally, they should check the box on page 1 of the form.

COMPUTING GEORGIA TAXABLE INCOME

SCHEDULE 1

If an S Corporation is required to pay tax at the Federal level, it may be required to pay tax at the state level. This income would be apportioned to Georgia by multistate S Corporations. If you are claiming the Passive Loss/Capital Loss Deduction you must include a statement with the following: Loss Year, Passive/Capital Loss from the Federal Return, Passive/Capital Loss apportioned to Georgia, Amount utilized and the Passive/Capital Carry Forward.

ADJUSTMENTS TO FEDERAL INCOME OF SHAREHOLDERS

To determine total income for Georgia purposes, certain additions and subtractions as provided by Georgia law are included in the Schedule 6 computation. Lines 8 and 10 of Schedule 6 provide for modifications required by Georgia law. The total of the additions to Georgia income should be indicated on Schedule 6 and listed on Schedule 7. Total subtractions from Federal income should be indicated on Schedule 6 and listed on Schedule 8. The more commonly used items are listed in each of these schedules.

A corporation must add back all intangible expense and related interest expense directly or indirectly paid to a related member. All such expense must be listed as an addition to Federal income even if the taxpayer qualifies for an exception. If the taxpayer qualifies for a full or partial exception, Form IT-Addback **must** be completed in order to take a subtraction on Schedule 8 for all or any portion of the addition listed on Schedule 7.

A corporation must add back all captive REIT expenses directly or indirectly paid to a related member. All such expenses must be listed as an addition to Federal income even if the taxpayer qualifies for an exception. If a taxpayer qualifies for a full or partial exception, Form IT-REIT must be completed.

A taxpayer must addback payments of more than $600 in a taxable year made to employees who are not authorized employees and who are not excepted by O.C.G.A.§ 48-7-21.1. An authorized employee is someone legally allowed to work in the United States.

Additionally, adjustments due to Federal tax changes should be reported as stated on the Department's website (see page 3).

U.S. obligation income subtracted must be reduced by direct and indirect interest expense. To arrive at such reduction, the total interest expense is multiplied by a fraction, the numerator of which is the taxpayer's average adjusted basis of the U.S. obligations, and the denominator of which is the average adjusted basis of all assets of the taxpayer. See Georgia Regulation 560-7-3-.10.

Taxpayers who are parties to state contracts may subtract from Federal taxable income or Federal adjusted gross income 10% of qualified payments to minority subcontractors or $100,000, whichever is less, per taxable year. The Commissioner of the Department of Administrative Services maintains a list of certified minority subcontractors for the Revenue Department and general public. To register as a minority subcontractor or to view the list, visit doas.ga.gov/state-purchasing/supplier-services.

A corporation may subtract federally taxable interest received on Georgia municipal bonds designated as "Build America Bonds" under Section 54AA of the Internal Revenue Code of

1986. 'Recovery Zone Economic Development Bonds" under Section 1400U-2 of the Internal Revenue Code or any other bond treated as a "Qualified Bond" under Section 6431(f) of the Internal Revenue Code are considered "Build America Bonds" for this purpose.

A corporation may subtract federally taxable interest received on Georgia municipal bonds issued by the State of Georgia and certain authorities or agencies of the State of Georgia for which there is a special exemption under Georgia law from Georgia tax on such interest.

Georgia follows the provisions of I.R.C. Section 163(j) as they existed before the 2017 Tax Cuts and Jobs Act.

Georgia does not follow I.R.C. 174 under the Tax Cuts and Jobs Act.

See Georgia Code Section 48-7-21 for additional adjustments.

ALLOCATION AND APPORTIONMENT OF INCOME SCHEDULES 5, 6, and 9

If any corporation, domestic or foreign, does business or owns property both within and outside Georgia, the Georgia ratio as computed on Schedule 9 should be used to compute Georgia taxable income for nonresidents. Schedule 6 reflects flow-through income from the Federal return, which is taxable to the individual shareholders.

A resident shareholder is required to report their full share of corporate income or loss. A nonresident shareholder, however, is required to report only their share of allocated and apportioned income as computed on Schedule 5. Please also see the Federal Tax Changes section on the Department's website for separately stated shareholder adjustments (see page 3 for the link).

General instructions for computing the apportionment ratio and apportioned and allocated income are listed below. If the business income of the corporation is derived from Georgia sources, from property owned or business done within the State, and derived in part from property owned or business done outside the State, the tax is imposed only on that portion of the business income which is reasonably attributable to Georgia sources and property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gain from the sale of tangible or intangible property not held, owned, or used in connection with the trade or business of the corporation nor for sale in the regular course of business, shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gain shall be allocated without the State.

(3) When net income of the above classes has been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

ONE FACTOR FORMULA

(a) **Gross Receipts Factor:** The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from products shipped or delivered to customers within this State.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if they were received from customers within this State, or if they are otherwise attributable to this State's marketplace.

- For tax years beginning on or after January 1, 2008, the Georgia apportionment ratio shall be computed by applying only the gross receipts factor. See Georgia Comp. Rules and Regulations 560-7-7-.03 for specific details.
- For tax years beginning on or after January 1, 2006, a company whose net income is derived from the manufacture, production, or sale of tangible personal property and from business other than the manufacture, production, or sale of tangible personal property must include gross receipts from both activities in its receipts factor.
- For tax years beginning on or after January 1, 2006, a company whose net income is derived from business other than the manufacture, production, or sale of tangible personal property only includes in its receipts factor gross receipts from activities which constitute the company's regular trade or business.

(b) **Apportionment of Income:** Business Joint Ventures and Business Partnerships. A corporation or partnership that is involved in a business joint venture, or is a partner in a business partnership, must include its pro rata share of the joint venture's or partnership's gross receipts values in its own apportionment formula.

CREDIT USAGE AND CARRYOVER (SCHEDULE 11)

Enter the information as specified on each line of Schedule 11. With respect to Line 10, the "Tax Credits" summary in this booklet includes information regarding which credits can be sold.

AMENDED RETURNS

Georgia has no separate form for filing an amended return. To amend a return, check the amended return box on Form 600S. A copy of the Federal Form 1120S or Federal audit adjustments must be attached. The amended return should be mailed to Georgia Department of Revenue, Processing Center, P. O. Box 740391, Atlanta, Georgia 30374-0391. Amended returns are required to be sent electronically if the original return was filed electronically.

Georgia House Bill 849 was enacted in 2017. This bill modifies Code Section 48-7-53 and provides for Georgia S Corporation audit adjustments and related appeals effective for taxable years beginning on or after January 1, 2017 and earlier if the Department and the S Corporation agree. For a Georgia S Corporation audit, an S corporation may elect to pay the tax due on behalf of its shareholders by checking the box on page 1 of Form 600S. This election can be made on an original or amended return filed before the audit starts or at the time of the audit. If the election is made, the S Corporation will not file an amended return, instead the Department will issue a notice to the S Corporation to facilitate the collection of the tax. If the election is not made, the S Corporation and its shareholders must file amended returns.

GENERAL INFORMATION: INCOME TAX (continued)

With a Federal S Corporation adjustment, the S Corporation is required to file an amended Georgia return (please check the "Amended due to IRS Audit" box on page 1 of Form 600S).

CLAIMS FOR REFUNDS

A claim for refund of tax paid must be made within three years from the later date of either the payment of the tax or the due date of the income tax return (including extensions which have been granted).

LATE PAYMENT PENALTY

A taxpayer having an extension must prepay the Georgia tax due using Form IT-560C. Credit for this prepayment should be claimed on Form 600S, Schedule 4, Line 2. If tax is not paid by the statutory due date of the return, a late payment penalty of 1/2 of 1% per month (up to 25%) will accrue until the tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return. Late payment penalty is not due if the return is being amended due to an IRS audit; check the "Amended due to IRS Audit" box on page 1 of Form 600S.

PENALTIES AND INTEREST

The Georgia Code imposes certain penalties as follows:

- Delinquent filing of a return–5% of the tax not paid by the original due date for each month or fractional part thereof up to 25%.
- Failure to pay tax shown on a return by the due date–1/2 of 1% of the tax due for each month or fractional part thereof up to 25%. Failure to pay tax penalty is not due if the return is being amended due to an IRS audit.
- Negligent underpayment of tax–5% thereof.
- Fraudulent underpayment–50% thereof.
- Underpayment of estimated tax- see IT-611 Instructions Booklet for more information.

Note: The combined total of the penalty for delinquent filing of a return and failure to pay tax shown on a return cannot exceed 25% of the tax not paid by the original due date. accrues at the rate of 12 percent annually. Interest that accrues for months beginning on or after July 1, 2016 accrues as provided by Georgia Code Section 48-7-81.

ELECTION TO PAY AT THE ENTITY LEVEL

A S Corporation may annually make an irrevocable election to pay income tax at the entity level instead of passing the income tax liability through to the shareholders. To make the election, the S Corporation must check the box, "S Corporation elects to pay the tax at the entity level", on the Form 600S by the due date or extended due date of the Form 600S.

The election to pay tax at the entity level is binding on all shareholders, including nonresident shareholders. A composite return is not required when the election is made. Any allocable shares of the electing S Corporation's income or loss included on the shareholders' Federal adjusted gross income must be adjusted on the shareholders' own Georgia income tax returns. The shareholders are not eligible to claim a credit for taxes paid to Georgia with respect to income taxed at the S Corporation level.

Tax attributes, including but not limited to credits and net operating losses, do not pass through to the shareholders but remain with the electing S Corporation regardless of whether an election is made for subsequent taxable years. However, an electing S Corporation may make an irrevocable election to pass through all or part of any credit, that is generated within the applicable statute of limitation period for the S Corporation, to its shareholders for the taxable year the credit is generated. The election to pass credits through to the shareholders is not available for the Qualified Education Expense Tax Credit, the Qualified Education Donation Credit, and the Qualified Rural Hospital Expense Tax Credit.

The electing S Corporation must make estimated tax payments in the same manner as a C Corporation. Estimated payments made by the shareholders are not eligible to be transferred to the electing S Corporation but can be used to compute the penalty on Form 600-UET as if the electing S Corporation had made such payments. See Code Section 48-7-21 and Regulation 560-7-3-.03 for more information.

GENERAL INFORMATION: NET WORTH TAX

INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. **The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax period from the incorporation/ qualification date to the end of the year. If this return is for a short period of less than six months, the tax due is 50%. The initial net worth return cannot be combined with the initial income tax return because the due dates do not coincide.** Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

PENALTIES AND INTEREST

Penalty for delinquent filing is 10% of tax due. Penalty for delinquent payment is 10% of tax due. In addition, interest as specified on page 6 is due on delinquent payments from the due date until the liability is paid in full.

COMPUTATION OF TAX

The tax is graduated based on net worth (see page 7 for the table). In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock. Foreign corporations qualified to conduct business in Georgia are taxed based upon the portion of net worth employed within Georgia as computed on Schedule 3, using the ratio computed on Schedule 2. To compute the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. This includes all intangible assets reflected on the Federal return such as accounts receivable. Gross receipts factors are determined per instructions on page 5. For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.

Domestic corporations and domesticated foreign corporations are taxed based upon total net worth (100% ratio) and should not use the ratio computation in Schedule 2.

GENERAL INFORMATION: NET WORTH TAX(continued)

For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed based upon total net worth.

A dormant corporation must file a net worth tax return and pay the tax, if applicable, to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth must file a return but does not owe the net worth tax. A corporation that has been liquidated and is filing its final income tax return is not required to file a net worth tax return, nor is it entitled to a refund of previously paid net worth tax.

NET TAX DUE OR OVERPAYMENT

Schedule 4 provides for the computation of net tax due or the net overpayment of the two taxes. Compute any penalty and interest due for the respective taxes and enter the amounts on the applicable lines.

QUALIFIED SUBCHAPTER S SUBSIDIARY (QSSS)

For income tax purposes, Georgia follows the Federal treatment for a QSSS. However, the QSSS and the parent must file separate net worth tax returns. If the parent is not registered with the Secretary of State and does not do business or own property in Georgia (other than through the QSSS) they would not be required to file a net worth tax return. Please check the "QSSS Exempt" box on page 1 of the 600S if the parent is not subject to net worth tax.

FEDERAL SCHEDULE L REQUIREMENT

Schedule L must be completed on the Georgia copy of the Federal return even if it is not required for Federal purposes.

TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period Georgia income tax return for any reason other than filing an initial or final return shall compute the net worth in accordance with the following instructions:
The net worth tax shall be computed based upon the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st through the 15th day of the month are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

EXAMPLE: Corporation A files a three-month short period return ending March 31, 2018. The Georgia taxable net worth per the March 31, 2018 balance sheet is $900,000. The Georgia net worth tax is computed as follows: Tax per scale $500.00 x 3/12 = $125.00 net worth tax due.

NET WORTH TAX TABLE

DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus, and earned surplus (Schedule 3, Line 4).

FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus, and earned surplus employed within Georgia (Schedule 3, Line 6).

Not exceeding	100,000.00			0.00
Over	100,000.00	and not exceeding	150,000.00	125.00
Over	150,000.00	and not exceeding	200,000.00	150.00
Over	200,000.00	and not exceeding	300,000.00	200.00
Over	300,000.00	and not exceeding	500,000.00	250.00
Over	500,000.00	and not exceeding	750,000.00	300.00
Over	750,000.00	and not exceeding	1,000,000.00	500.00
Over	1,000,000.00	and not exceeding	2,000,000.00	750.00
Over	2,000,000.00	and not exceeding	4,000,000.00	1,000.00
Over	4,000,000.00	and not exceeding	6,000,000.00	1,250.00
Over	6,000,000.00	and not exceeding	8,000,000.00	1,500.00
Over	8,000,000.00	and not exceeding	10,000,000.00	1,750.00
Over	10,000,000.00	and not exceeding	12,000,000.00	2,000.00
Over	12,000,000.00	and not exceeding	14,000,000.00	2,500.00
Over	14,000,000.00	and not exceeding	16,000,000.00	3,000.00
Over	16,000,000.00	and not exceeding	18,000,000.00	3,500.00
Over	18,000,000.00	and not exceeding	20,000,000.00	4,000.00
Over	20,000,000.00	and not exceeding	22,000,000.00	4,500.00
Over	22,000,000.00			5,000.00

GENERAL INFORMATION

EXTENSION INFORMATION FOR CORPORATIONS

O.C.G.A. § 48-7-57 provides that a taxpayer need not apply for a Georgia extension if the taxpayer applies for and receives an automatic six (6) month extension to file the Federal income tax return. If the return is received within the time extended by the Internal Revenue Service, no late filing penalties will be incurred. **Georgia law prohibits granting an extension for more than six months from the due date of the return.**

Failure to attach a copy of the Federal extension will result in the assessment of late filing penalties! If you do not need a Federal extension, use Form IT-303 to request a Georgia extension if necessary.

If an extension was granted but the tax was not paid by the statutory due date, late payment penalties will be assessed until the tax is paid (income tax at 1/2 of 1% per month up to 25% of the tax due; net worth tax at 10%). Also, interest will be assessed as specified on page 6 from the statutory due date until the tax is paid in full. Late payment penalties and interest accrue from the statutory due date regardless of an extension.

A taxpayer having an extension must also prepay the Georgia Tax. Form IT-560C must be included with the remittance. Credit for the prepayment should be claimed on Form 600S, Schedule 4, Line 2. An extension of time to file does not alter the interest or penalty charge for late payment of tax.

NOTE: Check the "Extension" box on Form 600S if a Federal or Georgia extension was granted. Failure to check the extension box will result in assessment of a late filing penalty.

DIRECT DEPOSIT OPTION

DIRECT DEPOSIT- Fast Refunds! Choose Direct Deposit. A fast, simple, safe, secure way to have your refund deposited automatically to your checking or savings account. Check the appropriate box for the type of account. Do not check more than one box. You must check the correct box to ensure your direct deposit is accepted.

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Ask your financial institution for the correct routing number to enter if:

- The routing number on a deposit slip is different from the routing number on your checks.
- The deposit is to a savings account that does not allow you to write checks or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account. The account number can be up to 17 characters (both numbers and letters). Include hyphens, but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank.

Reasons your direct deposit may be rejected – If any of the following apply, your direct deposit request will be rejected and a check will be sent:

- Any numbers or letters are crossed out or whited out.
- You request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).

ANNUAL REGISTRATION WITH THE SECRETARY OF STATE

All Georgia corporations and foreign corporations that "qualify" to do business in Georgia must file an annual registration with the Secretary of State. Registration, including the fee, is due between January 1 and April 1. The Secretary of State will send a notice to the corporation's principal office address in early January.

Foreign corporations (those formed in a state other than Georgia) should determine the need to obtain a Certificate of Authority by reviewing O.C.G.A. § 14-2-1501. The statute can be read and an application obtained at sos.ga.gov. Annual registration and certificate of authority obligations are separate from any filings with the Department of Revenue.

HELPFUL RESOURCES (CENTER)

Customer Contact Center 1-877-423-6711
Secretary of State.....404-656-2817

INSTRUCTIONS FOR NONRESIDENT SHAREHOLDERS

Nonresident shareholders of corporations doing business both within and outside Georgia shall compute their portion of the corporation's allocated and apportioned income from the schedules on Form 600S. The Georgia net income of nonresidents computed on Schedule 5, Line 7 should be multiplied by the percentage of stock owned. The result of this calculation yields the beginning taxable income for the nonresident which should be reported on the Georgia individual tax return. This beginning taxable income should be adjusted for the separately stated items mentioned in the "Federal Tax Changes" section on the Department's website and the " Adjustments to Federal Income of Shareholders" section on page 4. Under Sections 48-7-21 and 48-7-27 of the Georgia Code thereunder, all nonresident shareholders must execute an agreement on Form 600S- CA wherein the shareholders agree to pay Georgia income tax on their portion of the corporation's Georgia taxable income or the S Corporation election will be terminated by the Commissioner (see page 3 for more information).

Special Note: Any S Corporation with nonresident members shall be subject to withholding tax unless a composite return, Form IT-CR, is filed, the S Corporation makes an irrevocable election to pay income tax at the entity level or the aggregate annual member's share of the taxable income sourced to Georgia is less than $1,000.00. However, if the shareholder has a properly executed 600S-CA, withholding is not due provided the shareholder reports the income and pays the tax. Permission to file a composite return is not required. To ensure Georgia's recognition of your S Corporation election, attach a properly completed Form 600S-CA for each nonresident shareholder to Form 600S when it is filed, even if a composite return has been filed. Please see Page 3 for details as to when and how often the 600S-CA is required. If applicable, please check the "Composite Return Filed" box on Form 600S, Page 1. **For composite return information and / or forms call 1-877-423-6711.**

CORPORATION ESTIMATED INCOME TAX

For Georgia residents, income on most S Corporations flows through to the individual shareholders and estimated tax is paid accordingly at the individual level. If your S Corporation must pay estimated tax at the corporate level, see the Estimated Income Tax section of this booklet.

GEORGIA NOL CARRY FORWARD WORKSHEET EXAMPLE

A	B	C	D	E	F
Loss Year	Loss Amount	Income Year	NOL Utilized	Balance	Remaining NOL
2014	$ 225,351	12/31/2015	$ 49,052	$ 176,299	
2014		12/31/2020	$ 39,252	$ 137,047	
2014		12/31/2021	$ 26,880	$ 110,167	
2015	$ 86,280				$ 86,280
2016	$ 116,287				$ 116,287
2017	$ 18,765				$ 18,765
2018	$ 52,711				$ 52,711
2019	$ 300,000				$ 300,000

EXAMPLE

1. NOL Carry Forward Available to Current Year	$ 684,210
2. Current Year Income / (Loss) (Schedule 1, Line 5 or Schedule 7, Line 7)	$ 450,000
3. NOL from Taxable Years Beginning on or after 1/1/2018 Applied to Current Year (Cannot exceed 80% of Line 2; see instructions for more information) (Enter on Schedule 1, Line 4)	$ 360,000
4. NOL Carry Forward Available to Next Year (Line 1 less Line 3 plus any loss amount on Line 2)	$ 324,210

INSTRUCTIONS

*Cannot Exceed the Current Year Income Reported on Line 2.

Column A: List the loss year(s).

Column B: List the loss amount for the tax year listed in Column A.

Columns C & D: List the years in which the losses were utilized and the amount utilized each year.

Column E: List the balance of the NOL after each year has been applied. (Column B less Column D).

Column F: List the remaining NOL applicable to each loss year.

Total the remaining NOL (Col. F) and enter in the space at the bottom of the worksheet for “NOL Carry forward Available to Current Year”. Then insert “Current Year Income / (Loss)” in the space provided and compute the remainder of the schedule. Create photocopies as needed.

CORPORATION ESTIMATED INCOME TAX INSTRUCTIONS

CORPORATIONS THAT MUST FILE ESTIMATED TAX

Effective January 1, 2024, the Tax Rate is 5.39%

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if its net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars ($25,000.00).

All corporate income tax must be paid directly to the Georgia Department of Revenue. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at a rate of 9% per annum for underpayment of estimated tax. Compute the 9% penalty on Form 600 UET and check the "UET Annualization Exception attached" box if an exception applies and attach the 600 UET to the return. Enter penalty from 600 UET on Schedule 4, Line 8 of Form 600S.

The following percentages of estimated tax shall be paid on or before the fifteenth day of the:	**4th MONTH OF THE TAXABLE YEAR**	**6th MONTH OF THE TAXABLE YEAR**	**9th MONTH OF THE TAXABLE YEAR**	**12th MONTH OF THE TAXABLE YEAR**
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 1/3%	33 1/3%	33 1/3%
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

NEW ESTIMATED TAX FILERS

If you determine that you are required to file estimated tax, mail your initial payment along with Form 602ES. The estimated tax worksheet is on the Form 602ES. Include your corporate name, address, telephone number, Federal Employer Identification Number, and the taxable year. For more information, contact the Department at 1-877-423-6711.

Form 602ES should be mailed to State of Georgia, Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136. Check or money order for payment of tax should be made payable to Georgia Department of Revenue. Include your Federal Employer Identification Number on your check or money order.

ELECTRONIC PAYMENT

In accordance with O.C.G.A. § 48-2-32(f)(2), corporate estimate taxpayers with quarterly payments of more than $10,000 must pay via electronic funds transfer. A penalty of 10% will be added if the payment is not submitted electronically through GTC.

You may pay corporate income and estimated taxes using Georgia Tax Center (GTC). This integrated tax system gives corporate taxpayers the ability to pay the tax via a secure internet connection.

Please visit the GTC website at https://gtc.dor.ga.gov for more information. You may also contact the Electronic Services Group at 1-877-423-6711.

EXAMPLE OF HOW TO FILL OUT A TAX CREDIT SCHEDULE FOR CREDITS THAT DO NOT REQUIRE PRE-APPROVAL

If receiving the same credit type from multiple entities, you must complete one tax credit schedule for each credit code. For the credit generated this tax year, list the Company Name and ID number if applicable. If the credit originated with this taxpayer, enter this taxpayer's name and ID#. Only enter a certificate number if the Department has provided a letter with your unique certificate number because the credit is preapproved. Purchased credits and credits received from an allocation or assignment should also be included on this schedule. If a credit is purchased from a previous year the credit should be claimed as previous year credit.

1. Credit Code			103
2. Company Name	TAXPAYER'S NAME	ID Number	12-3456789
Credit Certificate #		Credit Generated this Tax Year	45000
3. Company Name	XYZ LLC	ID Number	67-0009876
Credit Certificate #		Credit Generated this Tax Year	3000
4. Company Name	ABC COMPANY	ID Number	57-2233445
Credit Certificate #		Credit Generated this Tax Year	3000
5. Company Name		ID Number	
Credit Certificate #		Credit Generated this Tax Year	
6. Company Name		ID Number	
Credit Certificate #		Credit Generated this Tax Year	
7. Company Name		ID Number	
Credit Certificate #		Credit Generated this Tax Year	
8. Total available credit for this tax year (Sum of Lines 2 through 7)		8.	51000
9. Enter the amount assigned to affiliated entities (See Schedule 13)		9.	
10. Enter the amount of the credit sold (only certain credits can be sold; see instructions)		10.	
11. Credit used for this tax year (Only when income tax is paid by the S Corporation) (enter on Schedule 4, Line 3)		11.	
12. Total allocated to owners on Schedule 12		12.	51000
13. Credit used on Form IT-CR		13.	
14. Credits eligible to be sold that were not sold or allocated to owners from previous years (do not include amounts elected to be applied to withholding)		14.	
15. Potential carryover to next tax year (Line 8 less Lines 9, 10, 11, 12, 13 plus Line 14)		15.	0

EXAMPLE OF HOW TO FILL OUT A TAX CREDIT SCHEDULE FOR CREDITS THAT REQUIRE PRE-APPROVAL

If receiving the same credit type from multiple entities, you must complete one tax credit schedule for each credit code. For the credit generated this tax year, list the Company Name and ID number if applicable. If the credit originated with this taxpayer, enter this taxpayer's name and ID#. Only enter a certificate number if the Department has provided a letter with your unique certificate number because the credit is preapproved. Purchased credits and credits received from an allocation or assignment should also be included on this schedule. If a credit is purchased from a previous year the credit should be claimed as previous year credit.

1. Credit Code 125

2. Company Name TAXPAYER'S NAME ID Number 12-3456789

Credit Certificate # 0112233445 Credit Generated this Tax Year 10000

3. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

4. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

5. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

6. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

7. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

8. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

9. Company Name ID Number

Credit Certificate # Credit Generated this Tax Year

10. Total available credit for this tax year (Sum of Lines 2 through 9)	10.	10000
11. Enter the amount assigned to affiliated entities (See Schedule 11)	11.	
12. Enter the amount of the credit sold (only certain credits can be sold; see instructions)	12.	
13. Credit used for this tax year (enter here and on Schedule 3, Line 3)	13.	
14. Potential carryover to next tax year (Line 10 less Lines 11, 12, and 13)	14.	10000

TAX CREDITS

A return is required to be filed electronically if the return generates, allocates, claims, utilizes, or includes in any manner a Series 100 credit.

Note: The Timber Tax Credit (145) is not refundable directly to an S Corporation. Instead it is refundable to the owners (if not purchased).

Qualified Subchapter S Subsidiary (QSSS) Credit Instructions. In addition to filing the net worth tax return,the QSSS should complete Schedule 11 if the QSSS generates credits or has credits assigned, allocated, or transferred to it. Also, Schedule 12 should be used to transfer the credit to the parent S Corporation and Schedule 13 should be completed if applicable. This is necessary so that the returns can be processed and the credits flow to the proper taxpayer.

Disregarded Single Member LLC Credit Instructions. If the taxpayer owns or is owned by a disregarded single member LLC, the single member LLC should be disregarded for filing purposes. All credits should be claimed on the owner's return. All tax credit forms should be filed in the name of the single member LLC but included with the owner's return. This is necessary so that the returns can be processed and the credits flow to the proper taxpayer.

102 **Employer's Credit for Approved Employee Retraining.** The retraining tax credit allows employers to claim certain costs of retraining employees to use new equipment new technology, or new operating systems. For tax years beginning on or after January 1, 2009, approved retraining shall not include any retraining on commercially, mass produced software packages for word processing, database management, presentations, spreadsheets, e-mail, personal information management, or computer operating systems except a retraining tax credit shall be allowable for those providing support or training on such software. The credit is calculated at 50% of the direct costs of retraining full-time employees, up to $500 per employee per approved retraining program per year. For tax years beginning on or after January 1, 2009, there is a cap of $1,250 per year per full-time employee who has successfully completed more than one approved retraining program. The credit may be utilized up to 50% of the taxpayer's total state income tax liability for a tax year. For tax years beginning on or after January 1, 2009, the credit must be claimed within one year instead of the normal three-year statute of limitation period. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Technical College System of Georgia. This credit should be claimed on Form IT-RC, with Program Completion forms signed by Technical College System of Georgia personnel attached. For more information, refer to O.C.G.A. §48-7-40.5.

103 **Employer's Jobs Tax Credit.** This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.

Tier Designation	County Rankings	New Jobs Created	Credit Amount
Tier 1	1 through 71	5 or more*	$3,500
Tier 2	72 through 106	10 or more	$2,500
Tier 3	107 through 141	15 or more	$1,250
Tier 4	142 through 159	25 or more	$750

Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain less developed census tracts in the metropolitan areas of the state. Note that the average wage for each new job must be above the average wage of the county that has the lowest average wage of any county in the state. Also, employers must make health insurance available to employees filling the new full-time jobs. Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. For taxpayers that initially claimed this credit for any taxable year beginning before January 1, 2009, credits are allowed for new full-time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and less developed census tracts only, credits may also be taken against a company's income tax withholding. To claim the credit against withholding, a business must file Form IT-WH as provided in the job tax credit regulation or as instructed by the Commissioner. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of the new full-time jobs and maintained jobs is based on averagemonthly employment. Georgia counties are re-ranked annually based on updated statistics. This credit should be claimed on Form IT-CA. An additional $500 per job is allowed for a business located within a county that belongs to a Joint Development Authority per O.C.G.A. §36-62-5.1. For taxpayers that create a new year one under DCA regulations for any taxable year beginning on or after January 1, 2009, the following apply:

1. The definition of a business enterprise now also includes a business or headquarters of a business that provides services for the elderly and persons with disabilities (only for the jobs credit provided pursuant to O.C.G.A. §48-7-40).
2. The credit may be claimed beginning with the year the job is created as opposed to the year after the job is created.
3. The credit may be claimed against withholding tax for a business enterprise engaged in a competitive project (as certified by the Department of Economic Development) which is located in a tier 2, 3, or 4 county.
4. The additional new full-time jobs created in the 4 years after the initial year shall be eligible for the credit.
5. The credit must be claimed within one year instead of the normal three-year statute of limitation period.

*For a business enterprise that creates a new year one under DCA regulations for any taxable year beginning on or after January 1, 2012, in tier 1 counties, the business enterprise must increase employment by 2 or more new full-time jobs for the taxable year to be eligible for the credit. See the Job Tax Credit law (O.C.G.A. §§ 48-7-40 and 48-7-40.1) and regulations for further information or refer to the Department of Community Affairs website.

For taxable years beginning in 2020 and 2021, taxpayers that claimed the Jobs tax credit in a taxable year beginning on or after January 1, 2019 and before December 31, 2019, have the option to utilize the number of new full-time jobs that the taxpayer claimed in the taxable year beginning on or after January 1, 2019 and before December 31, 2019; or calculate the number of new full-time jobs based on the number of full-time jobs created and maintained in that respective tax year.

104 **Employer's Credit for Purchasing Child Care Property.** Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. Any unused credit may be carried forward for three years and the credit is limited to 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. This credit should be claimed on Form IT-CCC100. For more information, refer to O.C.G.A. §48-7-40.6.

105 **Employer's Credit for Providing or Sponsoring Child Care for Employees.** Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75% of the employers' direct costs. The credit may not exceed 50% of the taxpayer's total state income tax liability for the taxable year. Any credit claimed but not used in any taxable year may be carried forward for five years from the close of the taxable year in which the cost of the operation was incurred. This credit should be claimed on Form IT-CCC75. For more information, refer to O.C.G.A. §48-7-40.6.

106 **Manufacturer's Investment Tax Credit. Based on the same Tier Ranking as the Job Tax Credit program.** It allows taxpayer that has operated an existing manufacturing or telecommunications facility in the state for the previous three years to obtain a credit against income tax liability. The credit is calculated on expenses directly related to manufacturing or to providing telecommunications services. Taxpayers must apply (use Form IT-APP) and receive approval before claiming the credit on the appropriate tax return. A taxpayer may not claim the job tax credit or the optional investment tax credit when claiming this credit for the same project. Companies must invest a minimum of $100,000 per project/location during the tax year in order to claim the credit.

Tier Location	Tax Credit	Credit for Recycling, Pollution Control or Defense Conversion Activities
Tier 1	5%	8%
Tier 2	3%	5%
Tier 3 or 4	1%	3%

For a taxpayer with a manufacturing or telecommunications facility in a rural county located in a tier 1 county or tier 2 county that has purchased or acquired qualified investment property in a taxable year beginning on or after January 1, 2020 (which is then claimed on an income tax return in the taxable year after the purchased or acquired taxable year), the excess investment tax credit may be used to offset withholding as provided in the investment tax credit regulation. The taxpayer must receive preapproval as provided in DOR's regulation to use the excess credit against withholding. A taxpayer that has investment tax credit carry forward for qualified investment property that was purchased or acquired in a taxable year beginning before January 1, 2020, may request preapproval to use such investment tax credit carry forward against withholding tax if certain requirements are met; this provision is repealed on December 31, 2024. The taxpayer must receive preapproval as provided in DOR's regulation to use the credit carry forward against withholding. The total amount of tax credits preapproved to be used against withholding tax for taxpayers in rural counties located in tier 1 and tier 2 counties and for taxpayers to use investment tax credit carry forward against withholding together shall not exceed $1 million per taxpayer per calendar year and $10 million for all taxpayers per calendar year.

This credit should be claimed on Form IT-IC and accompanied by the approved Form IT-APP. For more information, refer to O.C.G.A. §§48-7-40.2, 40.3, and 40.4.

107 **Optional Investment Tax Credit.** Taxpayers qualifying for the investment tax credit may choose an optional investment tax credit with the following threshold criteria:

Designated Area	Minimum Investment	Tax Credit
Tier 1	$ 5 Million	10%
Tier 2	$10 Million	8%
Tier 3 or 4	$20 Million	6%

Taxpayers must apply (use **Form OIT-APP**) and receive approval before they claim the credit on their returns. The credit may be claimed for 10 years, provided the qualifying property remains in service throughout that period. A taxpayer must choose either the regular or optional investment tax credit. Once this election is made, it is irrevocable. The optional investment tax credit is calculated based upon a three-year tax liability average. The annual credits are then determined using this base year average. The credit available to the taxpayer in any given year is the lesser of the following amounts:

(1) 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; **or**

(2) 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.

The credit must be claimed on **Form IT-OIC**. For more information, refer to O.C.G.A. §§48-7-40.7, 40.8, and 40.9.

109 **Low Income Housing Credit.** This is a credit against Georgia income taxes for taxpayers owning developments receiving the Federal Low Income Housing Tax Credit that are placed in service on or after January 1, 2001. Credit must be claimed on Form IT-HC and accompanied with Federal Form K-1 from the providing entity and a schedule of the building allocation. For more information, refer to O.C.G.A. §48-7-29.6.

111 **Business Enterprise Vehicle Credit.** This credit is for a business enterprise for the purchase of a motor vehicle used exclusively to provide transportation for employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. §48-7-40.22.

112 **Research Tax Credit.** A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing, and distribution, processing, telecommunications, tourism, broadcasting or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. For tax years beginning on or after January 1, 2009, the base amount calculation is based on Georgia gross receipts instead of Georgia taxable net income. (Note that for tax years beginning before January 1, 2009, the base amount must contain positive Georgia taxable net income for all years.) The credit may not exceed 50% of the business' Georgia net income tax liability after all other credits have been applied in any one year. Any unused credit may be carried forward 10 years. Excess research tax credit earned in taxable years beginning on or after January 1, 2012, may be used to offset withholding as provided in the research tax credit regulation. This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.

113 **Headquarters Tax Credit.** Companies establishing their headquarters or relocating their headquarters to Georgia prior to January 1, 2009 may be entitled to a tax credit if the following criteria are met: 1) At least fifty (50) headquarters jobs are created; and 2) within one year of the first hire, $1 million is spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company or a subsidiary of the company. The credit is available for establishing new full-time jobs. To qualify, each job must pay a salary which is a stated percentage of the average county wage where the job is located: Tier 1 counties at least 100%; Tier 2 counties at least 105%; Tier 3 counties at least 110%; and Tier 4 counties at least 115%. The company has the ability to claim the credit in years one through five for jobs created in year one and may continue to claim newly created jobs through year seven and claim the credit on each of those jobs for five years. The credit is equal to $2,500 annually per new full-time job meeting the wage requirement or $5,000 if the average wage of all new qualifying fulltime jobs is 200% or more of the average county wage where new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. To claim the credit against withholding, a business must file Form IT-WH as provided in the headquarters tax credit regulation or as instructed by the Commissioner. This credit should be applied for and claimed on Form IT-HQ. For more information, refer to O.C.G.A. §48-7-40.17.

114 **Port Activity Tax Credit (Use 114J for Port Activity Job Tax Credit and 114M for Port Activity Investment Tax Credit).** For taxable years beginning before January 1, 2010, businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development that have increased shipments out of Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons five containers or ten 20- foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or

investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The tax credit amounts are as follows for all Tiers: An additional job tax credit of $1,250 per job; investment tax credit of 5%; or optional investment tax credit of 10%. Companies that create 400 or more new jobs, invest $20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. The credit is claimed by filing the appropriate form for the applicable credit (job tax: Form IT-CA; investment tax: Form IT-IC or optional: Form IT-OIC) with the tax return and providing a statement with port numbers to verify the increase in port traffic. For more information, refer to O.C.G.A. §48-7-40.15. For tax years beginning on or after January 1, 2010, the following changes apply:

1. "Base year port traffic" means the amount of imports and exports during the second preceding 12-month period. For example, if the taxpayer is trying to claim the credit for 2010, they would compare 2009 to 2008 and if the increase is more than 10% they would qualify. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base.
2. "Port traffic" means the amount of imports and exports.

115 **Bank Tax Credit.** All financial institutions that conduct business or own property in Georgia are required to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. §48-7-29.7.

118 **New Facilities Jobs Credit**. For business enterprises who first qualified in a taxable year beginning before January 1, 2009, $450 million in qualified investment property must be purchased for the project within a six-year period. The manufacturer must also create at a minimum 1,800 new jobs within a six-year period. For business enterprises who first qualify in a taxable year beginning on or after January 1, 2009; the definition of business enterprise is any enterprise or organization which is registered and authorized to use the Federal employment verification system known as "E-Verify" or any successor Federal employment verification system and is engaged in or carrying on any business activities within this state. Retail businesses are not included in the definition of a business enterprise. The business enterprise must meet the job creation requirement and either the qualified investment requirement, $450 million qualified investment property, or the payroll requirement, $150 million in total annual of Georgia W-2 reported payroll within the six-year period. For tax years beginning on or after January 1, 2012, the job creation requirement is extended if certain amounts of qualified investment property are purchased. After an affirmative review of the application by a panel, the business enterprise is rewarded with the new facilities job tax credit. The credit is $5,250 per job created. The credit offsets income tax liability and any excess credit may be used to offset withholding taxes. There is a 10-year carryforward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.24.

119 **Electric Vehicle Charger Credit.** This is a credit for a business enterprise for the purchase of an electric vehicle charger located in the State of Georgia. The credit is the lesser of 10% of the cost of the charger or $2,500. For more information refer to O.C.G.A. § 48-7-40.16.

120 **New Manufacturing Facilities Property Credit.** This is an incentive for a manufacturer who has operated a manufacturing facility in this state for at least 3 years and who spends $800 million on a new manufacturing facility in this state. There is also the requirement that the number of full-time employees equal or exceed 1,800. However, these jobs do not have to be new jobs to Georgia. An application is filed which a panel must approve. The benefit awarded to a manufacturer is a credit against taxes equal to 6 percent of the cost of all qualified investment property purchased or acquired. The total credit allowed is $50 million. The credit offsets income tax liability and any excess may be used to offset withholding taxes. There is a 15-year carry forward of any unused tax credit. There are different provisions for certain high-impact aerospace defense projects. For more information, refer to O.C.G.A. §48-7-40.25.

121 **Historic Rehabilitation Credit for Historic Homes.** For tax years beginning January 1, 2022 and later, this Credit Code no longer applies. Taxpayers seeking to utilize Historic Rehabilitation Credits should refer to the summaries for Code 135 and Code 149 for further information.

The following information applies to taxable years occurring before taxable year January 1, 2022:

A credit will be available for the certified rehabilitation of a historic home. Standards set by the Department of Community Affairs must be met. For taxable years beginning on or after January 1, 2009, a credit not to exceed $100,000 for a historic home will be available. For more information, refer to O.C.G.A. 48- 7-29.8 and the regulation or the Department of Community Affairs website.

122 **Film Tax Credit (use code 133 if the credit is for a Qualified Interactive Entertainment Production Company).** Production companies which have at least $500,000 of qualified expenditures in a state certified production may claim this credit. Certification must be approved through the Georgia Department of Economic Development (DECD). The credit is equal to 20 percent of the base investment in the state, with an additional 10 percent for including a qualified Georgia promotion in the state certified production. There are special calculation provisions for production companies whose average annual total production expenditures in this state exceeded $30 million for 2002, 2003 and 2004. This credit may be claimed against 100 percent of the production company's income tax liability, while any excess may be used to offset the production company's withholding taxes. To claim the credit against withholding, the production company must file **Form IT-WH** as provided in the film tax credit regulation or as instructed by the Commissioner.

The production company also has the option of selling the tax credit to a Georgia taxpayer. For projects certified by DECD on or after January 1, 2021, that exceed $2.5 million in credit, the production company must apply and receive an audit under O.C.G.A. § 48-7-40.26 and Revenue Regulation 560-7-8-.45 before the credit is claimed or utilized in any manner. For projects certified by DECD on or after January 1, 2022 that exceed $1.25 million in credit, the production company must apply and receive an audit under O.C.G.A. § 48-7-40.26 and Revenue Regulation 560-7-8-.45 before the credit is claimed or utilized in any manner. For projects certified by DECD on or after January 1, 2023, the production company must apply and receive an audit under O.C.G.A. § 48-7-40.26 and Revenue Regulation 560-7-8-.45 before the credit is claimed or utilized in any manner. For more information, refer to O.C.G.A. §48-7-40.26.

124 **Land Conservation Credit.** This provides for an income tax credit for the qualified donation of real property that qualifies as conservation land. Property donated to increase building density levels or property that will be used or is associated with the playing of golf shall not be eligible. Taxpayers will be able to claim a credit against their state income tax liability not exceeding 25 percent of the fair market value of the property, or 25 percent of the difference between the fair market value and the amount paid to the donor if the donation is effected by a sale for less than fair market value, up to a maximum credit of $250,000 per individual, and $500,000 per corporation, and $500,000 per partnership. However, the partners of the partnership are subject to the per individual and per corporation limits. The amount of the credit used in any one year may not exceed the taxpayer's income tax liability for that taxable year. Any unused portion of the credit may be carried forward for ten succeeding years. The Department of Natural Resources will certify that such donated property is suitable for conservation purposes. Please note that the Department of Natural Resources cannot accept new applications after December 31, 2026. A copy of this certificate must be filed with the taxpayer's tax return in order to claim the credit. This credit should be claimed on Form IT-CONSV. The taxpayer beginning January 1, 2012, has the option of selling the credit to a Georgia Taxpayer. For more information, refer to O.C.G.A. §48-7-29.12 and Regulation 560-7-8-.50. For donations in taxable years beginning on or after January 1, 2013, to claim the credit, Form IT-CONSV, the DNR certification, the State Property Commission's determination, and the appraisal must be attached to the income tax return; and the taxpayer must add back to Georgia taxable income the amount of any Federal charitable contribution related to the Georgia conservation credit. For donations made on or after June 1, 2022, the aggregate amount of tax credits shall not exceed $4 million per calendar year and the taxpayer must request preapproval.

125 **Qualified Education Expense Credit.** This provides a tax credit for qualified educational expenses. The credit is allowed on a first come, first served basis. The aggregate amount of the tax credit allowed to all taxpayers cannot exceed $100 million per tax year for tax years ending before January 1, 2023. For tax years beginning on or after January 1, 2023, the aggregate amount of the tax credit allowed to all taxpayers cannot exceed $120 million per tax year. The taxpayer must add back to Georgia taxable income that part of any Federal charitable contribution deduction taken on a Federal return for which a credit is allowed. Taxpayers must request preapproval to claim this credit on Form IT-QEE-TP1 through the Georgia Tax Center. For more information, refer to O.C.G.A. § 48-7-29.16 and Revenue Regulation 560-7-8-.47.

126 **Seed-Capital Fund Credit.** This provides tax credits for certain qualified investments made on or after July 1, 2008. For more information, refer to O.C.G.A. §§ 48-7-40.27 and 48-7-40.28.

128 **Wood Residuals Credit.** This provides a tax credit for transporting or diverting wood residuals to a renewable biomass qualified facility on or after July 1, 2008. The aggregate amount of tax credits allowed for both the clean energy property tax credit and the wood residuals tax credit is $2.5 million for calendar years 2008, 2009, 2010, 2011; and $5 million for calendar years 2012, 2013, and 2014. Taxpayers must request preapproval to claim this credit on Form IT-WR-AP. For more information, refer to O.C.G.A. § 48-7-29.14.

129 **Qualified Health Insurance Expense Credit.** Effective for taxable years beginning on or after January 1, 2009, an employer (but only an employer who employs 50 or fewer persons either directly or whose compensation is reported on Form 1099) is allowed a tax credit for qualified health insurance expenses in the amount of $250.00 for each employee enrolled for twelve consecutive months in a qualified health insurance plan. Qualified health insurance means a high deductible health plan as defined by Section 223 of the Internal Revenue Code. The qualified health insurance must be made available to all employees and compensated individuals of the employer pursuant to the applicable provisions of Section 125 of the Internal Revenue Code. The total amount of the tax credit for a taxable year cannot exceed the employer's income tax liability. The qualified health insurance premium expense must equal at least $250 annually.

130 **Quality Jobs Credit.** For tax years beginning on or after January 1, 2009, a taxpayer creating at least 50 "new quality jobs" may be entitled to a credit provided certain conditions are met. A "new quality job" means a job that: 1) Is located in this state; 2) Has a regular work week of 30 hours or more; 3) Is not a job that is or was already located in Georgia regardless of which taxpayer the individual performed services for; 4) which pays at or above 110 percent of the average wage of the county in which it is located; and 5) For a taxpayer that initially claimed the credit in a taxable year beginning before January 1, 2012, the job has no predetermined end date. The credit amount varies depending upon the pay of the new quality jobs. The credit must be claimed within one year instead of the normal three-year statute of limitation period. The taxpayer may claim the credit in years one through five for new quality jobs created in year one and may continue to claim newly created new quality jobs through year seven and claim the credit on each of those new quality jobs for five years. The credit may be used to offset 100 percent of the taxpayer's Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. To claim the credit against withholding, a taxpayer must file Form IT-WH as provided in the quality jobs tax credit regulation or as instructed by the Commissioner. For a taxpayer that initially qualifies to claim the credit in a taxable year beginning on or after January 1, 2016, the term "taxpayer" means any person required by law to file a return or

to pay taxes, except that any taxpayer may elect to consider the jobs within its disregarded entities, as defined in the Internal Revenue Code, for purposes of calculating the number of new quality jobs created by the taxpayer. Such election shall be irrevocable and must be made on the initial qualifying return (on Form IT-QJ) or within one year of the earlier of the date the initial qualifying return was filed or the date such return was due, including extensions. In the event such election is made, such disregarded entities shall not be separately eligible for the credit. Also, if the first date on which the taxpayer, pursuant to the provisions of Code Section §48-7-101, withhold wages for employees in this state occurs in a taxable year beginning on or after January 1, 2017, the taxpayer has two years to employ at least 50 persons in new quality jobs in this state instead of the prior one-year period. In 2017 the statute was changed to provide that only a taxpayer that completes the creation of a qualified project in a taxable year beginning on or after January 1, 2017 is eligible to begin a subsequent seven-year job creation period. For a taxpayer that initially qualifies to claim the credit in a tax year beginning on or after January 1, 2020, the 50 new quality jobs requirement is reduced if the jobs are located in a rural county as defined in the statute. For taxable years beginning in 2020 and 2021, taxpayers that claimed the quality jobs tax credit in a taxable year beginning on or after January 1, 2019 and before December 31, 2019, have the option to utilize the number of new quality jobs that the taxpayer claimed in the taxable year beginning on or after January 1, 2019 and before December 31, 2019; or calculate the number of new quality jobs based on the number of new quality jobs created and maintained in that respective tax year. For a taxpayer that initially qualifies to claim the credit in a taxable year beginning on or after January 1, 2023, the term "taxpayer" means any person required by law to file a return or to pay taxes, except that any taxpayer may elect to consider the jobs within its disregarded entities, as defined in the Internal Revenue Code, for purposes of calculating the number of new quality jobs created by the taxpayer, and except that organizations exempt from tax pursuant to Code Section 48-7-25 are "taxpayers" only to the extent that a trade or business operated by such organization generates unrelated business income as defined in Section 512 of the Internal Revenue Code. Such taxpayers qualify to claim the credit only for the projects and investments related to such trade or business and can only elect jobs for such trade or business to qualify as new quality jobs. For more information, refer to O.C.G.A. § 48-7-40.17.

131 **Alternate Port Activity Tax Credit.** O.C.G.A. § 48-7-40.15A provides an alternate port tax credit. The definitions of "base year port traffic" and "port traffic" include imports and exports of product. It allows the credit to any business enterprise located in a tier two or three county established pursuant to O.C.G.A. § 48-7-40 and in a less developed area established pursuant to O.C.G.A. § 48-7-40.1 and which qualifies and receives the tax credit under O.C.G.A. § 48-7-40.1 and which: 1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008; 2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and 3. Has a minimum of 8 retail stores in this state in the first year of operations. The business enterprise shall not be authorized to claim both this credit and the port credit provided in O.C.G.A. § 48-7-40.15, unless such business enterprise has increased its port traffic of products during the previous twelve-month period by more than 20 percent above its base year port traffic, and also has increased employment by 400 or more no sooner than January 1, 1998. The tax credit, in addition to the tax credit under O.C.G.A. § 48-7-40, shall be limited to an amount not greater than 50 percent of the taxpayer's state income tax liability which is attributable to income derived from operations in this state for that taxable year. No credit may be claimed and allowed under this code section for any jobs created on or after January 1, 2015.

132 **Qualified Investor Tax Credit.** This provides a 35% credit for amounts invested in a registered qualified business. The aggregate amount of credit allowed an individual person for one or more qualified investments in a single taxable year, whether made directly or by a pass-through entity and allocated to such individual, shall not exceed $50,000.00. The credit is available for investments made in 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018. The credit is claimed two years later, in 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, respectively. The aggregate amount of tax credits allowed is $10 million for investments made in calendar years 2011, 2012, and 2013; and $5 million for investments made in calendar years 2014, 2015, 2016, 2017, and 2018. The taxpayer must get approval as provided in O.C.G.A. § 48-7-40.30 before claiming the credit. This became effective January 1, 2011. See Code Section § 48-7-40.30 and Regulation 560-7-8-.52 for more information.

133 **Film Tax Credit for A Qualified Interactive Entertainment Production Company.** For taxable years beginning during 2013, the aggregate amount of film tax credits allowed for qualified interactive entertainment production companies and their affiliates which are qualified interactive entertainment production companies shall not exceed $25 million. Such cap for taxable years beginning in 2014 and later is $12.5 million for each year. The maximum credit for any qualified interactive entertainment production company and its affiliates which are qualified interactive entertainment production companies is $5 million for taxable years beginning in 2013, 1.5 million for taxable years beginning in 2014 and later. For taxable years beginning in 2014 through 2017, no qualified interactive entertainment production company shall be allowed to claim an amount of tax credits for any single year in excess of its total aggregate payroll expended to employees working within Georgia for the calendar year directly preceding the start of the year the qualified interactive entertainment production company claims the film tax credit. For taxable years beginning in 2018 and later, no qualified interactive entertainment production company shall be allowed to claim an amount of tax credits for any single year in excess of its total aggregate payroll expended to employees working within Georgia for the taxable year the qualified interactive entertainment production company claims the film tax credit. The amount in excess of these limits is not eligible for carry forward to the succeeding years' tax liability, nor shall such excess amount be eligible for use against the qualified interactive entertainment production company's quarterly or monthly payment under Code Section §48-7-103, nor shall such excess amount be assigned, sold, or transferred to any other taxpayer. For taxable years beginning in 2014 through 2017 before the Department of Economic Development issues its approval to the qualified interactive entertainment production company for the qualified production activities related to interactive entertainment, the qualified interactive entertainment production company must certify to the Department of Revenue that it maintains a business location physically located in Georgia and that it had expended a total aggregate payroll of $500,000.00 or more for employees working within Georgia during the calendar year directly preceding the start of the taxable year of the qualified interactive entertainment production

company. For taxable years beginning in 2018 and later before the Department of Economic Development issues its approval to the qualified interactive entertainment production company for the qualified production activities related to interactive entertainment, the qualified interactive entertainment production company must certify to the Department of Revenue that it maintains a business location physically located in Georgia and that it had expended or intends to expend a total aggregate payroll of $250,000.00 or more for employees working within Georgia during the taxable year the qualified interactive entertainment production company claims the credit; if these requirements are met the Department of Revenue will issue a certification. For the taxable years beginning in 2013, 2014, and 2015, the credits are allowed on a first-come first-served basis based on the date the film tax credits are claimed. For taxable years beginning in 2016 and later, the qualified interactive entertainment production company must request preapproval to claim the credit and must report certain information to the Department. The credit can be sold to a Georgia taxpayer.

135 **Historic Rehabilitation Tax Credit for any Other Certified Structure.** For tax year 2022, this Code should only be used for Other Certified Structures earning more than $300K in Credits.

For tax years prior to January 1, 2022, Credit Code 135 is used for any rehabilitation that is not a Historic Home Rehabilitation. For taxable years beginning on or after January 1, 2022, this Credit Code is used for any Other Certified Structures earning more than $300,000 in credits. Other Certified Structures earning $300,000 or less should refer to Credit Code 149 below for further information.

For taxable years beginning on or after January 1, 2022, the aggregate amount of credits available under this Credit Code is $25,000,000 per calendar year.

For taxable years beginning on or after January 1, 2017, a taxpayer must receive preapproval as provided in DOR's regulation and the credit can be sold to a Georgia taxpayer as provided in DOR's regulation. For more information, refer to O.C.G.A. § 48-7-29.8 and Revenue Regulation 560-7-8-.56.

136 **Qualified Rural Hospital Organization Expense Tax Credit.** This provides a tax credit for a donation to a Rural Hospital Organization. The credit is allowed on a first-come, first-served basis. The aggregate amount allowed for all taxpayers cannot exceed $60 million per tax year for tax years beginning before January 1, 2023. For tax years beginning on or after January 1, 2023, the aggregate amount allowed for all taxpayers cannot exceed $75 million per tax year. The taxpayer must add back to Georgia taxable income that part of any Federal charitable contribution deduction related to the credit. Taxpayers must request preapproval to claim this credit. For more information, refer to O.C.G.A. § 48-7-29.20 and Revenue Regulation 560-7-8-.57.

137 **Qualified Parolee Jobs Tax Credit.** Effective for taxable years beginning on or after January 1, 2017, an employer that employs a qualified parolee before January 1, 2020 in a full-time job may claim this credit if certain requirements are satisfied. This credit must be claimed on Form IT-QPJ. For more information, refer to O.C.G.A. § 48-7-40.31 and Revenue Regulation 560-7-8-.58.

138 **Postproduction Film Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, postproduction companies that have at least $500,000 in qualified postproduction expenditures may claim this tax credit if they have received preapproval from the Department. Postproduction companies must request certification and preapproval electronically from the Department through the Georgia Tax Center. The aggregate amount of tax credits allowed is $10 million per tax year through 2022; and the maximum credit allowed for any postproduction company and its affiliates that are postproduction companies is $2 million. Any excess credit may be used to offset the postproduction company's withholding taxes; and the credit may be sold by the postproduction company to a Georgia taxpayer. For more information, refer to O.C.G.A. § 48-7-40.26A and Revenue Regulation 560-7-8-.59.

139 **Small Postproduction Film Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, small postproduction companies that have at least $100,000 but less than $500,000 in qualified postproduction expenditures may claim this tax credit if they have received preapproval from the Department. Small postproduction companies must request certification and preapproval electronically from the Department through the Georgia Tax Center. The aggregate amount of tax credits allowed is $1 million per tax year through 2022. Any excess credit may be used to offset the small postproduction company's withholding taxes; and the credit may be sold by the small postproduction company to a Georgia taxpayer. For more information, refer to O.C.G.A. § 48-7-40.26A and Revenue Regulation 560-7-8-.59.

140 **Qualified Education Donation Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, this credit is allowed on a first-come first-served basis. The aggregate amount of the tax credit allowed to all taxpayers cannot exceed $5 million per tax year through 2026. The taxpayer must add back to Georgia taxable income that part of any Federal charitable contribution deduction taken on a Federal return for which a credit is allowed. Taxpayers must request preapproval electronically from the Department through the Georgia Tax Center. For more information, refer to O.C.G.A. § 48-7-29.21 and Revenue Regulation 560-7-8-.60.

141 **Musical Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, a production company that meets or exceeds $500,000 in qualified production expenditures in a taxable year for a musical or theatrical performance; or $250,000 in qualified production expenditures in a taxable year for a recorded musical performance which is incorporated into or synchronized with a movie, television, or interactive entertainment production; or $100,000 in qualified production expenditures in a taxable year for any other recorded musical performance may claim this tax credit if they have received a pre-certification from the Department of Economic Development and preapproval from the Department. Production companies must request preapproval electronically from the

Department through the Georgia Tax Center. The aggregate amount of tax credits allowed is: for taxable years beginning on or after January 1, 2018 and before January 1, 2019, $5 million, and the maximum credit amount allowed for any production company and its affiliates that are production companies shall not exceed $1 million; for taxable years beginning on or after January 1, 2019 and before January 1, 2020, $10 million, and the maximum credit amount allowed for any production company and its affiliates that are production companies shall not exceed $2 million; for taxable years beginning on or after January 1, 2020 and before January 1, 2023, $15 million, and the maximum credit amount allowed for any production company and its affiliates that are production companies shall not exceed $3 million. Any excess credit may be used to offset the production company's withholding taxes. For more information, refer to O.C.G.A. § 48-7-40.33 and Revenue Regulation 560-7-8-.61.

142 **Rural Zone Tax Credits.** Effective for taxable years beginning on or after January 1, 2018, certified entities and eligible businesses that have received certification from the Department of Community Affairs may claim this tax credit. Standards set by the Department of Community Affairs must be met. This credit will be repealed on December 31, 2027. For more information, refer to O.C.G.A. § 48-7-40.32 and Revenue Regulation 560-7-8-.62.

143 **Agribusiness and Rural Jobs Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, a rural investor that has made a capital investment in a rural fund and has received certification from the Department of Community Affairs may claim this tax credit. Standards set by the Department of Community Affairs must be met. For more information, refer to O.C.G.A. § 33-1-25 and Revenue Regulation 560-7-8-.63.

144 **Post-Consumer Waste Materials Tax Credit.** Effective for taxable years beginning on or after January 1, 2018, a qualified employer that operates a facility in Georgia that recycles post-consumer waste materials into polyester bulk continuous filament fibers may claim this tax credit. The credit may be used to offset the qualified employer's withholding taxes. This credit will be repealed on December 31, 2023. For more information, refer to O.C.G.A. § 48-7-40.35.

145 **Timber Tax Credit.** This is a refundable income tax credit for taxpayers that suffered damage due to Hurricane Michael during 2018. Taxpayers must request preapproval electronically from the Department through the Georgia Tax Center during specific dates. The aggregate amount of tax credits allowed is $200 million. In the case of a partnership or S Corporation, the owners claim the refundable portion instead of the partnership or S Corporation. The credit can be sold to a Georgia taxpayer as provided in the regulation. The credit is not refundable for the purchaser of the timber tax credit. The credit must be claimed on or before December 31, 2024. For more information, refer to O.C.G.A. § 48-7-40.36 and Revenue Regulation 560-7-8-.65.

146 **Railroad Track Maintenance Tax Credit.** Effective for taxable years beginning on or after January 1, 2019 and ending on or before December 31, 2026, a Class III railroad must request preapproval electronically from the Department through the Georgia Tax Center for this credit. The credit can be sold to a Georgia taxpayer as provided in the regulation. For more information, refer to O.C.G.A. § 48-7-40.34 and Revenue Regulation 560-7-8-.64.

147 **Personal Protective Equipment Manufacturer Jobs Tax Credit.** Effective for taxable years beginning on and after January 1, 2020 and if certain requirements are met, a personal protective equipment manufacturer that qualifies for and claims the jobs tax credit under O.C.G.A. § 48-7-40 or O.C.G.A. § 48-7-40.1, may claim an additional job tax credit of $1,250 per job for jobs engaged in the qualifying activity of manufacturing personal protective equipment. The credit may be used to offset 100 percent of the taxpayer's Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. To claim the credit against withholding, a taxpayer must file Form IT-WH timely. No credit shall be claimed and allowed for jobs created on or after January 1, 2025. No taxpayer shall be eligible for this tax credit for any job for which the taxpayer claims the tax credit provided for under O.C.G.A. § 48-7-40.1B. For more information, refer to O.C.G.A. § 48-7-40.1A and Revenue Regulation 560-7-8-.66.

148 **Life Sciences Manufacturing Job Tax Credit.** For taxable years beginning on and after January 1, 2021 and if certain requirements are met, a medical equipment and supplies manufacturer or pharmaceutical and medicine manufacturer that qualifies for and claims the jobs tax credit under O.C.G.A. § 48-7-40 or O.C.G.A. § 48-7-40.1 may claim an additional job tax credit of $1,250 per job for jobs engaged in the qualifying activity of manufacturing medical equipment or supplies or manufacturing pharmaceuticals or medicine. The credit may be used to offset 100 percent of the taxpayer's Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. To claim this credit against withholding, a taxpayer must file Form IT-WH timely. No taxpayer shall be eligible for this tax credit for any job for which the taxpayer claims the tax credit provided for under Code Section §48-7-40.1A, or for any job created pursuant to Code Section §48-7-40 or §48-7-40.1 prior to July 1, 2021. For more information refer to O.C.G.A. § 48-7-40.1B and Revenue Regulation 560-7-8-.67.

149 **Historic Rehabilitation Tax Credit for Historic Homes and Other Certified Structures Earning $300K or less.** For taxable years on or after January 1, 2022, this Credit Code applies to all Historic Homes and any Other Certified Structure earning $300,000 in credits or less.

For taxable years beginning on or after January 1, 2022, the aggregate amount of credits available under this Credit Code is $5,000,000 per calendar year.

For taxable years beginning on or after January 1, 2017, a taxpayer must receive preapproval as provided in DOR's regulation and the credit can be sold to a Georgia taxpayer as provided in DOR's regulation. For more information, refer to O.C.G.A. § 48-7-29.8 and Revenue Regulation 560-7-8-.56.

150 **Qualified Law Enforcement Donation Credit.** For taxable years beginning on or after January 1, 2023, and ending on or before December 31, 2027, a taxpayer is allowed a tax credit for donations made to qualified law enforcement foundations for a local law enforcement unit (any agency, office or department of a county, municipality, or consolidated government). The aggregate amount of tax credits allowed shall not exceed $75 million per calendar year. Each qualified law enforcement foundation shall be limited to accepting $3 million per year of contributions. The total amount of the tax credit for a taxable year cannot exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against the succeeding five years' tax liability. The credit shall not be allowed for the taxpayer against prior years' tax liability. Taxpayers must request preapproval to claim this credit on Form IT-QLED-TP1 through the Georgia Tax Center. For more information, refer to O.C.G.A. § 48-7-29.25.

151 **Qualified Foster Child Donation Credit.** For taxable years beginning on or after January 1, 2023, a taxpayer is allowed a tax credit for donations made to qualified foster child support organizations. The aggregate amount of tax credit allowed shall not exceed $20 million per calendar year. The total amount of the tax credit for a taxable year cannot exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against the succeeding five years' tax liability. The credit shall not be allowed for the taxpayer against prior years' tax liability. Taxpayers must request preapproval to claim this credit on Form IT-QFCD-TP1 through the Georgia Tax Center. For more information, refer to O.C.G.A. § 48-7-29.24.

152 **Historic Rehabilitation Credit for Historic Homes 2023 and 2024.** A credit is available for tax years 2023 and 2024 for the certified rehabilitation of a historic home. Standards set by the Department of Community Affairs for tax years beginning after July 1, 2020 must be met. Credits for a historic home cannot exceed $100,000 in any 120-month period and the aggregate amount of credits available for 2023 and 2024 is $5,000,000 per calendar year. For more information, refer to O.C.G.A. §48-7-29.8 and Regulation 560-7-8-.56 or the Department of Community Affairs website.

153 **Historic Rehabilitation Credit for Other Certified Structures 2023 through 2027.** A credit is available for tax years 2023 through 2027 for the certified rehabilitation of a certified structure other than a historic home. Standards set by the Department of Community Affairs for tax years beginning after July 1, 2020 must be met. The aggregate amount of credits available for 2023 through 2027 is $30,000,000 per calendar year. For taxable years beginning on or after January 1, 2023, a taxpayer must receive preapproval as provided in DOR's regulation and the credit can be sold to a Georgia taxpayer as provided in DOR's regulation. For more information, refer to O.C.G.A. §48-7-29.8 and Regulation 560-7-8-.56 or the Department of Community Affairs website.

NOTE: The credit type code numbers referenced above are subject to change from year to year. Please review the codes carefully to ensure you list the correct code number. For more details about credits and the latest forms, visit our website at: dor.georgia.gov.

DOUBLE CHECK

Please review your completed return:

√ Are your corporate name, address, and Federal ID Number entered correctly on the return?

√ Is the taxable year shown on your return?

√ Did you receive an extension of time to file your return? If so, did you enclose a copy of the extension request form with your return? Did you check the extension box on Form 600S?

√ Have you included a copy of Federal Form 1120S and supporting schedules with your return?

√ If there is an amount due (on Schedule 4, Line 10), did you include Form PV-CORP and your remittance payable to Georgia Department of Revenue with your return? (To ensure proper credit, put your Federal ID Number and the tax year-end on your remittance.)

NOTE: Please do not mail your return and payment separately! If you file a paper return and you owe tax, mail your return and payment along with the payment voucher to the address on Page 3 of Form 600S.

If you file electronically, mail your payment with the PV-CORP to the address indicated on the payment voucher.

√ If there is an overpayment (on Schedule 4, Line 6), did you show the amount to be refunded and/or credited to estimated tax (on Schedule 4, Line 11)?

√ Have you addressed your envelope properly? Do not mail your Georgia Form 600S to the Internal Revenue Service.

√ If you claimed Georgia Business credits, you must file electronically and did you include the required schedules or forms?

√ Please DO NOT use staples.

COMMON ERRORS THAT DELAY REFUNDS AND CREATE ASSESSMENTS

1. **Incorrect addresses and Federal ID Numbers.**
2. **Failure to indicate proper tax year-end.**
3. **Incomplete Georgia return referencing schedules that were not submitted with the return.**
4. **Claiming prepayments remitted under another name, Federal ID Number, or taxable period without including a schedule of detailed information.**
5. **Failure to include Georgia credit schedules and withholding Forms G2-A and G-2RP.**
6. **Failure to include a Form 600S-CA Consent Agreement for each nonresident shareholder as explained on Page 3 in the Filing Requirements section.**
7. **Failure to file electronically if claiming Georgia business credits.**

STATE OF GEORGIA
DEPARTMENT OF REVENUE
TAXPAYER SERVICES DIVISION
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