



State of Georgia Department of Revenue

2024 Corporation Income Tax General Instructions

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

ELECTRONIC FILING



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 corporate tax payments;
- ✓ Liabilities on Department of Revenue-issued assessment notices;
- ✓ Corporate estimated tax payments.

FROM THE COMMISSIONER

This booklet is designed to provide information and assist 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 corporations. If you need forms, we encourage you to visit our website at dor.georgia.gov, where 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

- Request a refund
- Address updates
- Penalty waivers
- Protest of Proposed Assessments
- Register and add access to accounts
- Submit a Power of Attorney (POA)
- View account balances
- Respond to document request notices
- Manage your tax credits
- Make payments as a direct debit from a US bank and/or using credit or debit cards
- View copies of correspondence
- Request an Installment Plan Agreement (IPA) or an Offer in Compromise (OIC)
- Request Tax Clearance Letter

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

GENERAL INFORMATION: INCOME TAX

INTRODUCTION

The following instructions apply to two separate taxes on corporations. One is an income tax on taxable income. The second is a graduated tax based on corporate net worth. Instructions for the net worth tax begins on page 7.

Both taxes must be paid annually. Schedule 3 of the return is designed to combine the liabilities, any penalty and interest due, any business tax credits, and the credits for prepayment, to result in a single balance due or overpayment.

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>.

WHAT'S NEW

New Tax Rate: For taxable years beginning on or after January 1, 2024, the income tax rate for S Corporations electing to pay tax at the entity level is the same income tax rate imposed on individual taxpayers for the corresponding taxable year. The tax rate for the taxable year beginning on or after January 1, 2024 is 5.39%. The tax rate is not prorated but is applicable for the entire tax period. Fiscal filers must use the tax rate based on the start of their filing period when filing; the tax rate is not prorated. The tax rate for subsequent tax years may change.

Georgia Taxable Income after Passive Loss/Capital Loss Deduction: A new line was added to Schedule 1, Computation of Georgia Taxable Income, to calculate the Georgia Taxable Income after the Passive Loss/Capital Loss Deduction on Line 8.

Historic Rehabilitation Tax Credit (152/153), Qualified Education Donation Credit (140), Rural Zone Credit (142): These credits have been extended, for more information, see Tax Credits Section in this booklet or <https://dor.georgia.gov/tax-credit-summaries>.

Qualified Payments to Classified Subcontractors: Effective January 1, 2024, a corporation which is a party to state contracts may subtract from Federal taxable income 10% of qualified payments to classified subcontractors. A classified subcontractor is defined as a small business certified as a minority business enterprise, women owned business, or veteran owned business. Previously, the subtraction was available only for qualified payments to minority businesses. See page 5 for more information.

Grants and Subgrants Received for Investments in Broadband Infrastructure: For taxable years beginning on or after January 1, 2024 and prior to January 1, 2029, a corporation can subtract from taxable income any broadband infrastructure investment grant or subgrant received pursuant to the Broadband Equity, Access, and Development Program (BEAD) or the American Rescue Plan of 2021 but only to the extent that such grant or subgrant is included in the corporation's taxable income.

FILING REQUIREMENTS

All corporations that own property or do business in Georgia, or that have income from Georgia sources are required to file a Georgia income tax return. A corporation electing to file under the Internal Revenue Code provisions for S corporations having one or more stockholders who are nonresidents of Georgia must file consent Form 600S-CA on behalf of each nonresident. Failure to furnish a properly executed Form 600S-CA for each nonresident stockholder

negates Georgia's recognition of the election, requiring each corporation to file Form 600 and pay the regular corporate tax.

WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 4th month following the close of the taxable year. This would be April 15, 2025 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 740397, Atlanta, Georgia 30374-0397.

ELECTRONIC FILING REQUIREMENTS

Non-individual income tax returns must be filed electronically if:

1. Payments are remitted by electronic funds transfer, whether on a mandatory or voluntary basis;
2. 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; or
3. The return generates, allocates, claims, utilizes, or includes in any manner a series 100 credit.

FREQUENTLY ASKED QUESTIONS

Frequently asked questions regarding corporations, S Corporations, partnerships, and LLCs are available on our website at <https://dor.georgia.gov/taxes/tax-faqs-due-dates-and-other-resources>.

CLAIMS FOR REFUNDS

A claim for refund of tax paid must be made within three years from the later date of either 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 pay the Georgia tax by the statutory due date of the return (excluding extensions) using Form IT-560C. Credit for this prepayment should be claimed on Form 600, Schedule 3, 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%) and interest will accrue until the tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return. See page 4 for more information. 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 600.

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.

CONSOLIDATED RETURNS

Regulation 560-7-3-.13 applicable to consolidated returns became effective for tax years beginning on or after January 1, 2002. It substantially changed the rules for filing consolidated returns. Visit our website at dor.georgia.gov for more information, including instructions on proper return preparation. For tax years beginning on or after January 1, 2023, affiliated groups are no longer required to request permission to file consolidated returns and may elect to file consolidated returns on an original return.

GENERAL INFORMATION: INCOME TAX (continued)

For affiliated groups that received permission to file consolidated returns for tax years beginning before January 1, 2023, such groups may continue to file consolidated returns for taxable years beginning on or after January 1, 2023. The designated parent company will continue filing Form 600 and mark the "Consolidated GA Parent Return" checkbox. Each subsidiary member included in the consolidated return will also continue filing Form 600 and mark the "GA Consolidated Subsidiary" checkbox and provide the FEIN of the Georgia parent company.

For affiliated groups that wish to make a new election to file consolidated returns for tax years beginning on or after January 1, 2023, the designated parent company must complete Form 600 and mark the "Consolidated GA Parent Return" checkbox to make the election. Each subsidiary member included in the consolidated return must complete Form 600 and mark the "GA Consolidated Subsidiary" checkbox and provide the FEIN of the Georgia parent company.

For affiliated groups that wish to terminate their consolidated return filing, such groups must mark the "Cease Filing Consolidated" checkbox.

For affiliated groups that wish to terminate their consolidated filing under the Commissioner's permission and now want to file consolidated returns under the election, the designated Georgia parent company must complete Form 600 and mark the "Cease Filing Consolidated" checkbox and the "Consolidated GA Parent Return" checkbox. Each subsidiary member included in the consolidated return will continue to mark the "GA Consolidated Subsidiary" checkbox and provide the FEIN of the Georgia parent company. Schedule 12 must be completed on all Parent Consolidated Group returns.

Consolidated Return Credit Instructions. Credits must be calculated on a separate company basis. Georgia credit forms must be attached to each separate company Form 600 (excluding the Parent corporation's or designated member's separate company return), and Schedule 10 of each separate company Form 600 must be completed in the year the credits are generated. Each separate company must complete Schedule 11 of Form 600 when assigning credits. Do not complete Line 3 of Schedule 3 of the separate company Form 600.

All credits (except those that will be sold or used against withholding of the subsidiary, if eligible) must be assigned to the consolidated group Form 600 in the year the credits are generated (whether used or not) using Schedule 11 of the subsidiary Form 600, and such assigned credits must be claimed on Schedule 10 of the consolidated group Form 600 (include all information on Schedule 10 as required when credits are assigned from subsidiaries). Please note this assignment does not constitute an assignment of credits as defined in O.C.G.A. Section 48-7-42 but is simply a transfer of credits to facilitate the processing of the consolidated group return. A schedule must be attached indicating the amount of the credit allowed for each separate company after considering limitations based on a percentage of state income tax liability. Georgia credit forms for credits earned by the Parent corporation or designated member must be attached to the consolidated group Form 600 (not the separate company return of the parent or designated member), and Schedule 10 of the consolidated group Form 600 must be completed in the year the credits are generated. The Parent corporation or designated member should include on Schedule 10 credits earned by the Parent and credits earned and assigned by the subsidiaries, to facilitate processing of the credits. For credit limitation purposes, net operating loss carryovers must be accounted for on a separate company basis. For

example, a consolidated group consists of two corporations, Corporation A and Corporation B. In 2010, Corporation A has a separate company apportioned taxable income of \$5,000. Corporation B has a separate company apportioned taxable loss of \$6,000. The consolidated group's taxable loss is \$1,000. The consolidated group elects to carry forward the loss to 2011. In 2011, Corporation B will be treated, for credit limitation purposes, as having a \$6,000 net operating loss carryover which must be applied to its income before applying the credit percentage limitations.

AMENDED RETURNS

Georgia has no separate form for filing an amended return. To amend a return, check the amended return box on Form 600. A copy of the Federal Form 1120X or Federal audit adjustments must be attached. Mail the amended return to Georgia Department of Revenue, Processing Center, P.O. Box 740397, Atlanta, Georgia 30374-0397. Amended returns are required to be sent electronically if the original return was filed electronically.

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 page 11.

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.

Interest that accrues beginning July 1, 2016 accrues at an annual rate equal to the Federal Reserve prime rate plus 3 percent. The interest rate will be reviewed and may be adjusted in January of each subsequent calendar year. See: <https://dor.georgia.gov/annual-notice-interest-rate-adjustment> for the annual interest rate.

For more information on Penalties and Interest, see: <https://dor.georgia.gov/penalty-and-interest-rates>.

COMPUTATION OF INCOME TAX

Georgia income tax is 5.39% of the Georgia taxable income after Passive Loss/Capital Loss Deduction shown on Schedule 1, Line 9. The amount of tax must be entered on Schedule 1, Line 10, and on Schedule 3, Line 1A.

RELATION TO FEDERAL RETURN

The Georgia return correlates to the Federal return in most respects (**Please see page 3 for a link to the Federal Tax Change Section on the website**). The taxable income shown on the Federal return is the basis used to calculate Georgia taxable income with adjustments as provided by Georgia law. The accounting period and method for the Georgia return must be the same as the Federal return. The Federal principles pertaining to execution of the return by an officer and the preparer also apply to Georgia returns. A complete copy of the Federal return and all supporting schedules must be attached to the Georgia return.

Affiliated corporations that file a consolidated Federal

GENERAL INFORMATION: INCOME TAX (continued)

income tax return must file separate income tax returns with Georgia unless they have prior approval or have been required to file a consolidated return by the Commissioner of Revenue. If filing a consolidated Georgia income tax return, a separate net worth tax return must be filed by each subsidiary. Schedule 12 should also be completed only on the Group Consolidated return. Each member in the group, including the parent corporation, should be listed on Schedule 12, "MEMBERS TO BE INCLUDED IN THE GEORGIA CONSOLIDATED GROUP". Visit our website at dor.georgia.gov for instructions concerning proper return preparation and mailing.

If a federal audit results in a change in taxable income, the taxpayer shall file a return reflecting the changed or corrected net income within 180 days of the final IRS determination (File an amended Form 600). Electronically file or mail the return to: Processing Center, Georgia Department of Revenue, P. O. Box 740397, Atlanta, GA 30374-0397. Further, if the changes result in a refund, the refund must be claimed within one year of the date the changes are submitted.

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 amounts that are required to be included in the nonresident's income. See Regulation 560-7-4-.05 for more information.

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, 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 their Federal income tax return. However, on line 8, Schedule 1 of Form 600 they should enter zero, and they should attach a statement that indicates the corporation's belief that it falls under the protection of Public Law 86-272. Additionally, the corporation should check the box on page 1 of the form.

ADJUSTMENTS TO FEDERAL INCOME

Federal taxable income is used as the basis of computation to calculate Georgia taxable income. Lines 2 and 4 of Schedule 1 provide for the modifications required by Georgia Law. The total additions to Federal income should be indicated on Schedule 1, Line 2 and listed on Schedule 4.

Total subtractions from Federal taxable income should be indicated on Schedule 1, Line 4 and listed in Schedule 5. The more commonly used items are listed in each of

these schedules. **Additionally, adjustments due to Federal tax changes should be reported as stated in the instructions on the Department's website.**

A corporation must add back all captive REIT expenses directly or indirectly paid to a related member. All such expense must be listed as an addition to federal taxable income even if the taxpayer qualifies for an exception. If the 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. section 48-7-21.1. An authorized employee is someone legally allowed to work in the United States.

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 taxable 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 for the taxpayer to take a subtraction on Schedule 5 for all or any portion of the addition listed on Schedule 4.

The subtraction for U.S. obligation income 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 taxpayers average adjusted basis of the U.S. obligations, and the denominator of which is the average adjusted basis of all assets of the taxpayer. Also see Georgia Regulation 560-7-3-.10.

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 interest.

A corporation which is a party to state contracts may subtract from Federal taxable income 10% of qualified payments to classified subcontractors or \$100,000, whichever is less, per taxable year. The Commissioner of the Department of Administrative Services maintains a list of certified classified subcontractors for the Revenue Department and general public. To register as a classified subcontractor or to view the list, visit the DOAS website at: <https://doas.ga.gov/state-purchasing/georgia-business-certification-program>.

Net Operating Losses. Corporations doing business both within and outside Georgia that incur a loss shall compute the net operating loss carryover deduction by allocating to Georgia only the amount of the loss attributable to operations within Georgia. A net operating loss sustained for the current taxable year must be carried back (if applicable) and carried forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as defined in the income tax laws of Georgia. Georgia did not adopt the revised net operating loss provisions in the 2020 CARES Act. Therefore, for losses incurred in taxable years ending after December 31, 2017, there is no carryback and unlimited carryforward of net operating losses and there is a 2 year carryback for farming losses and there is a 2 year carryback and 20 year carryforward for certain

GENERAL INFORMATION: INCOME TAX (continued)

insurance company net operating losses. See Form IT-552 for more information. Also, for tax years beginning on or after January 1, 2005, Georgia law was changed to specifically provide that Georgia follows I.R.C. Sections 108, 381, 382, and 384.

Net operating losses (NOLs) for tax years 2018 and later (except those for certain insurance companies) that are applied to Georgia income cannot exceed 80% of Georgia income before NOLs. Use Schedule 9 to compute the net operating losses that can be used in the current year. If you claim a net operating loss deduction, you must file a complete statement detailing the sources for such deduction. (Attach Form IT-552 and Form 600, Schedule 9.)

Georgia Taxes Deductible. There shall be added to taxable income any taxes on, or measured by, net income or net profits paid or accrued within the taxable year imposed by the authority of the United States or any foreign country, or by any state **except the State of Georgia**, or by any territory, county, school district, municipality, or other tax subdivision of any state, territory, or foreign country to the extent such taxes are deducted to determine Federal taxable income. This includes Federal environmental tax.

When salaries and wages are reduced on the Federal return to compute Federal taxable income because of a Federal jobs tax credit, the eliminated salary and wage deduction should be listed on Schedule 5 as a subtraction from Federal taxable income.

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 Section 174 under the 2017 Tax Cuts and Jobs Act for research and experimental expenditures paid or incurred in tax years beginning after December 31, 2021. Please see Policy Bulletin IT 2018-1 for information regarding the exclusion for dividends from sources outside the United States. See Georgia Code Section 48-7-21 for additional adjustments.

ALLOCATION AND APPORTIONMENT OF INCOME

If any corporation, domestic or foreign, does business or owns property both within and outside Georgia, Schedules 6 and 7 should be used to compute Georgia taxable income.

The tax imposed by Georgia law applies to the entire net income as previously defined, received by every corporation, foreign or domestic, that owns property in this state, does business in this State, or derives income from sources in this state. Every such corporation shall be deemed to be doing business in this State if engaged within this State in any activities or transactions for the purpose of financial profit or gain; whether or not such corporation is registered to do business in this State; whether or not it maintains an office or place of business within this State; and whether or not any such activity or transaction is connected with interstate or foreign commerce. If the business income of the corporation is derived in part from Georgia sources, or from property owned or business done within this 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 that 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) Gains 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 gains shall be allocated outside 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 as follows:

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 business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if received from customers within this State, or if the receipts 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 their 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 their 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 that 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.

GENERAL INFORMATION: INCOME TAX

Credit Usage and Carryover and Refundable Tax Credits

Enter the information as specified on each line of schedule 10 and 10B. With respect to Line 12 of each schedule, the "Tax Credits" summary in this booklet includes which credits can be sold.

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 fourth 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 date of incorporation/qualification 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 fourth 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 4 is due on delinquent payments from the due date until paid in full.

COMPUTATION OF TAX

The tax is graduated based on net worth (see page 8 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 2, using the ratio computed on Schedule 8. 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 the instructions on page 6.

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 8.

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 which 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.

When two or more corporations file a consolidated return for income tax purposes, a separate net worth tax return

must be filed by each subsidiary. Schedule 12 should also be completed only on the Group Consolidated return. Visit our website at dor.georgia.gov for more information, including instructions concerning proper return preparation and mailing.

NET TAX DUE OR OVERPAYMENT

Schedule 3 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.

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. Periods 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.

GENERAL INFORMATION: NET WORTH TAX (continued)

NET WORTH TAX TABLE

DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus, and earned surplus (Schedule 2, Line 4).

FOREIGN CORPORATIONS

Based on net worth including issued capital stock, paid-in surplus, and earned surplus employed within Georgia (Schedule 2, 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 |

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 may 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).

ADDITIONAL INFORMATION

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 (SOS). Registration, including the fee, is due between January 1 and April 1. The SOS 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. You may view the statute and obtain an application on the Secretary of State’s website at sos.ga.gov/. Annual registration and Certificate of Authority obligations are separate from any filings with the Department of Revenue.

TAX EXEMPT ORGANIZATIONS

An organization that had tax exempt status with the Internal Revenue Service prior to January 1, 1987 is not required to apply to the Department for a tax exempt determination letter. Organizations, that received IRS determination letters after that date and for a tax year beginning before 1/1/2008, must apply using Georgia Form 3605. A nonprofit corporate charter does not constitute an exemption from income tax.

For tax years beginning on or after 1/1/2008, Form 3605 is no longer required. The IRS determination letter allowing exempt status for the corporation along with the letter

of incorporation will suffice. Attach these forms to the relevant exempt organization federal return that is filed with Georgia.

Each exempt organization must file a copy of the forms they file with the Internal Revenue Service (Forms 990, 990-EZ, etc.) annually. The due date for filing copies of the Federal return with Georgia is the same as that for filing with the IRS.

Form 600-T should be mailed to the address on the form. Forms 990 and 5500 should be mailed to Georgia Department of Revenue, P.O. Box 740395, Atlanta, GA 30374-0395.

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 3 Line 9 of Form 600.

| 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.

EXTENSION INFORMATION FOR CORPORATIONS

Georgia Code Section 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 their Federal income tax return. If the return is received within the time extended by the Internal Revenue Service and Form 7004 is attached to the return, no late filing penalties will apply. Georgia law prohibits granting an extension of more than six months from the due date of the return.

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

If an extension is 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 4 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.

Non estimated tax payments made prior to filing a completed return must be accompanied by Form IT-560C and claimed on Form 600, Schedule 3, Line 2. An extension of time does not alter interest or penalty charges for late payment of tax.

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

TWO-DIMENSIONAL BARCODE RETURNS

The Department of Revenue has given approval to certain software companies to produce tax programs that include a two-dimensional (2D) barcode. A list of these companies is available on our website at <https://dor.georgia.gov/approved-software-providers>.

NOTE: The Department of Revenue encourages the use of 2D barcode returns; however, we neither support nor recommend any software company. Failure to mail your return to the correct address may cause processing delays.

PV-CORP PAYMENT VOUCHER

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

HELPFUL RESOURCES

| | |
|-------------------------------------|---|
| Customer Contact Center | 1-877-423-6711 |
| Secretary of State | 404-656-2817 |
| Georgia Department of Revenue..... | dor.georgia.gov |
| Internal Revenue Service (IRS)..... | irs.gov |

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. | Credit remaining from previous years (do not include amounts elected to be applied to withholding) | | 25000 |
| 3. | Company Name | TAXPAYER'S NAME | ID Number 12-3456789 |
| | Credit Certificate # | | Credit Generated this Tax Year 45000 |
| 4. | Company Name | XYZ LLC | ID Number 67-0009876 |
| | Credit Certificate # | | Credit Generated this Tax Year 3000 |
| 5. | Company Name | ABC COMPANY | ID Number 57-2233445 |
| | Credit Certificate # | | Credit Generated this Tax Year 3000 |
| 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. | 76000 |
| 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. | 5000 |
| 14. | Potential carryover to next tax year (Line 10 less Lines 11, 12, and 13) | 14. | 71000 |

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 # | | 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

Code

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

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.

Series 100 Credits

102 Employer’s Credit for Approved Employee Retraining. The retraining tax credit allows employers to claim certain costs of retraining employees to use new technology. However, approved retraining shall not include any retraining on commercially, mass produced software packages for word processing, database management, presentations, spreadsheets, email, 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. 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. 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 taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five 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 and Policy Statement IT-2010-01-07.

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, research and development industries, biomedical manufacturing or services for the elderly and persons with disabilities 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 | 2 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. 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, credits may be taken against a company’s income tax withholding. Credits for competitive projects in Tier 2, Tier 3, and Tier 4 counties may also be taken against income tax withholding. To claim the credit against withholding, a business must file Form IT-WH in the manner provided in Revenue Regulation 560-7-8-.36. 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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years. The measurement of the new full-time jobs and maintained jobs is based on average monthly 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.

The additional new full-time jobs created in the four years after the initial year shall be eligible for the credit. The credit must be claimed within one year instead of the normal three-year statute of limitation period.

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 and Revenue Regulation 560-7-8-.38.

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 and Revenue Regulation 560-7-8-.38.

106 Manufacturer’s Investment Tax Credit. A taxpayer that has operated an existing manufacturing or telecommunications facility in the state for the previous three years is allowed 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. Taxpayers 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. The taxpayer must receive preapproval, as provided in Revenue Regulation 560-7-8-.37, 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 Revenue Regulation 560-7-8-.37 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. Credits claimed but not used may be carried forward for 10 years from the year that the qualified investment property was acquired, provided that such property remains in service. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years.

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 and Revenue Regulation 560-7-8-.37.

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 investment property remains in service throughout that period. For taxable years beginning on or after January 1, 2025, any credits generated may be claimed for five years, provided the qualifying investment property remains in service. 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. The base amount calculation is based on Georgia gross receipts. 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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years. Excess research tax credit earned may be used to offset withholding. This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12 and Revenue Regulation 560-7-8-.42.
- 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 before the 2009 amendments.
- 114 Port Activity Tax Credit (Use 114J for Port Activity Job Tax Credit and 114M for Port Activity Investment Tax Credit).** 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 their port traffic during the previous 12-month period by more than 10% over their base year port traf-

fic are qualified for increased job tax credits or investment tax credits. "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. "Port traffic" means the amount of imports and exports by way of a waterborne ship or vehicle through a port facility.

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.

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 Selection can pass through the credit to its shareholders on a pro rata basis. Credits claimed but not used may be carried forward for five years. For taxable years beginning on or after January 1, 2025, any credits generated and passed down to the shareholders but not used by the shareholders may be carried forward for three years. 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 applications approved on or after January 1, 2025, the taxpayer shall repay the credits received for the project if it engages in the following prohibited activities:

(1) Voluntarily grants recognition rights for employees solely and exclusively on the basis of signed labor organization authorization cards if the selection of a bargaining representative may instead be conducted through a secret ballot election;

(2) Voluntarily disclose an employee's personal contact information to a labor organization, or a third party acting on behalf of a labor organization without the employee's prior written consent, unless otherwise required by state or federal law; or

(3) Require a subcontractor to engage in either of the two previously listed prohibited activities. For more information, refer to O.C.G.A. §§48-7-40.24 and 50-7-19.

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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for 10 years. 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 Revenue Regulation 560-7-8-.56 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 Revenue Regulation 560-7-8-.45. 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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five 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 expenditures made to a student scholarship organization. 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. for a tax year. 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 five years. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. 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 into a research fund, or a legal entity in which the research fund has invested, made on or after July 1, 2008. Credits claimed but not used may be carried forward for 10 years. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years. For more information, refer to O.C.G.A. §§48-7-40.27 and 48-7-40.28 and Revenue Regulation 560-7-8-.49.
- 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. Credits claimed but not used may be carried forward for succeeding years' tax liability. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. For more information, refer to O.C.G.A. §48-7-29.14 and Revenue Regulation 560-7-8-.48.

129 Qualified Health Insurance Expense Credit. 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. Credits claimed but not used may be carried forward for succeeding years' tax liability. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. The qualified health insurance premium expense must equal at least \$250 annually. For more information, refer to O.C.G.A. §48-7-29.13.

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 Revenue Regulation 560-7-8-.51. 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 and Revenue Regulation 560-7-8-.51.

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 O.C.G.A. §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. See O.C.G.A. §48-7-40.26 and Regulation 560-7-8-.45 for more information.
- 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 but before January 1, 2023, 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 for the 2022 taxable year should refer to Credit Code 149 below for further information. For taxable years beginning on or after January 1, 2017 and before 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 taxable years beginning on or after January 1, 2023, use Credit Code 153. 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. For tax years beginning on or after January 1, 2025, the aggregate amount allowed for all taxpayers cannot exceed \$100 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. Starting in 2025, a taxpayer preapproved by the commissioner on or before September 30 shall make the contribution within 180 days after receiving notice of preapproval, but not later than October 31. A taxpayer preapproved after September 30 shall make the contribution on or before December 31. If a taxpayer desires to make a contribution to an individual rural hospital organization that would cause such rural hospital organization to exceed its maximum amount of contributions for that year, the contribution will not be denied in its entirety. Instead, the contribution will be approved with the proportional amount of the desired contribution up to the rural hospital organization's maximum allowed amount and any remainder shall be attributed to the rural hospital organization ranked with the highest financial need that has not yet received the maximum amount of contributions for that year. For more information, refer to O.C.G.A. §48-7-29.20 and Revenue Regulation 560-7-8-.57. 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.

- 138 Postproduction Film Tax Credit.** Effective for taxable years beginning on or after January 1, 2018 and before January 1, 2023, 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 and before January 1, 2023, 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 for taxable years ending on or before December 31, 2023, or \$15 million for the tax year 2024 and all subsequent tax years. 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. Credits claimed but not used may be carried forward for five years. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. 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 and before January 1, 2023, 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. Credits claimed but not used may be carried forward for 10 years. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years. This credit will be repealed on December 31, 2032. 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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. 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. Credits claimed but not used may be carried forward for 10 years. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years. 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. Credits claimed but not used may be carried forward for 10 years. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for five years. 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 O.C.G.A. §48-7-40.1A, or for any job created pursuant to O.C.G.A. §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 but before January 1, 2023, 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 taxable years beginning on or after January 1, 2023, use Credit Code 152 for historic homes and Credit Code 153 for other certified structures. 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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. 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 and Regulation 560-7-8-.69.

- 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. For taxable years beginning on or after January 1, 2025, any credits generated but not used may be carried forward for three years. 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 and Regulation 560-7-8-.68.
- 152 Historic Rehabilitation Credit for Historic Homes 2023 and 2024.** A credit is available for tax years 2023 through 2029 for the certified rehabilitation of a historic home. Standards set by the Department of Community Affairs 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 through 2029 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 2029.** A credit is available for tax years 2023 through 2029 for the certified rehabilitation of a certified structure other than a historic home. Standards set by the Department of Community Affairs must be met. The aggregate amount of credits available for 2023 through 2029 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.
- 154 Rural Healthcare Professional Credit.** O.C.G.A. §48-7-29.26 provides for a \$5,000 tax credit for rural health care professionals, which mean a dentist or physician who practices and resides in a rural county. The rural health care professional must be licensed to practice dentistry or medicine in the field of family practice, obstetrics and gynecology, pediatrics, internal medicine, or general surgery in this state. The tax credit may be claimed for not more than five years. There is no carryover or carry-back available. The credit cannot exceed the taxpayer's income tax liability. The aggregate amount of tax credits allowed shall not exceed \$2 million for any calendar year. This credit cannot be claimed with the Rural Physicians Credit (Credit Code 207) in the same taxable year. This credit is allowed on a first come, first served basis. No credit shall be allowed for a rural health care professional who has previously practiced in a rural county, unless after May 15, 2024, that rural health care professional returns to practice in a rural county after having practices in a county other than a rural county for at least three years. For a list of rural counties, please visit <https://dor.georgia.gov/listing-rural-counties-purposes-rural-physician-credit>. For more information, refer to O.C.G.A. §48-7-29.

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 600?
- √ Have you included a copy of Federal Form 1120 and supporting schedules with your return?
- √ If there is an amount due (on Schedule 3, Line 11), have you attached 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 600.

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 3, Line 7), did you show the amount to be refunded and/or credited to estimated tax (on Schedule 3, Line 12)?
- √ Have you addressed your envelope properly? Do not mail your Georgia Form 600 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 the applicable tax year-end.**
3. **Incomplete Georgia return referencing schedules that were not submitted with the return.**
4. **Incorrectly consolidating net worth tax for parent and subsidiary corporations.**
5. **Claiming prepayments remitted under another name, Federal ID Number, or taxable period without attaching a schedule of detailed information.**
6. **S Corporations filing on Form 600. The correct form is Form 600S unless the nonresident shareholders have not consented to be taxed.**
7. **Improper enclosure of Form IT-552 Application for Tentative Carry-back Adjustment. Form IT-552 should be attached to the front of the Loss-Year return. Do not attach Form IT-552 to a duplicate original return.**
8. **Failure to include Georgia credit schedules and withholding Forms G2-A and G2-RP.**
9. **Failure to file electronically if claiming Georgia business credit**

STATE OF GEORGIA
DEPARTMENT OF REVENUE
TAXPAYER SERVICES DIVISION
2595 CENTURY PKWY. NE
ATLANTA, GEORGIA 30345-3173