



## FACT SHEET

### **Military Zone Designation for Census Tract 308**

Effective Date: Tax Years On or After January 1, 2011

Guidelines from GA Department of Community Affairs:

- Part of the Georgia Job Tax Credit Program under O.C.G.A. 48-7-40.1(c)(2)
- In order to be eligible under this provision, a business must be located within a currently designated Military Zone (Census tract 308) and creating jobs at that location
- Business can be any business of any nature; not bound by “business enterprise” definition
- Business must create a minimum of two (2) net new jobs to the state of GA within a tax year and the new jobs must be full-time, permanent jobs of at least 35 hours per week. The two jobs may NOT be held by a husband and wife
- New jobs must be offered health insurance; the employer does not have to pay for such insurance, just offer it
- The average wage of the new jobs created must pay above the average wage of the county with the lowest average wage in the state—as of June 2011 this is Glascock County at \$435 per week or \$22,620 per year, per DOL (Georgia Employment & Wages—2010 Averages)
- Job threshold must be created in initial year, then maintained an additional four years—credit is initially claimed on the initial year tax return—for example, an initial threshold of eligible new jobs created in 2011 may be claimed on the 2011 tax return—additional credit is then claimed on each of the following four year’s tax returns as long as the jobs are maintained
- Credit is claimed by filing *Form IT-CA* (2009) with the Georgia Corporate Income Tax return; credit amount is \$3,500 per eligible net new job
- Credit may be applied against 100% of any corporate income tax liability on the Georgia Corporation Income Tax Return
- Excess credit may be applied against withholding

Withholding Tax Credits

- Job Tax Credit claimed against withholding (WH) may not exceed \$3,500 per job
- Credit must be first applied to any corporate income tax liability prior to claiming WH
- Carry forward credits may not be applied to withholding
- Credit is applied to future withholding tax returns
- No refund paid on withholding credits

### Claiming Withholding Credit

- Business must file *Form IT-WH* with the Department of Revenue (DOR) at least 30 days prior to the filing of the tax return in which the credit will be filed and claimed
- DOR has 90 days to review once the return is filed
- Business will receive notice from DOR of approved credit and when to claim against WH
- Business will then apply credit to WH returns until fully utilized
- Withholding credit has no affect on employees
- Flow-through entities may elect to claim the withholding provision or flow the credit through to shareholders, partners, or members. This is an annual election so the entity can elect to claim the withholding benefit in one year and then flow the credit through the next year. This is all dependent upon the filing of the *Form IT-WH*.

*Form IT-CA* (2009) and *Form IT-WH* may be obtained from the Department of Revenue web site at: <https://etax.dor.ga.gov/inctax/taxcredits.aspx>

Job Tax Credit information can also be found at:

<http://www.dca.ga.gov/economic/TaxCredits/programs/taxcredit.asp>

**For additional information, please contact Beth Sessoms, Economic Development Manager, City of Marietta at [bsessoms@mariettaga.gov](mailto:bsessoms@mariettaga.gov) or 770-794-5717.**