

Inventory Tax Exemption (Freeport)

All Gainesville-Hall County taxing entities allow a 100% Freeport Tax Exemption (ad valorem) on raw materials, goods in process, and finished goods destined for shipment out-of-state. (Application must be made annually.)

Accelerated Depreciation

All production machinery and equipment that was utilized over 85% of total available time (7,446 hours per year) in multi-shift operations over the 12-month period preceding the January 1 assessment date may qualify for an additional depreciation allowance. (Application must be made annually.)

Financing

Gainesville-Hall County maintains a stable tax environment and offers attractive incentives to new and existing businesses to encourage investment and the creation of new jobs. Various finance options are available for qualified businesses on fixed assets and working capital. (Available upon request.)

Midtown Gainesville

An Opportunity Zone within Midtown Gainesville allows for job tax credits of \$3,500 per net new job created and maintained for up to five years to be claimed and applied to Georgia Corporate Income Tax or Georgia Withholding Tax. Businesses must create two or more net new jobs.



Georgia INCENTIVES for

Gainesville-Hall County Business & Industry



For more information:

Greater Hall Chamber of Commerce

Tim Evans
VP Economic
Development
tim@ghcc.com

Shelley Davis
VP Existing
Industry
sdavis@ghcc.com

230 E.E. Butler Parkway
P.O. Box 374
Gainesville, GA 30503
770.532.6206

greaterhallchamber.com



Job Tax Credits*

Qualified businesses in Gainesville-Hall County may qualify for this credit if they create at least 15 new jobs in a year. Job Tax Credits of \$1,750 each year for five years for each new full time job created apply to companies that are engaged in the following:

- Manufacturing/Processing
- Distribution
- Tourism
- Headquarters
- Research and Development

Example:

$\$1,750 \times 15 \text{ new jobs} \times 5 \text{ years} = \$131,250 \text{ in tax credits}$

Port Job Tax Credit Bonus is a \$1,250 per job bonus for businesses that have a 10% increase in Georgia port traffic over the previous year.

Existing Industry Tax Credit Bonus is a \$500 per net new full-time job added between 2006 and 2011. Applies to companies that have been doing business in Georgia for at least three years.

Quality Job Tax Credits*

Businesses qualify for this tax credit if they create a minimum of 50 new jobs that pay at least 110% of the county average (estimated \$20.05/hour). Credits are per job, per year, for up to 5 years based on an increasing scale system.

Example:

$\$2,500 \times 50 \text{ qualified jobs} \times 5 \text{ years} = \$625,000 \text{ in tax credits.}$

Retraining Tax Credits

Direct investment for employee retraining for quality and productivity enhancements and certain software technologies as approved by Lanier Technical College may qualify for credits of 50% of the employer's direct cost of up to \$500 per employee.

*Job, Investment and Retraining Tax Credits may be used to offset up to 50% of a company's Georgia corporate income tax liability in any taxable year following the year in which the credits are earned. Credits not used may be carried forward and applied for up to 10 years.

* Created jobs must be full-time with benefits and not replacement positions.

* Taxpayers may choose between Job Tax Credits, Quality Job Tax Credits, Investment Tax Credits or Headquarters Tax Credits in a given year.

* Quality Job Tax Credits may be used to offset payroll withholding once all of the tax liability has been exhausted and may be carried forward for 10 years.

Expansion Rules of Thumb

If any of the following apply to your company, please check applicable incentives:

- **Added 15+ new jobs in a given year**
- **Capital investment of \$50,000+ in a given year**
- **Training investment of \$40,000+ in a three-year period for existing employees**

Gainesville Career Center

Labor screening, recruiting services, and interview space provided to support their labor recruitment needs. "Georgia Works" provides the opportunity to hire individuals that are currently receiving unemployment at no cost for a maximum of 24 hours/week. Wages and worker's compensation insurance is covered by the GDOL for up to 6 weeks.

Quick Start Training

Customized training at no cost delivered at Lanier Technical College or at company facilities. Quick Start training is nationally recognized as #1 and is available for qualifying new or existing companies with an expanding job base.

Hire Work Ready

Georgia's private-sector small businesses employing 50 or less may be reimbursed \$250 in hiring and training costs for each Work Ready Certified employee hired, up to a maximum of five employees or \$1,250 per company.



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Sales and Use Tax and Exemptions

Gainesville-Hall County and State of Georgia Sales Tax totals 7%. Georgia Law provides a 100% Sales and Use Tax Exemption for qualified purchases including:

- Raw materials
- Goods intended for resale
- Qualified machinery used directly in the manufacture of tangible personal property
- Material handling equipment used in qualified distribution businesses

Corporate Income Tax Reduction

"Single Factor Gross Receipts" apportionment formula results in a substantial reduction of Georgia income taxes for companies that manufacture products within the state of Georgia, or sell goods or render services from a Georgia base, but sell those products or services to customers in other states. This is designed to encourage manufacturing, distribution and service companies to invest or expand in Georgia. Georgia's Corporate Income Tax rate of 6% has remained unchanged since 1969.

Other Tax Credits

- Investment Tax Credits* of 1% are available to qualified businesses investing at least \$50,000 in a given year.

- Headquarters Tax Credits*

- Research & Development Tax Credits

- Child Care Tax Credits

- Small Business (fast growth) Tax Credits available to small businesses having a net taxable income growth of >20% each year for 3 years.

- Optional Investment Tax Credits are available to companies investing \$20mm.