



BUSINESS TAXES & RELATED REGULATIONS

For more than 30 years, Georgia has provided its corporations and residents a stable, fiscally conservative government and moderate taxes. The state’s constitutionally mandated balanced budget and its pro-business climate nurture strong economic growth. This publication has outlined the licensing and registration requirements for businesses operating in the state and metro area. It introduces information on principal tax obligations and on current incentives available to corporations interested in establishing operations in metropolitan Atlanta.

Unless noted, foreign-owned corporations that establish operations here will receive the same tax treatment as those that originate in the United States. Foreign-based companies are also advised to check the federal tax treaties between the United States and their country of origin to find the most favorable tax treatment in both countries. This knowledge may decide the type of operation they choose to establish in the United States.

The information that follows is only an introduction and is not intended to provide legal, tax or business advice. To ensure compliance with all laws and regulations, companies are advised to seek expert counsel from a tax attorney or tax accountant and the appropriate taxing and licensing authorities. If needed, the Metro Atlanta Chamber of Commerce Economic Development

Division can provide introductions to Chamber members who specialize in these areas.

The Chamber’s Economic Development and International staff help prospects locate real estate options that meet their specific requirements. They can answer demographic and market questions. They also provide detailed briefings for site selection teams, help arrange pre-employment training, conduct relocation seminars and offer other vital assistance.

Direct questions about specific tax matters to the appropriate federal, state or local business license or revenue authority are listed in the directory at the end of this publication. Taxes, incentives and regulations described in this report are those in effect as of January 2004, and are subject to change. Although this information was carefully compiled, complete accuracy is not guaranteed.

A number of economic development and demographic publications on the metro Atlanta market are available for prospects evaluating metro Atlanta. Prospects seeking information are invited to contact the Chamber’s Economic Development Division at jgilman@macoc.com or 404-586-8446. Additional information is available at www.metroatlantachamber.com.

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Additional tax information is found in the report, Metro Atlanta’s Personal Taxes.

OPENING YOUR BUSINESS HERE: LICENSING AND REGISTRATION REQUIREMENTS

Newly formed companies and corporations must adhere to certain licensing and registration requirements. Among other purposes, the licensing process establishes records for each business with the proper taxing authority at the federal, state and local levels.

Normally, a company must submit a fee along with a written application to obtain its license or registration number or

register your business online with the state and apply for a Federal EIN simultaneously at https://georgiabusinessregistration.ezgov.com/ga_taxregistration/TaxRegistrationGateway. In certain cases, particularly those concerning public health and safety, businesses may also be required to pass a qualifying inspection.

Following is a brief outline of the licensing and registration requirements for domestic corporations operating in the metropolitan Atlanta area. Please see the appendix at the end of this publication listing the appropriate agencies to contact for full information about each requirement listed in the table that follows.

Requirement	Application(s)	Contact Agency
Certificate of Occupancy	New buildings or new users of existing facilities	Local county or municipality Zoning Department
Federal Employer Identification Number (EIN)	All businesses that have not received an EIN	Internal Revenue Service www.irs.gov
Georgia Bulk Sales Law	Purchasers of existing businesses	Attorney
Georgia Certificate of Authority	All foreign businesses (foreign businesses in this usage refers to companies incorporated outside Georgia)	GA Secretary of State, Corporations Division http://www.sos.state.ga.us/corporations/default.htm
Sales and Use Tax Certificate of Registration (Sales and Use Tax Number)	Persons, firms or corporations selling, soliciting, manufacturing, etc. tangible personal property, or taxable services	GA Department of Revenue, Sales & Use Tax Division Centralized Taxpayer Registration Unit http://www2.state.ga.us/departments/dor/ctr/formsreg.shtml
Georgia Employer Status Report	All employers doing business in Georgia	GA Department of Labor, Unemployment Insurance Division http://www.dol.state.ga.us/em/faq_em.htm #UnemploymentInsurance
Georgia Withholding Tax Number	All businesses	GA Department of Revenue, Income Tax Division http://www2.state.ga.us/departments/dor/inctax/index.shtml
Incorporation, Trademark/Service Mark Registrations	Optional for any business	GA Secretary of State, Corporations Division http://www.sos.state.ga.us/corporations/default.htm
Industrial Permitting	Industrial businesses requiring permits for wastewater, air and water emissions, solid and hazardous wastes, etc.	GA Department of Natural Resources, Environmental Protection Division http://www.dnr.state.ga.us/dnr/environ/
Industry-Specific Licensing (other types of business may also require a license that are not listed here)	(1) Liquor, beer & wine businesses, (2) Cigar or cigarette dealers, (3) Motor fuel or motor carriers fuel distributors, (4) Food processing or grocery, sales operations (5) Eating establishments	(1&2) GA Department of Revenue, Alcohol & Tobacco Tax Unit, (3) GA Department of Revenue, Sales & Use Tax Division, Motor Fuel Tax Unit, (4) GA Department of Agriculture, (5) Local environmental health departments
Business Licenses	All businesses	Business License offices in each local county or municipality where company is operating (See Appendix)
Trade Name Registration	Any business operating under a name other than that of the owner	Local county Clerk of Superior Court

FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN)

EINs are used to identify the tax accounts of employers, certain sole proprietors, corporations, partnerships, estates, trusts, and other entities. It is also known as a tax ID number. An EIN is also needed if the business has a Keogh retirement plan or files certain tax returns. A company must refile for an EIN when the organization or ownership of the company changes. (*Exception: a sole proprietor uses his or her Social Security number as the tax ID number.*)

A business can get an EIN either through the mail, by telephone, or online at https://georgiabusinessregistration.ezgov.com/ga_tax_registration/TaxRegistrationGateway. The first step is to fill out Form SS-4, *Application for Employer Identification Number*. Form SS-4 is

available at Social Security Administration offices or by calling the IRS at 1-800-829-3676.

More information on the EIN and other federal requirements is found online at **www.irs.gov** under "Starting a Business & Keeping Records." This IRS publication 583 provides basic federal tax information for people starting a business. It also provides information on keeping records and illustrates a record-keeping system. In it, the IRS refers to its useful publications and forms. Businesses are also encouraged to contact other government agencies, such as the Small Business Administration (SBA), for more information.

GEORGIA WITHHOLDING TAX IDENTIFICATION NUMBER

Georgia law requires that all businesses planning to have employees complete an application for a **Georgia Withholding Tax Identification Number** before beginning operations in the state. Upon assignment of this number, the corporation is registered to withhold on employees in the State of Georgia.

According to the state, "withholding refers to that portion of wages deducted by employers to pay individual income tax on behalf of their employees. Employers are required to withhold Georgia income tax from the wages of residents for services performed inside or outside of this state and from nonresidents for services performed in Georgia." Such employers are required to reflect this withholding on their payroll records.

Georgia also requires any partnership, S corporation or limited liability company that owns property or does business within the state and pays or credits distributions to members who are not residents of Georgia to hold four percent (4%) on such distributions. Also, a three percent (3%) withholding tax is required at the source on the sale or transfer of real property and associated tangible property by certain nonresidents.

Contact the Income Tax Division of the Georgia Department of Revenue for more information and applications. (See Appendix at end of this publication.) Tax forms can be requested at any time by calling 404-417-6011, with directions online at www2.state.ga.us/departments/dor/forms.shtml.

GEORGIA CERTIFICATE OF AUTHORITY

All foreign companies (i.e., limited liability companies, limited partnerships or corporations formed outside the state of Georgia) doing business in Georgia, by opening an office or otherwise establishing a presence, are required to file a **Certificate of Authority** with the Georgia Secretary of State's office within their first 30 days of operation in the state.

Such companies are recognized as new businesses to Georgia. If a company does not meet the criteria for filing this certificate (i.e., sole

proprietorship or a company not incorporated anywhere, etc.) then the company may incorporate in Georgia.

For more information, contact the Georgia Secretary of State's Corporations Division, Customer Service Group at 404-656-2817. Most forms and other information needed to complete a filing are on its Website at www.sos.state.ga.us.

SALES AND USE TAX CERTIFICATE OF REGISTRATION (SALES & USE TAX NUMBER)

Every person, firm or corporation that sells, offers for sale or regularly solicits sales of tangible personal property, certain taxable services or contracts to provide service in Georgia must register with the Georgia Department of Revenue for a **Sales and Use Tax Certificate of Registration**. This registration does not require renewal, and remains in effect as long as the business entity exists with no change in ownership or structure.

Companies are required to apply for a Certificate of Registration prior to opening each and any place of business. This certificate must be

permanently displayed and in sight of customers at the location for which it was issued.

Upon assignment of the Georgia sales and use tax number, the business also receives all necessary forms for collecting, reporting and remitting its tax receipts. To receive registration information, contact the Centralized Taxpayer Registration Unit of the Georgia Department of Revenue. (See Appendix.) Forms are also available online at www2.state.ga.us/Departments/DOR/ctr/formsreg.shtml.

GEORGIA EMPLOYER STATUS REPORT (UNEMPLOYMENT INSURANCE TAX NUMBER)

Employers doing business in Georgia who meet any of the following criteria generally must submit an application DOL-1A, file quarterly reports and pay unemployment tax in the state:

- employers with a quarterly payroll of \$1,500 or at least one worker in 20 different calendar weeks during a calendar year
- agricultural employers with at least \$20,000 in gross payroll for a calendar quarter
- domestic employers with a payroll of at least \$1,000 in any calendar quarter, including workers of a college club, fraternity or sorority with food and lodging excluded from wages for them.

Businesses must file a DOL-1A, Status Report form with the Georgia Department of Labor. This form helps the Department of Labor determine the employer's tax rates and liability for unemployment insurance, which provides income assistance to workers unemployed through no fault of their own.

These forms are available for downloading from the Department of Labor Website at http://www.dol.state.ga.us/forms_and_publications.htm. Additional information is available on this site, or by calling the department at 404-656-3122.

BUSINESS LICENSES

All cities in metro Atlanta require businesses to obtain business licenses. Licensing fees are determined by schedules based on the type and size of the business. A company located within an incorporated municipality will obtain its license from that city or town, while those located in unincorporated areas should contact that county's licensing office. A business license is required in each such city or county location.

Under current law, the municipalities within companies have based their principal Georgia location impose the business license taxes. For listing of local business licensing offices, see the Appendix.

INDUSTRY-SPECIFIC LICENSING

Certain types of businesses are subject to special licensing and registration requirements. For more information on any of these requirements, call the applicable division or go online to www2.state.ga.us/Departments/DOR for Department of Revenue divisions or www.agr.state.ga.us for the Department of Agriculture.

Alcohol

Any business that sells alcohol (beer, wine, liquor), retail or wholesale, is required to obtain an alcohol license from the state's Department of Revenue, Alcohol and Tobacco Division. The license applies to bulk sales or consumption on the premises. This registration requires an investigation and annual renewal, and also a bond and local license. Call 404-656-4252.

Food and Drink Establishments

A business that cooks or otherwise prepares food and serves it for consumption on premises, including hotels, restaurants and nursing homes, must pass inspections by the environmental health department of the county in which it is located.

Groceries and Food Processing

The Georgia Department of Agriculture's Consumer Protection Division administers state laws, rules and regulations for retail and wholesale grocery stores, retail seafood stores and food processing facilities which are currently required to obtain a license under any

other provision of law: bakeries, confectionaries, fruit, nuts and vegetables stores and places of business, and similar establishments, mobile or permanent, engaged in sale of food primarily for consumption off the premises. For more information, contact the Department of Agriculture at 404-656-3627.

Motor Fuel Use Tax License and Permits

These are issued by the Georgia Department of Revenue to any qualified motor vehicle engaged in interstate commerce that is based in Georgia. Motor carriers who obtain annual licenses are required to submit quarterly fuel use tax reports. For more information call 404-417-6712.

Tobacco

Any business that sells tobacco (cigar, cigarette, tobacco, etc.) for retail or wholesale is required to obtain a tobacco license from the state's Department of Revenue, Alcohol and Tobacco Division. This registration also requires an annual renewal. Call 404-417-4900.

A number of other businesses are subject to licensing through the state's Professional Examining Boards. For a list of such business types and contact information, please see the Appendix at the end of this publication.

INDUSTRIAL PERMITTING

Georgia is one of the first and the few states with a consolidated state environmental program and the authority to issue and enforce federal permits as delegated by the U.S. EPA (Environmental Protection Agency). This one-stop industrial permitting process guarantees permitting within 90 days of application.

The Environmental Protection Division of the Georgia Department of Natural Resources issues all permits required by state and federal environmental protection legislation for any relocating facility. The director of this division is authorized by law to issue all orders and to grant, deny, revoke or amend all permits or variances provided for in the laws that this division enforces. This arrangement is simpler than the permitting processes in most states, and has been described by industries as much more efficient than procedures followed elsewhere.

Georgia's Environmental Protection Division has the authority to issue federal wastewater and air quality permits. Other permits issued include drinking water, solid waste, storm water, surface mining and water withdrawal, as well as licenses for radioactive material.

Businesses new to Georgia may contact this division's New Industry Team, whose members represent water resources, air, land and water protection and pollution prevention. They are qualified to discuss all elements of permitting with new companies. For more information, call the Georgia Environmental Protection Division at 404-657-5947 or visit online at www.gadnr.org.

INCORPORATION, TRADEMARK/SERVICE MARK REGISTRATIONS

The Georgia Secretary of State, Corporations Division offers information on how to file an application for registration of the mark in the office of the Secretary of State. If the statutory requirements have been met, the Secretary of State will issue a certificate of registration. Its Website also provides forms and instructions for the initial registration, renewal and assignment of trademarks. This procedure is not required by the State of Georgia.

For more information, contact the Secretary of State's office at 404-656-2861 or visit the Corporations Division online at www.sos.state.ga.us/corporations/trademarks.htm.

TRADE NAME REGISTRATION

Any business operating under a trade name, or any name other than that of the owner, must register that name with the Clerk of the Superior Court for the county in which it is located. The two excep-

tions to this requirement are those corporations doing business under their corporate names, and professionals practicing under a partnership name.

OTHER REQUIREMENTS

Other regulations that may apply to a given business include the **Georgia Bulk Sales Law**, regarding the purchase of an existing business, and the requirement of filing **Certificate of Occupancy** for new buildings or new users of existing buildings.

Contact an attorney for information on the bulk sales law. The zoning department of the city or county in which the business is to operate will provide information on the Certificate of Occupancy for that jurisdiction.

STATE TAX INFORMATION FOR BUSINESS

NOTE: The following information was extracted largely verbatim from Georgia Department of Revenue publications. Please contact this state department, or a tax accountant or attorney, for more complete and specific information.

Businesses operating in Georgia are subject to state taxes on the basis of their net worth, as well as on their income and real and intangible property holdings. Georgia's sales and use taxes are

applied to companies in their role as consumers, as well as to manufacturers, distributors, processors and sellers.

If a business employs one or more persons, the state levies unemployment taxes. A company with three or more employees is required to carry some type of workers compensation insurance. Georgia requires all businesses to withhold state income taxes for both resident and nonresident employees.

CORPORATE NET WORTH TAX (THE CORPORATION LICENSE)

Any business or corporation that owns property or does business in Georgia is subject to this tax, which is based on the net worth of the corporation and is levied as a business license fee. Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio). These firms will use a different computation schedule than that used by foreign corporations qualified in Georgia, that are taxed only on the portion of net worth employed within Georgia. (See next section.)

The corporate net worth tax, according to the Department of Revenue, is graduated based on net worth. 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. For a United States-based corporation, 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.)

Dormant corporations or those with a deficit net worth must also file net worth tax returns and pay the tax to retain their charters. Businesses with a deficit will pay the minimum tax shown in the adjoining table. Nonprofit corporations and insurance companies that are separately taxed are not subject to this tax.

Corporate net worth taxes are reported to the Income Tax Division of the Georgia Department of Revenue on a combined form that includes the corporate income tax.

For more information, contact the Department of Revenue's Income Tax Division at 404-417-4477 or go online to www2.state.ga.us/Departments/DOR/inctax/index.shtml.

For corporate net worth tax rates in Georgia, please see the table on the following page.

TAXABLE NET WORTH OF A CORPORATION

NET WORTH	AMOUNT OF TAX
Not exceeding \$10,000	\$10
\$10,000 to \$25,000	\$20
\$25,000 to \$40,000	\$40
\$40,000 to \$60,000	\$60
\$60,000 to \$80,000	\$75
\$80,000 to \$100,000	\$100
\$100,000 to \$150,000	\$125
\$150,000 to \$200,000	\$150
\$200,000 to \$300,000	\$200
\$300,000 to \$500,000	\$250
\$500,000 to \$750,000	\$300
\$750,000 to \$1 million	\$500
\$1 million to \$2 million	\$750
\$2 million to \$4 million	\$1,000
\$4 million to \$6 million	\$1,250
\$6 million to \$8 million	\$1,500
\$8 million to \$10 million	\$1,750
\$10 million to \$12 million	\$2,000
\$12 million to \$14 million	\$2,500
\$14 million to \$16 million	\$3,000
\$16 million to \$18 million	\$3,500
\$18 million to \$20 million	\$4,000
\$20 million to \$22 million	\$4,500
All over \$22 million	\$5,000

Source: Georgia Department of Revenue, *Georgia Income Tax Corporation Forms for 2003 and General Instructions*

TAXABLE NET WORTH OF FOREIGN CORPORATIONS

For net worth tax purposes, a foreign corporation is a business or association created or organized under the statutory laws of any nation or state other than Georgia. The taxable net worth of a foreign corporation in Georgia is apportioned based on the assumption that such a corporation employs in the state the proportion of its entire outstanding issued capital stock and surplus that its property and assets in Georgia bear to all its property, and that the Georgia volume of its business bears to all its volume. The taxable net worth yielded by the following computation is taxed on the same graduated scale.

Georgia Taxable Net Worth of a Foreign Corporation

$$\begin{array}{r} \text{Total value of property owned in Georgia} \\ \text{All property and assets} \\ + \\ \text{Gross receipts from business done in Georgia} \\ \text{Total business volume} \\ \times \\ \text{Total property and assets in Georgia} \\ \text{Total Business Volume} \\ = \text{Taxable Net Worth} \end{array}$$

CORPORATE INCOME TAX

All domestic and foreign corporations that own property or do business in Georgia are subject to the state's income tax, unless specifically exempt. A corporation is conducting business within the state if it engages in any activity or transaction intended for financial profit or gain. Such businesses are deemed to be doing business in this state and are subject to this tax whether or not such business:

- is registered to conduct business in Georgia,
- maintains an office or place of doing business within Georgia, or
- conducts activities or transactions connected with interstate or foreign commerce.

No Georgia county or municipality levies local corporate income tax.

Corporations are taxed a flat six percent (6%) on their Georgia taxable net income attributable to business done in Georgia. However, if the corporation's business income is derived in part from property owned or business done in the state, and in part from property owned or business done outside the state, the corporate income tax is imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the state, as determined under the state's guidelines as outlined in the Department of Revenue publication, *Georgia Income Tax Corporation Forms*.

Georgia's corporate income tax is determined through a process of allocation and apportionment as described.

ALLOCATION OF INCOME

As written in the Department of Revenue corporate income tax guidelines, income subject to allocation is identified as:

- 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. *(Note: Interest received on bonds held for investment and income received from other intangible property held for investment, such as rentals received from real estate held purely for investment purposes and not used in the operation of the*

business, are not subject to apportionment. All expenses connected with the interest and rentals realized from such investments are likewise not subject to apportionment but must be applied against the investment income.)

- 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 site.

APPORTIONMENT OF INCOME

The State of Georgia further requires that "Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the 'Three Factor Formula.'"

The state's corporate income tax publications further spell out the **Three Factor Formula** as such:

Property Factor.

This factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its original cost. Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. Averaging with respect to rental property is achieved automatically by the method of determining the net annual rental rate of such property.

Payroll Factor.

This factor is the ratio of all salaries, wages, commissions and other compensations paid by the taxpayer in Georgia for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or businesses, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not classified as an employee are excluded.

Gross Receipts Factor.

This factor is the ration of gross receipts from business done within Georgia to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done

APPORTIONMENT OF INCOME - continued

within Georgia only if received from products shipped to customers in this state, or delivered within this state to customers. The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

The Three Factor Formula apportionment ratios are weighted as follows:

- 25% to property
- 25% to payroll
- 50% to gross receipts

If the denominator for either the property or payroll factor is zero, the weighted percentages for the other will be 33 and 1/3 percent and the weighted percentage for the gross receipts factor will be 66 and 2/3 percent. If the denominator for the gross receipts is zero, the weighted percentages for the property and payroll factors will change to 50 percent each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100 percent.

SUBSIDIARY/AFFILIATE INCOME

The net income of a business subsidiary, or of a company that is closely affiliated with another corporation by stock ownership is determined by eliminating all payments to the parent or affiliated corporation in excess of fair value, and by including fair compensation to the domestic business corporation for its commodities sold or services performed for the parent or affiliated corporation.

The Georgia Department of Revenue may equitably determine the net income by reasonable rules of apportionment of the combined income of the subsidiary, its parent and any one or more of its affiliates.

STATE AD VALOREM TAX

Georgia taxes tangible property at the rate of .25 mills assessed and collected at the county level. For more information, contact the Department of Revenue's Property Tax

Division at 404-968-0707 or visit the division online at www2.state.ga.us/Departments/DOR/ptd/index.html.

SALES AND USE TAXES

Georgia levies a statewide sales and use tax of four percent (4%), which applies to the retail purchase, retail sale, rental, storage, use or consumption of tangible personal property, and to certain services. The sales tax applies to virtually all retail sales of tangible personal property delivered in Georgia, as well as to utility and transportation services. Current exemptions include qualifying food and beverage sales (for off-premises consumption), prescription drugs, eyeglasses and contact lenses.

The use tax applies to the first instance of use, consumption, distribution or storage within Georgia of tangible personal property purchased at retail outside the state.

- **Purchases intended for resale**
- **Machinery used directly in the manufacturing or production process** (such machinery purchase must be made by a Georgia company, after filing a sales tax exemption application; the machinery maker does not need to be a Georgia company)
- **Manufacturing machinery replacement parts**, costing up to \$150,000 per part.
- **Phased-in exemption of repair parts, replacement parts, molds, dies, and tooling** used on direct manufacturing machinery, to a limit of \$150,000 per item. Parts, molds, dies, and tooling are 60% exempt in 2003, 80% exempt in 2004, and will be 100% exempt in January 2005.
- **Primary material handling equipment** is exempted from sales tax if a company purchases \$5 million or more for a new or expanded facility; equipment covered:
 1. The principal machinery and equipment used to lift or move tangible personal property in a warehouse or distribution facility located in this State.
 2. The computer software and hardware whose purpose is to lift or move tangible personal property qualifies for the exemption.
 3. "Racking system" means any system of machinery equipment, fixtures or portable devices whose function is to store, organize, or move tangible personal property within a warehouse or

distribution facility, including, but not limited to conveying systems, chutes, shelves, racks, bins, drawers, pallets, and other containers and storage devices which form a necessary part of the facility's storage system.

- **Sale of fuel and supplies** for use or consumption on board ships plying the high seas in foreign or interstate commerce.
- **Property manufactured for export** when delivery is taken outside of Georgia.
- **Transportation equipment** manufactured for exclusive use outside the state.
- **Items used in packaging**
- **Air/water pollution machinery and equipment**

Additionally, the state has enacted the following sales tax exemptions to encourage the development of high technology enterprise:

- **Computer equipment** purchased by hi-tech companies (or companies operating high tech facilities such as data centers) that purchase or lease \$15 million worth of such equipment in one calendar year. Does not include cabling and other infrastructure, or soft costs.
- Equipment, materials, and machinery used in **clean rooms** of Class 100 or less.

In addition to the state's four percent sales and use tax, all metro area counties may levy local option sales and use taxes of up to four percent (4%) to provide additional revenue, to operate a mass transit system, or to fund specific civic projects including road construction, new government buildings and school buildings, or to give property tax relief. These taxes are reported in greater detail in the next section. (See page 10 for explanation of local option sales and use tax.)

For more information on Georgia's statewide sales and use tax, contact the Sales and Use Division of the Georgia Department of Revenue at 404-417-6601, or go online to www2.state.ga.us/Departments/DOR/salestax/index.shtml.

UNEMPLOYMENT INSURANCE TAX

Employers who are liable under Georgia's Employment Security Law pay unemployment taxes to the state. As outlined on the Department of Labor Website, the state taxable wage base for unemployment insurance is the first \$8,500 in wages paid to an individual during the calendar year. A total tax rate of 2.7 percent is assigned to a new employer until it can establish an experience history of at least 12 quarters (36 months) from a June 30 computation date.

From this point on, the status of an employer's account, or its experience history, will affect the assignment of a new rate. Employers with a positive balance will be assigned lower rates than employers with a deficit balance.

The minimum and maximum rates assignable for each type of account are set by the legislature, but most recently have ranged from 0.04 percent to 2.16 percent for employers with positive reserve accounts, and from 2.16 percent to 5.40 percent for employers with deficit reserve accounts. The latest average unemployment insurance tax rate for Georgia companies was reported at about 1.6 percent. The computation is effective January 1 immediately following the computation date.

For more information, contact the Georgia Department of Labor at 404-232-3875, or see the information online at <http://www.dol.state.ga.us/pdf/forms/dol4e.pdf>.

WORKERS' COMPENSATION

Georgia does not levy a tax for workers' compensation. Every employer, individual, firm, association or corporation regularly employing three or more persons – part time or full time – is subject to the Georgia State Workers' Compensation Act, which requires them either to carry compensation or to be self-insured.

Insurance is handled through private companies with the premium based on the experience of the industry in which the company is operating. Employers that assume their own liability for job-connected accidents are required to provide satisfactory proof of financial

ability to the Georgia State Board of Workers's Compensation, which may require them to post security bonds.

For more information, contact the state board at 404-656-3818 or 800-533-0682, or go online to <http://sbwc.georgia.gov/02/sbwc/home/0,2235,11394008,00.html>.

WITHHOLDING & PERSONAL INCOME TAX

Businesses operating in Georgia are required to withhold state and federal income taxes for both resident and nonresident employees. The amount of an employee's wages subject to state withholding is determined by both the employer's payroll period and by the employee's total withholding exemption allowance, or the amount of the exemption allowed by the employee plus the total amount of exemptions allowed for his or her dependents.

The amount that an employer withholds from an employee's wages for Georgia income tax is credited against the employee's tax liability for the year in which the money is withheld. Following is information on standard deductions and rates. For more information, contact the Georgia Department of Revenue at 404-417-2300 or go online to www2.state.ga.us/departments/dor/.

GEORGIA PERSONAL INCOME TAX

Georgia taxable net income is a taxpayer's federal adjusted gross income less (1) itemized non-business deductions used in computing federal income tax or appropriate standard deductions allowed by Georgia and (2) applicable personal exemptions.

Adjustments involving retirement and dividend and interest income must comply with both federal and state laws. The Income Tax Division of the Georgia Department of Revenue can provide further information.

Georgia employers are required to withhold income taxes for both resident and nonresident employees. Nonresidents are taxed on income received from services performed, property owned and business transactions in Georgia, unless such income is from sources specifically exempted by law.

STANDARD DEDUCTIONS

Single Taxpayer or Head of Household	\$ 2,300
Married Couple Filing a Joint Return	\$ 3,000
Married Couple Filing Separate Returns	\$ 1,500

PERSONAL EXEMPTIONS

Married Couple Filing a Joint Return	\$ 3,000
All Other Taxpayers	\$ 2,700
Each Dependent of a Taxpayer	\$ 2,700
Taxpayer over age 65	\$ 1,300

- continued on following page

GEORGIA PERSONAL INCOME TAX - continued

PERSONAL INCOME TAX RATES

Single Persons

If Georgia taxable net income is:	The tax is:
Not over \$750	1% of taxable income
\$ 750.01 to \$ 2,250	\$ 7.50 + 2% of amount over \$ 750
\$ 2,250.01 to \$ 3,750	\$ 37.50 + 3% of amount over \$ 2,250
\$ 3,750.01 to \$ 5,250	\$ 82.50 + 4% of amount over \$ 3,750
\$ 5,250.01 to \$ 7,000	\$ 142.50 + 5% of amount over \$ 5,250
More than \$7,000	\$ 230.00 + 6% of amount over \$ 7,000

Married Persons Filing A Joint Return & Head Of Household

If Georgia taxable net income is:	The tax is:
Not over \$1,000	1% of taxable income
\$ 1,000.01 to \$ 3,000	\$ 10.00 + 2% of amount over \$ 1,000
\$ 3,000.01 to \$ 5,000	\$ 50.00 + 3% of amount over \$ 3,000
\$ 5,000.01 to \$ 7,000	\$ 110.00 + 4% of amount over \$ 5,000
\$ 7,000.01 to \$ 10,000	\$ 190.00 + 5% of amount over \$ 7,000
More than \$10,000	\$ 340.00 + 6% of amount over \$ 10,000

Married Persons Filing A Separate Return

If Georgia taxable net income is:	The tax is:
Not over \$500	1% of taxable income
\$ 500.01 to \$ 1,500	\$ 5.00 + 2% of amount over \$ 500
\$ 1,500.01 to \$ 2,500	\$ 25.00 + 3% of amount over \$ 1,500
\$ 2,500.01 to \$ 3,500	\$ 55.00 + 4% of amount over \$ 2,500
\$ 3,500.01 to \$ 5,000	\$ 95.00 + 5% of amount over \$ 3,500
More than \$ 5,000	\$ 170.00 + 6% of amount over \$ 5,000

Source: Georgia Department of Revenue, Income Tax Division

LOCAL TAX INFORMATION FOR BUSINESSES OPERATING IN METROPOLITAN ATLANTA

AD VALOREM TAXES

The primary source of revenue for Georgia's counties, municipalities and school districts are the local ad valorem, or property, taxes. These taxes are assessed and collected at the county level, although a number of municipalities will set their own rates. The ad valorem tax rate is determined by local elected officials, based on projected budgetary needs and the estimated value of the tax digest of each locality.

what is judged as the property's fair market value. These rates are the same value for all real property, which includes:

- commercial land and buildings
- commercial equipment
- commercial inventory
- personal property

Ad valorem millage rates, or the amount to be paid per each \$1,000 of the real property's assessed value, in most areas is 40 percent of

An example of an ad valorem tax computation follows.

A Computation of Taxes on a Hypothetical Commercial or Industrial Property in Gwinnett County

Value	
Land and Buildings (Real Estate)	\$ 1,000,000
Equipment	\$ 750,000
Inventory*	\$ 500,000
Assessment	
Land and Buildings (Real Estate)	40%
Equipment	40%
Inventory*	40%
Millage	32.05
(\$32.05 per \$1,000 of assessed value)	

Ad Valorem Tax = Fair Market Value x Assessment x Millage

Tax on Real Estate	= \$ 1,000,000	x	.40	x	32.05 / 1,000	= \$ 12,820
Tax on Equipment	= \$ 750,000	x	.40	x	32.05 / 1,000	= \$ 9,615
Tax on Inventory*	= \$ 500,000	x	.40	x	32.05 / 1,000	= \$ 6,410
Total Tax	= \$ 12,820 + \$ 9,615 + \$ 6,410					= \$ 28,845

* Note: Counties and municipalities may exempt all or part of the value of certain classes of tangible property held in certain inventories. See the Freeport section in this publication for details on these exemptions.

LOCAL OPTION SALES AND USE TAXES

Any Georgia county, with voter approval in a referendum, may impose sales and use taxes to:

- supplement general revenue (Local Option)
- fund school capital outlay projects (Education Local Option)
- provide property tax relief (Homestead Local Option)
- fund specific capital projects with a deadline, such as road construction (Special Purpose Local Option)

Additionally, Fulton and DeKalb levy a one percent sales tax to fund the Metro Atlanta Rapid Transit Authority (MARTA).

By Georgia law, the combined state and local option sales and use taxes may not total more than seven percent (7%), except for City of Atlanta which can not exceed eight percent (8%).

Once approved by the voters, local option or homestead local option sales taxes may be levied indefinitely. However, special purpose and education local option sales taxes may be levied only for a specific dollar amount or a period of time up to five years, whichever comes first. Voters may approve an extension of these taxes in a subsequent referendum.

Goods are taxed unless the state code says they are exempt. Services are not taxed unless they are identified as taxable in the code, or at the discretion of the Georgia Department of Revenue. Shipping charges can be exempt, generally, when they are broken out on an invoice. For more information on the taxable status of Georgia-based goods and services, contact the Sales and Use Division of the Georgia Department of Revenue.

Sales and Use Tax Rates by County

County	Sales Tax (%)
Barrow	7
Bartow	7
Butts	7
Carroll	7
Cherokee	6
Clayton	7
Cobb	5
Coweta	7
Dawson	7
DeKalb	7
Douglas	7
Fayette	5
Forsyth	7
Fulton	7
Gwinnett	6
Haralson	7
Heard	7
Henry	7
Jasper	7
Lamar	7
Meriwether	7
Newton	7
Paulding	7
Pickens	7
Pike	6
Rockdale	6
Spalding	6
Walton	7
City of Atlanta	8*



* Note: These rates may change annually

Source: Georgia Department of Revenue, rates effective January 2004

*as of October 2004

GEORGIA HOTEL-MOTEL TAX

A tax of up to seven percent of the cost of the room for up to the 10 first nights of a stay on hotel and motel guests may be levied within Georgia counties and municipalities. This tax is levied on top of the sales and use taxes in each jurisdiction, which may go up to seven percent.

In the City of Atlanta and Fulton County, the revenue from this tax is shared among several entities, as follows:

Agency	Contractual Distribution
City of Atlanta	28.56%
(For facilities within Atlanta city limits)	
Fulton County	28.56%
(For facilities outside Atlanta city limits)	
The Georgia Dome	9.64%
Georgia World Congress Center	39.29%
Atlanta Convention & Visitors Bureau	22.50%
Total	100.0%

GASOLINE TAX

Georgia's gasoline and diesel taxes are the lowest in the United States, according to a survey released by the American Petroleum Institute in July, 2004. These fuels are each taxed at 7.5 cents per

gallon, plus a four percent sales tax. A comparison sample of other states reveals the advantage Georgia offers businesses.

State	Gasoline Rate	Diesel Rate	Sales or Other Taxes Added
Georgia	7.5	7.5	4% on sales
Colorado	22.0	20.5	no
District of Columbia	20.0	20.0	no
Illinois	19.0	21.5	yes
Massachusetts	23.5	23.5	no
New York	31.3	28.3	yes
Ohio	26.0	26.0	no
Texas	20.0	20.0	no
Virginia	17.5	16.0	yes
Washington	28.0	28.0	no

Source: American Petroleum Institute, 7-13-04 <http://api-ec.api.org/filelibrary/MFT7104.pdf>

PROPERTY TAX RATES – SELECTED METROPOLITAN ATLANTA MUNICIPALITIES

City, County	2003 Total Millage Rate	Assessment	Effective Tax Rate ⁽¹⁾	Standard Homestead Exemptions ⁽²⁾
Atlanta, DeKalb	41.53	40%	16.61	\$ 25,000
Atlanta, Fulton	42.50	40%	17.00	\$ 30,000
Barnesville, Lamar	26.89	40%	10.76	\$ 2,000
Bremen, Haralson	31.17	40%	12.47	\$ 2,000
Buchanan, Haralson	29.49	40%	11.80	\$ 2,000
Canton, Cherokee	32.97	40%	13.19	\$ 2,000
Carrollton, Carroll	26.95	40%	10.78	\$ 4,000
Cartersville, Bartow	28.30	40%	11.32	\$ 5,000
Conyers, Rockdale	46.03	40%	18.41	\$ 25,000
Covington, Newton	38.54	40%	15.42	\$ 4,000
Cumming, Forsyth	21.56	40%	8.62	\$ 8,000
Dallas, Paulding	26.35	40%	10.54	\$ 2,000
Dawsonville, Dawson	22.03	40%	8.81	None
Decatur, DeKalb	43.51	40%	17.40	\$ 30,000
Douglasville, Douglas	31.22	40%	12.49	\$ 6,000
Fayetteville, Fayette	28.65	40%	11.46	\$ 5,000
Franklin, Heard	21.98	40%	8.79	\$ 2,000
Greenville, Meriwether	26.56	40%	10.62	\$ 2,000
Griffin, Spalding	41.46	40%	16.58	None
Jackson, Butts	35.25	40%	14.10	\$ 2,000
Jasper, Pickens	26.73	40%	10.69	\$ 10,000
Jonesboro, Clayton	26.05	40%	12.34	\$ 70,000
Lawrenceville, Gwinnett	30.66	40%	12.26	\$ 30,000
Manchester Meriwether	42.74	40%	17.10	\$ 2,000
Marietta, Cobb	30.59	40%	12.24	\$ 14,000
McDonough, Henry	30.26	40%	12.10	\$ 13,000
Monroe, Walton	33.50	40%	13.40	\$ 2,000
Monticello, Jasper	27.04	40%	10.82	\$ 8,000
Newnan, Coweta	30.96	40%	12.38	\$ 10,000
Tallapoosa, Haralson	31.05	40%	12.42	\$ 2,000
Winder, Barrow	26.66	40%	10.66	\$ 10,000
Woodbury, Meriwether	43.55	40%	17.42	\$ 2,000
Zebulon, Pike	24.06	40%	9.62	None

1. Effective Tax Rate = Millage x Assessment Rate

2. County and municipal exemptions are reported here. Standard state homestead exemption is \$2,000 from state, county and school taxes, with some exceptions.

Note: The municipalities listed here are county seats. Metro Atlanta is home to more than 100 municipalities

Property Tax Rates – Unincorporated Areas in Metropolitan Atlanta Counties

County	2004 Total Millage Rate	Assessment	Effective Tax Rate (1)	Standard Homestead Exemptions (2)	Special Exemptions
Barrow	26.67	40%	10.668	\$10,000	DB, E, V, S
Bartow	26.98	40%	10.792	\$5,000	D, E, S
Butts	35.25	40%	14.009	\$2,000	E
Carroll	24.52	40%	9.808	\$4,000	DB, E
Cherokee	25.85	40%	10.340	\$2,000	D, E, V
Clayton	30.85	40%	12.339	\$10,000	D, DB, E, V, S
Cobb	28.75	40%	11.500	\$10,000	D, S
Coweta	25.25	40%	10.100	\$10,000	E, S, V
Dawson	22.03	40%	8.814	None	None
DeKalb	36.53	40%	14.612	\$10,000	D, E, S, V
Douglas	27.37	40%	10.946	\$6,000	D, DB, E, V
Fayette	27.89	40%	11.156	\$5,000	E, S
Forsyth	21.59	40%	8.636	\$8,000	D, DB, S, V
Fulton	29.15	40%	11.658	\$15,000	E, UE, S, V
Gwinnett	28.23	40%	11.292	\$10,000	D, E, S, V
Haralson	21.92	40%	8.766	\$2,000	S
Heard	18.56	40%	7.424	\$2,000	E
Henry	31.39	40%	12.556	\$13,000	D, E, S, V
Jasper	26.33	40%	10.532	\$8,000	E
Lamar	22.75	40%	9.100	\$2,000	D, E, S
Meriwether	25.13	40%	10.052	\$2,000	None
Newton	29.75	40%	11.900	\$4,000	D, DB, S, V
Paulding	23.16	40%	9.264	\$2,000	D, DB, E, V
Pickens	22.03	40%	8.812	\$5,000	D, DB, S, V
Pike	24.06	40%	9.624	None	DB, E
Rockdale	36.13	40%	14.452	\$15,000	D, DB, E, V
Spalding	35.68	40%	14.272	None	E, D
Walton	28.33	40%	11.332	\$2,000	E, S

KEY: D = disabled, DB = double, E = senior or elderly, S = school or elderly school, UE = urban enterprise, V = veteran or disabled veteran

1. *Effective Tax Rate = Millage x Assessment Rate*

2. *County and municipal exemptions are reported here. Standard state homestead exemption is \$2,000 from state, county and school taxes, with some exceptions.*

TAX CREDITS AND OTHER RELOCATION AND EXPANSION INCENTIVES

Atlanta, its suburban counties and the State of Georgia offer a variety of tax credits and other relocation and expansion incentives to new business and industry.

GEORGIA JOB TAX CREDIT

Businesses that relocate or expand their facilities into metro Atlanta and create as few as 5 to 25 new jobs can receive job tax credits applied to their Georgia corporate income tax liability for five years. Credits may be applied against 50% to as much as 100% of income tax liability. Credits allowed in each county are listed in this section.

Firms that locate in eligible economically distressed areas of the city of Atlanta, DeKalb or Clayton counties and that hire five or more workers may qualify instead for a \$4,000 per year tax credit, and may apply this credit for up to 100% of their corporate liability for a 5-year period. Facilities in the Atlanta Renaissance Zone may increase the credit by an additional \$2,250 in federal income tax credit.

Eligible job categories: **Manufacturing** (including materials processing), **warehousing and distribution, processing** (means those establishments primarily engaged in providing data processing, information processing, computer software, or telemarketing services, certain others), **telecommunications, research & development, tourism, or headquarters** of such operations (meaning the central world or national administrative offices of a business enterprise that is primarily engaged in performing management and general administrative functions for businesses in the preceding categories). Jobs in retail enterprise do not qualify.

To qualify, a new or existing firm must meet the state's job creation and qualification criteria. For counties classified as either Tier 3 or 4, total credit cannot exceed half (50%) of the firm's annual state income tax liability. For counties classified as Tier 1 or 2, credits may be applied up to 100% of annual corporate income tax liability. Unused credits in the first five years may be carried forward 10 additional years from the year in which the job was created.

The Georgia Department of Community Affairs administers this job tax credit. The amount of each county's credit is subject to change annually.

To qualify, a job must be full-time (35 hours minimum per week), make health care coverage available (businesses are not required to pay for this insurance) and meet the minimum statewide wage threshold. See table on the next page. The tier structures in the chart that accompanies this text may change annually. For the latest information, please contact a Metro Atlanta Chamber economic development project manager at 404-586-8446 or jgilman@macoc.com.

Job Tax Credit Rates for Metro Atlanta Counties

County	Tier	Minimum Jobs* Required	Job Tax credit**	Maximum % of Tax offset per year
Barrow	3	15	\$ 1,750	50%
Bartow	3	15	1,750	50%
Butts	3	15	1,750	50%
Carroll	2	10	3,000	100%
Cherokee	4	25	1,250	50%
Clayton	2	10	3,000	100%
Cobb	4	25	1,250	50%
Coweta	3	15	1,750	50%
Dawson	4	25	1,250	50%
DeKalb	3	15	1,750	50%
Douglas	3	15	1,750	50%
Fayette	4	25	1,250	50%
Forsyth	4	25	1,250	50%
Fulton	2	10	3,000	100%
Gwinnett	4	25	1,250	50%
Haralson	2	10	3,000	100%
Heard	2	10	3,000	100%
Henry	4	25	1,250	50%
Jasper	2	10	3,000	100%
Lamar	2	10	3,000	100%
Meriwether	1	5	4,000	100%
Newton	3	15	1,750	50%
Paulding	3	15	1,750	50%
Pickens	4	25	1,250	50%
Pike	3	15	1,750	50%
Rockdale	3	15	1,750	50%
Spalding	2	10	3,000	100%
Walton	3	15	1,750	50%

* See page one for description of eligible jobs.

** Includes \$500 bonus for forming joint development authority, if applicable

Bold face indicates that county is newly added to Atlanta MSA in 2003.

City of Atlanta

Within City Limits	\$ 1,750*
Industrial Enterprise Zones	\$ 3,500

* Select urban census tracts credit is \$ 3,500

How to estimate the Value of Credit (maximum 5-year benefit)

Example 1: Company locates in a Tier 3 county and creates 50 qualifying jobs in its first year of operation:

$$\text{JTC} \times \# \text{ of jobs} \times 5 \text{ years} \\ \$ 1,750 \times 50 \times 5 = \$ 437,500$$

Example 2: Company locates in a Tier 4 county and creates 200 qualifying jobs in its first year of operation:

$$\text{JTC} \times \# \text{ of jobs} \times 5 \text{ years} \\ \$ 1,250 \times 200 \times 5 = \$ 1,250,000$$

INVESTMENT TAX CREDIT

Based on the same tiers as the Job Tax Credit program. It allows a taxpayer that has operated an existing manufacturing or telecommunications facility or manufacturing or telecommunications support facility in the state for the previous three years to obtain a credit against income tax liability. **The credit is available in reference to expenses directly related to manufacturing or providing telecommunications services.** Taxpayers must apply (use Form IT-APP) and receive approval before they claim the credit on their returns. Taxpayer may choose either the job tax credit, the investment tax credit or the

optional investment tax credit but only one. Companies expanding in **Tier 1 counties** must invest \$50,000 to receive a 5% credit. That credit increases to 8% for recycling, pollution control, and defense conversion activities. Companies expanding in **Tier 2 counties** must invest \$50,000 to receive a 3% tax credit. That credit increases to 5% for recycling, pollution control, and defense conversion activities. Companies expanding in **Tier 3 or Tier 4 counties** must invest \$50,000 to receive a 1% credit. That credit increases to 3% for recycling, pollution control, and defense conversion activities.

COST-FREE CUSTOMIZED EMPLOYEE TRAINING: QUICK START www.georgiaquickstart.org

Georgia's highly acclaimed Quick Start training program offers sophisticated customized training jointly developed with the company. For companies that qualify, this cost-free program covers development of

all training plans and materials, and training conducted in a company's facilities or in one of the state-of-the-art technical colleges located throughout metro Atlanta.

CORPORATE HEADQUARTERS RELOCATION TAX CREDIT

A company relocating or establishing its national or international headquarters in this state will qualify for options and credits, if they meet each of these criteria:

- Within one year employs at least **50** persons in new full-time “headquarters” jobs (traditional corporate headquarters jobs meaning business decision-makers in executive, administrative and professional services, performing headquarters related functions and services), AND,
- Within one year incurs within the state a minimum of \$1 million in construction, renovation, leasing, or other costs related to such establishment or relocation, AND,
- Pays wages that are higher than the average wage for the county in which they locate. (Minimum of 115% above average for Tier 4 counties, 110% above average for Tier 3 counties 105% above average for Tier 2 counties and above the average for Tier 1 counties), AND
- Elects not to receive the Job Tax Credits (previously described) for jobs claimed under this credit. (However, eligible jobs **not claimed under this credit** may qualify for credit under provisions of the standard Job Tax Credit.)

HOW IT WORKS: (1) A higher job tax credit or (2) a payroll withholding tax rebate, or a combination of each, is possible. If a company is facing Georgia corporate income tax liability, it MUST first apply credits earned under this incentive toward that liability. If surplus credit remains, or if the company faces no corporate income tax liability, then the excess may be taken as a credit against the company’s quarterly or monthly withholding tax payment. Credit is good for five (5) years, with a ten-year carry forward privilege from the year in which the jobs were created.

1. CREDIT TOWARD STATE CORPORATE INCOME TAX

CREDIT: The company will then be allowed a credit for CORPORATE INCOME taxes imposed equal to **\$2,500 annually** per each eligible new full-time job. A minimum of 50 new headquarters jobs must meet this requirement. **This credit may be used to offset 100% of tax liability in the taxable year.**

The credit advances to \$5,000 per each eligible job if the average wage of the new qualifying fulltime jobs is **200% or more of the average wage** of the county in which such jobs are located. Here are qualifying wages for select counties (as of 3Q 2003) in which there is a significant amount of Class A office space:

Cobb	– \$80,912	Forsyth	– \$70,512
DeKalb	– \$80,392	Fulton*	– \$94,952
Fayette	– \$63,648	Gwinnett	– \$79,664

* City of Atlanta is in Fulton County

2. PAYROLL TAX CREDIT OPTION

When the amount of earned credit exceeds a taxpayer’s Corporate Income Tax liability in a tax year, the excess may be taken as a credit against taxpayer’s quarterly or monthly payment under payroll taxes, not to exceed \$2,500 or \$5,000 annually per job, depending on the wage criteria cited above. Credit claimed under this Code but not used in any taxable year may be carried forward for 10 years.

COMMERCIAL ENTERPRISE ZONE (City of Atlanta)

The city may establish a local Enterprise Zone for commercial uses, such as offices, and abate (or exempt) local ad valorem taxes for improvements and land, subject to an abatement schedule, and exempt impact fees. City, county and school board taxes are exempt-

ed subject to a declining schedule of abatements that begin at 100 percent in years one through five, which then declines 20 percent per year through year 25.

OPPORTUNITY ZONE TAX CREDITS

New 2004 legislation creates a program within the State’s Job Tax Credit Program of “Opportunity Zone” tax credits. The OZ Tax Credit Program authorizes the Dept. of Community Affairs to designate as a “less developed area” an area that has 20% or greater poverty, within an enterprise zone, where an urban redevelopment plan exists. State resources are directed towards these “pockets of poverty” in a way that can be supplemented by federal programs that DCA administers.

Opportunity Zone Tax Credit Benefits:

- the maximum Job Tax Credit allowed under law
- use of Job Tax Credits against 100 percent of income tax liability and withholding
- expansion of the definition of “business enterprise” to include all businesses of any nature

REAL ESTATE PROPERTY TAX REDUCTION

Although Georgia law prohibits technically tax abatement on real property, many counties have enacted legally sound policies providing similar effective relief.

How do these reductions work? A county development authority may issue taxable revenue bonds for the acquisition of land and construction of a building, or for the purchase of a building, and for interior improvements and certain equipment. This authority would hold title to the property, on paper, for a typical period of 10 years, during which period the applying company would effectively realize a reduction in

property taxes up to 50%. In the eleventh year, the company would assume the title and property taxes would be paid at prevailing rates.

For manufacturing operations, these bonds are tax-exempt. A company may purchase its own bonds or have them placed on the open market. Proceeds from the bond sale would go toward the items mentioned above. Several metro counties, including, but not limited to Clayton, Cobb, Coweta, DeKalb, Douglas, Forsyth and Fulton, may negotiate similar incentives.

INTELLECTUAL CAPITAL PARTNERSHIP PROGRAM (ICAPP) www.icapp.org

ICAPP offers expedited education for technology workers. It provides a one-stop entry to the intellectual capital of the University System of

Georgia – its education programs, faculty expertise, and research and development facilities.

RETRAINING TAX CREDIT

Employers who provide retraining for employees are eligible for a tax credit equal to 50 percent of the cost of retraining each full-time employee up to \$500. This training must:

- enhance the skills of employees otherwise unable to function effectively on new equipment;
- be approved by the Georgia Department of Technical and Adult Education; and
- be provided at no cost to the employee.

The credit cannot be more than 50 percent of the taxpayer's total state income tax liability for that taxable year. Any credit claimed for any taxable year beginning on or after January 1, 1998 but not used in any such taxable year may be carried forward for 10 years from the close of the taxable year in which the tax credit was granted.

RESEARCH & DEVELOPMENT TAX CREDIT

Research expenses for research conducted within Georgia allow a tax credit for any business or its headquarters if engaged in the manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries. The credit is 10 percent of the additional research expense over the “base

amount,” provided the business in the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. This tax credit may be carried forward 10 years but may not exceed half of the business’s net tax liability in any one year.

SMALL BUSINESS GROWTH TAX CREDIT

Effective in January 1998, a tax credit is granted for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism, and research and development industries having a state net taxable income which is 20 percent or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20 percent or more. The credit applies to companies

whose total tax liability does not exceed \$1.5 million. Companies cannot show a loss in Georgia net income in the three preceding years to qualify for this credit.

The credit shall be the excess of 20 percent of the percentage growth and shall be 50 percent of the business’s Georgia net income tax liability after all other credits have been applied.

FREEPORT TAX EXEMPTION

For manufacturers and distributors, each of Georgia's counties may exempt property taxes on three classes of goods:

- 1) manufacturer’s raw materials and goods in the process of manufacture
- 2) finished goods produced in Georgia within the last 12 months, still held by the manufacturer

- 3) finished goods stored in Georgia within the last 12 months and destined for shipment out-of-state

Most Atlanta-area counties offer full, 100 percent Freeport tax exemptions.

Freeport Status for Atlanta's Counties and Municipalities

(Freeport status applies to all 3 classes of inventory in these areas.)

County Municipality	Amount of Exemption	County Municipality	Amount of Exemption
Barrow County	100%	Gwinnett County	100%
Winder	100%	Buford	100%
Bartow County	None	Haralson County	100%
Butts County	100%	Bremen	100%
Carroll County	100%	Heard County	None
Carrollton	100%	Henry County	100%
Cherokee County	100%	Jasper County	100%
Clayton County	100%	Monticello	100%
Cobb County	100%	Lamar County	100%
Acworth	100%	Barnesville	100%
Austell	100%	Milner	100%
Kennesaw	100%	Meriwether County	100%
Marietta	100%	Newton County	100%
Powder Springs	100%	Covington	100%
Smyrna	100%	Paulding County	100%
Coweta County	100%	Pickens County	80%
Dawson County	100%	Pike County	100%
DeKalb County	100%	Zebulon	100%
Atlanta	20%	Rockdale County	100%
Douglas County	100%	Conyers	100%
Douglasville	100%	Spalding County	100%
Fayette County	100%	Griffin	100%
Peachtree City	100%	Walton County	100%
Tyrone	100%	Monroe	100%
Forsyth County	100%	Social Circle	40%
Fulton County	100%		
Alpharetta	100%		
Atlanta	20%		
East Point	100%		
Fairburn	100%		
Roswell	100%		

Source: Georgia Department of Revenue
www2.state.ga.us/departments/dor

* Select urban census tracts credit is \$3,500

INDUSTRIAL ENTERPRISE ZONES

The City of Atlanta operates two industrial enterprise zones, each with several years of incentives including property tax reduction and 100% Freeport tax exemption as of 2004. Ask your Metro

Atlanta Chamber Economic Development project manager about these potential opportunities.

TAX ALLOCATION DISTRICTS (City of Atlanta)

The City of Atlanta has created 5 Tax Allocation districts to encourage development in areas not currently experiencing growth. A Tax Allocation District, typically referred to as Tax Increment Financing is a tool used to publicly finance redevelopment activities in underdeveloped or blighted areas. A tax allocation district derives its funding from the increase in the redevelopment area's ad valorem and/or sales taxes levied by the city, county, and school system. These revenues are placed in a special redevelopment fund for the area and are used to directly pay for the redevelopment costs or to issue bonds to pay for redevelopment costs. The following TAD's are currently in place and your Metro Atlanta Chamber Economic Development project manager can help your company evaluate potential advantages by locating in such a district:

- Westside Tax Allocation District (west side of Central Business District)
- Atlantic Station Tax Allocation District (130+ acre mixed use development in Midtown)
- East Side Tax Allocation District (east and southeast portions of Central Business District)
- Perry/Bolton Tax Allocation District (redevelopment of Perry Homes, a public housing development of the Atlanta Housing Authority)
- Princeton Lakes Tax Allocation District (southwest commercial/residential areas of city)

CHILD CARE TAX CREDIT

Employers who provide or sponsor child care for employees are eligible for a tax credit of up to 75 percent of the direct cost of operation to the employer. The credit cannot exceed more than half of the taxpayer's total state income tax liability for that taxable year.

Businesses that construct on-site child care facilities for the children of their employees are allowed a 100 % write off of the construction over a 10-year period.

Additional benefits may also apply under other provisions of Georgia's BEST program (Business Expansion Support Act of 1994). Ask a Metro Atlanta Chamber economic development specialist to tell you more about such incentives that may apply to your operations.

OTHER IMPORTANT PRO-BUSINESS FACTORS

Right-To-Work State

Georgia is a right-to-work state, allowing employees at any given company the right to remain independent of mandatory union membership, should such be present at a facility. In general, union activity is historically low in the state and organizing activity very minimal. Where collective bargaining does exist, management-union relations are typically constructive.

Electric Power Competition

Georgia's unique "customer choice" power regulations offer some new and expanding users with 900 kilowatts or greater loads a choice of three suppliers in a rate competitive environment. Ask your Metro

Atlanta Chamber Economic Development project manager if your company will qualify for this benefit.

One-Stop Environmental Permitting

Georgia offers one-stop environmental permitting through its Environmental Protection Division. The state has the full authority of the U.S. Environmental Protection Agency (EPA) to issue permits that meet federal standards, thus allowing a single permit to meet all requirements.

APPENDIX

United States Government Agencies

Internal Revenue Service (IRS)

www.irs.gov

Need a Tax Form	800.829.3676
Fax on Demand	703.368.9694
Tax Questions & Problem Resolution	800.829.1040
General Appeals Office	404.338.7300

State of Georgia Departments

Agriculture Department

www.agr.state.ga.us

404.656.3645

Department of Labor

www.dol.state.ga.us

General Information 404.656.3017

Unemployment Insurance Division

Claims Information	404.656.3045
Tax Information	404.656.3122
Tax Rate Inquiries	404.232.3300

Department of Revenue

www2.state.ga.us/Departments/DOR/ (has pages on each unit)

Alcohol & Tobacco Tax Unit 404.656.4252

Centralized Taxpayer Unit 404.417.3210

Registration Forms 404.417.4490

Income Tax Division (inc. Corporations)

Main Number	404.417.2300
Income Tax Forms	404.417.6011
Corporation Claims & Refunds	404.417.2409
Corporation Estimates	404.417.2469
Corporation Return Processing	404.417.2437
Corporation Return Preparation	404.417.6400
Individual Claims & Extensions	404.656.4188
Individual Income Tax Refund Inquiry	404.656.6286
Individual Taxpayer Services	404.417.2300
Estate Tax	404.417.2402
Trust	404.675.4993
Withholding	404.417.2311

Property Tax Division

Director	404.968.0707
Property Tax Forms	404.968.0707
Real Estate Transfer Tax	404.968.0708

Sales & Use Tax Division

Director	404.417.6601
Registration Forms	404.417.6601

Department of Natural Resources, Environmental Protection Division

www.gadnr.org

Administration & Director, New Industry Team	404.656.4713
Air Protection	404.363.7000
Hazardous Waste	404.656.7802
Land Protection	404.362.2537
Program Coordination	404.463.7600
Water Protection	404.675.6232

Secretary of State

www.sos.state.ga.us

Corporations Division	404.656.2817
Professional Licensing Boards Division	478.207.1300

Addresses, phone numbers are at:

www.sos.state.ga.us/contact.htm

Online forms are at www.sos.state.ga.us/securities/forms.htm

State Board of Workers' Compensation

www.state.ga.us/sbwc

Claims Assistance	800.533.0682
Rates or Premiums Q&A	404.656.2056

City of Atlanta

www.atlanta.ga.gov

Atlanta Development Authority www.atlantada.com	404.880.4100
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Renewal Communities

www.andpi.org

404.522.2637 x26

METRO ATLANTA COUNTIES & SELECTED MUNICIPALITIES: Tax Commissioners' and Business License Offices

Online access to county tax officials is available on the Georgia Department of Revenue Website at www2.state.ga.us/departments/dor/regionaloffices/index.html

Atlanta, City of
(Business licenses only – see Fulton County for Taxes)
55 Trinity Ave., SW
Suite 1350
Atlanta 30335
404.330.6213
www.atlanta.ga.us

Barrow County
233 East Broad St.
Suite 121
Winder 30680-0765
770.307.3106 Taxes
770.307.3021 Licenses
www.mindspring.com/~environmentyours/barrow

Bartow County
135 W. Cherokee Ave.
Suite 217A
Cartersville 30120-3101
770.387.5111 Taxes
770.387.5015 Licenses
www.bartowga.org

Butts County
16 Third St.
Jackson 30233
770.775.8206 Taxes
770.775.8210 Licenses

Canton, City of
687 Marietta Hwy.
Canton 30114
770.704.1500 Taxes & Licenses
www.canton-georgia.com

Carroll County
423 College St.
Room 401
Carrollton 30117
770.830.5843 Taxes
770.830.5861 Licenses
www.carrolltax.com
www.carrollcountyga.com

Cherokee County
100 N. St., #150
Canton 30114
770.479.0440 Taxes
770.479.0443 Licenses
www.cherokeeega.com

Clayton County
Courthouse Annex 3, 2nd Floor
121 South McDonough St.
Jonesboro 30236
770.477.3311 Taxes
770.477.3569 Licenses
www.co.clayton.ga.us

Cobb County
100 Cherokee St.
Suite 250
Marietta 30090-7000
770.528.8600 Taxes
770.528.8410 Licenses
www.cobbtax.org

Conyers, City of
P.O. Box 1259
Conyers 30207
770.483.4411 Taxes
770.929.4280 Licenses
www.conyersga.com

Coweta County
Coweta County Admin. Bldg.
22 E. Broad St.
Newnan 30263
770.254.2670 Taxes
770.254.2626 Licenses
www.coweta.ga.us

Dawson County
25 Tucker Ave.
Suite 105
Dawsonville 30534
706.265.2860 Taxes
706.344.3604 Licenses

Decatur, City of
P.O. Box 220
Decatur 30031
404.377.9911 Taxes
404.370.4100 Licenses
www.decaturnga.com

DeKalb County
4380 Memorial Dr.
Suite 100
Decatur 30034
404.298.4000 Taxes
404.371.2461 Licenses
www.co.dekalb.ga.us/taxcommissioner/locations.html

Douglas County
P.O. Box 1177
Douglasville 30134
770.920.7272 Taxes
770.920.7351 Licenses
www.co.douglas.ga.us

Fayette County
140 Stonewall Ave. W
Suite 110
Fayetteville 30214-1520
770.461.3652 Taxes
770.460.5730 X5413 Licenses
www.admin.co.fayette.ga.us

Forsyth County
110 E. Main St.
Suite 130
Cumming 30040
770.781.2110 Taxes
770.886.2830 Licenses
www.co.forsyth.ga.us

Fulton County
141 Pryor St., SW
Suite 1085
Atlanta 30303
404.730.6602 Taxes
404.730.7720 Licenses
www.co.fulton.ga.us

Griffin, City of
217 E Solomon St
P.O. Box T
Griffin 30224
770-229-6402
www.cityofgriffin.com

Gwinnett County
75 Langley Dr.
Lawrenceville 30045
770-822-8800 Taxes
678-377-4100 Licenses
www.co.gwinnett.ga.us

Haralson County
4276 Hwy 120
Buchanan 30113
770.646.2020 Taxes
770.646.2002 Licenses

Heard County
215 East Court Square
Franklin 30217
706.675.3391 Taxes
706.675.3786 Licenses
www.heardtc@charter.net

Henry County
140 Henry Parkway
McDonough 30253-0675
770.954.2470 Taxes
770.954.2443 Licenses
www.co.henry.ga.us

Jasper County
126 W. Green St.
Suite 125
Monticello 31064
706.468.4902 Taxes
706.468.4905 Licenses

Jonesboro, City of
124 North Ave.
Jonesboro 30236
770.478.3800
www.jonesboroga.com

Lamar County
130 Library St.
Barnesville 30204
770.358.5162 Taxes
770.358.5146 Licenses

Lawrenceville, City of
70 S. Clayton St.
P.O. Box 2200
Lawrenceville 30246
770.963.2414
www.lawrencevillelegaweb.org

Marietta, City of
205 Lawrence St.
Marietta 30060
770-794-5680 Taxes
770-794-5520 Licenses
www.city.marietta.ga.us

Meriwether County
126 S. Court Square
PO Box 729
Greenville 30220
706-672-4219 Taxes
706-672-1283 Licenses

Newnan, City of
25 LaGrange St.
Newnan 30263
770-253-2682
www.ci.newnan.ga.us

Newton County
1105 Usher St.
Covington 30014
770-784-2020 Taxes
770-784-2189 Licenses
www.co.newton.ga.us

Paulding County
25 Courthouse Square
#203
Dallas 30132
770-443-7581 Taxes
770-443-7571 Licenses
www.paulding.gov

Pickens County
52 N. Main St.
Suite 205
Jasper 30143
706.253.8882 Taxes
706.253.8850 Licenses

Pike County
PO Box 217
Zebulon 30295
770.567.2001 Taxes
770.567.2007 Licenses

Rockdale County
969 Pine St.
P.O. Drawer 1497
Conyers 30012
770.929.4152 Taxes
770.785.6958 Licenses
www.rockdalecounty.org

Roswell, City of
38 Hill St.
Roswell 30075
770.641.3759 Taxes
770.641.3780 Licenses
www.ci.roswell.ga.us

Spalding County
132 East Solomon St.
P.O. Box 509
Griffin 30224-0509
770-467-4360 Taxes
770-467-4208 Licenses
www.spaldingcounty.com

Walton County
100 North Broad St.
P.O. Box 767
Monroe 30655
770-267-1474 Taxes
770-267-1485 Licenses
www.waltoncountyga.gov

Additional offices are available in BellSouth's "The Real White Pages," and on the Georgia Department of Revenue Website.

