



State of Georgia Department of Revenue

2017 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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and Twitter**



CREDIT CARD PAYMENTS



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

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

FROM THE COMMISSIONER

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

This year, 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, will provide "fair, courteous and timely service" to the taxpayers of Georgia. Our mission is to provide the best customer service and operational performance of any state taxing authority and the IRS. We welcome your comments and suggestions on how to better accomplish that mission.

Lynnette T. Riley
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 Sales and Use Tax, Withholding Tax, Film Withholding, Corporate Income Tax, International Fuel Tax Agreement, Individual Income Tax, Fiduciary, 911 Prepaid Wireless Fee, Alcohol and Tobacco, Amusement (COAM), Motor Fuel, and Sales Tax Contractor Licensing Bonding.

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
- A valid email address
- Amount of your last statement
- ZIP Code for your location address

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

GTC Features

- **Register a new business and receive an account number in 15 minutes!**
- Request:
 - Direct deposit account
 - To close an account
 - Filing frequency change
 - Address updates
 - Penalty waivers
 - Protest or appeal a liability
- Register and add access to accounts
- Submit and/or amend returns
- View account balances
- Make payments for returns and assessments

For a complete list of features visit GTC and click on the "What can I do inside GTC" button. <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 at a rate of 6% on taxable income. The second is a graduated tax based on corporate net worth. Instructions for the net worth tax begins on page 6.

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, LEGISLATION, AND OTHER POLICY INFORMATION

Federal Tax Changes, New Legislation, and other Policy Information are available via the Department's website dor.georgia.gov/income-tax.

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. (Please round all dollar entries.) 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.

Note: The requirements as to when and how often the 600S CA is required to be filed were changed for tax years beginning on or after January 1, 2008. See the 611S Booklet for more information.

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 17, 2018 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.

WHEN ELECTRONIC FILING IS REQUIRED

Taxpayers that remit payments by electronic funds transfer, whether on a mandatory or voluntary basis, must file all associated returns electronically. Also, a non-individual income tax return must be electronically filed when the federal counterpart of such return is required to be filed electronically pursuant to the Internal Revenue Code of 1986 or Internal Revenue Service regulations. Finally, a return is required to be electronically filed if the return generates, allocates, claims, utilizes, or includes

any manner a series 100 credit (see page 12, etc.).

FREQUENTLY ASKED QUESTIONS

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

CLAIMS FOR REFUNDS

For tax years beginning on or after January 1, 2003, 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 and mailing.

Please note: The approval letter must be attached to all consolidated returns.

Beginning with the 2005 tax year, consolidated groups that conduct 100% of their business in Georgia **must** request permission to file a consolidated return using Form IT-CONSOL.

The request must be submitted 75 days before the due date of the return (including extensions). Failure to request permission by such time will require the filing of separate returns for the applicable tax year.

Form IT-CONSOL should be mailed to: Georgia Department of Revenue, Suite 15316, 1800 Century Blvd, NE, Atlanta, GA 30345. **Please note: Tax returns should not be sent to this address. See "When and Where to File" for the mailing addresses.**

GENERAL INFORMATION: INCOME TAX (continued)

AMENDED RETURNS

Georgia has no separate form for filing an amended return. To amend a return, check the amended return block 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.

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 10.

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 accruing for months beginning before July 1, 2016 accrues at the rate of 12 percent annually. Interest that accrues for months beginning on or after 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 based on the Federal Reserve Rate.

COMPUTATION OF INCOME TAX

Georgia income tax is 6% of the Georgia taxable income shown on Schedule 1, Line 7. The amount of tax must be entered on Schedule 1, Line 8, 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 copy of the Federal return and all supporting schedules must be attached to the Georgia return.

Affiliated corporations that file a consolidated Federal income tax return must file separate income tax returns with Georgia unless they have prior approval or have been requested 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. 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 final determination. 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 their belief that they fall under the protection of Public Law 86-272. Additionally, they 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.

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.

Georgia does not allow the Federal deduction for income attributable to domestic production activities (I.R.C. Section 199).

A corporation must add back all intangible expense and related interest expense directly or indirectly paid to a related member. All such expense must be listed as an addition to federal income even if the taxpayer qualifies for an exception. If the taxpayer qualifies for a full or partial exception, Form IT-Addback must be completed in order for the taxpayer to take a subtraction on Schedule 5 for all or any portion of the addition listed on Schedule 4.

A corporation must add back all captive REIT expenses directly or indirectly paid to a related member. All such expense must be listed

GENERAL INFORMATION: INCOME TAX (continued)

as an addition to federal income even if the taxpayer qualifies for an exception. If the taxpayer qualifies for a full or partial exception, Form IT-REIT must be completed.

Total subtractions from Federal 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 other Federal tax changes should be reported as stated in the instructions on the Department's website.**

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 minority subcontractors or \$100,000, whichever is less, per taxable year. The Commissioner of the Department of Administrative Services maintains a list of certified minority subcontractors for the Revenue Department and general public. To register as a minority subcontractor or to view the list, visit the DOAS website at: doas.ga.gov/state-purchasing/suppliers

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. This deduction shall be entered on Schedule 7, Line 8.

A net operating loss sustained for the current taxable year must be carried back and carried forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 2017, and as adopted by the income tax laws of Georgia. Accordingly, for tax years beginning on or after January 1, 2017, losses should generally be carried back two years (with special rules for farmers, etc). 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. Please see the Department's website for the net operating loss carryover provisions Georgia does not follow.

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 11.)

All corporations except consolidated subsidiaries should list the

total available net operating loss carryover on Schedule 1, Line 6 or Schedule 7, line 8.

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. 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; 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, 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 which is reasonably attributable to Georgia sources and property owned and business done within the State, to be determined as follows:

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

(2) 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

GENERAL INFORMATION: INCOME TAX (continued)

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

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this State if 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 Venture 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: NET WORTH TAX

INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the 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.

GENERAL INFORMATION: NET WORTH TAX (continued)

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

A dormant corporation must file a net worth tax return and pay the tax, if applicable, to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth must file a return but does not owe the net worth tax. A corporation 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. 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 \times 3/12 = \125.00 net worth tax due.

DIRECT DEPOSIT OPTION

DIRECT DEPOSIT- Fast Refunds! Choose Direct Deposit.

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

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

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

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

- Any numbers or letters are crossed out or whited out.
- Your financial institution will not allow a joint refund to be deposited to an individual account. The State of Georgia is not responsible if a financial institution rejects a direct deposit.
- You request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).

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

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 before tax years beginning on or after 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. The mailing address for Form 3605 is Georgia Department of Revenue, 1800 Century Center Blvd. N.E., Suite 15311, Atlanta, GA 30345-3205. **(Will no longer be required for tax years beginning on or after 1/1/2008.)** Forms 990 and 5500 should be mailed to Georgia Department of Revenue, P.O. Box 740395, Atlanta, GA 30374-0395.

GEORGIA NOL CARRY FORWARD WORKSHEET EXAMPLE

Loss Year	Loss Amount	Income Year	NOL Utilized	Balance	Remaining NOL
2004	\$ 225,351	12/31/2006	\$ (49,052)	\$ 176,299	
2004		12/31/2007	\$ (39,252)	\$ 137,047	
2004		12/31/2008	\$ (26,880)	\$ 110,167	
2004		12/31/2010	\$ (59,504)	\$ 50,663	\$ 50,663
2009	\$ 86,280				\$ 86,280
2011	\$ 116,287				\$ 116,287
2012	\$ 18,765				\$ 18,765
2013	\$ 52,711				\$ 52,711
2014	\$ 35,972				\$ 35,972
1. NOL Carry forward Available to Current Year (Enter on Schedule 1, Line 6 or Schedule 7, Line 8)					360,678
2. Current Year Income / (Loss)					100,000
3. NOL Carry forward Available to Next Year (Subtract Line 2 from Line 1)					260,678

INSTRUCTIONS

Column A: List the loss year(s).

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

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

Column E: List the balance of the NOL after each year has been applied.

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

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

Create photocopies as needed.

CORPORATION ESTIMATED INCOME TAX INSTRUCTIONS

CORPORATIONS THAT MUST FILE ESTIMATED TAX

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 8 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.

As of October 2010, you may pay corporate income and estimated taxes using Georgia Tax Center (GTC). This integrated tax system gives corporate taxpayers the ability to pay the tax via a secure internet connection.

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

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.

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 dor.georgia.gov

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.

TELEPHONE ASSISTANCE

Composite Returns.....	1-877-423-6711
Corporation and Net Worth Tax Return Information	1-877-423-6711
Corporation Refund Inquiry	1-877-423-6711
Corporation Return Processing, Forms, Estimates and Prepayment of Tax	1-877-423-6711
Customer Contact Center	1-877-423-6711
Electronic Funds Transfer.....	1-877-423-6711
Employee Withholding Information.....	1-877-423-6711
Tax Exempt Organization Information	1-877-423-6711
Income Tax Forms	1-877-423-6711
Individual Income Tax Return Information	1-877-423-6711
Registration & Licensing Unit	1-877-423-6711
Secretary of State.....	404-656-2817
Taxpayer Services Division Director's Office	404-417-2400

TAX CREDITS

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.

- 101 Employer's Credit for Basic Skills Education.** Businesses which provide or sponsor an approved adult basic skills program may receive a tax credit. The program is administered by the Department of Technical and Adult Education. For taxable years beginning on or after January 1, 2016, taxpayers must request preapproval to claim this credit. This credit should be claimed on Form IT-BE 2016. For more information, refer to O.C.G.A. §48-7-41 and Revenue Regulation 560-7-8-.55.
- 102 Employer's Credit for Approved Employee Retraining.** The retraining tax credit allows employers to claim certain costs of retraining employees to use new equipment new technology, or new operating systems. For tax years beginning on or after January 1, 2009, approved retraining shall not include any retraining on commercially, mass produced software packages for word processing, database management, presentations, spreadsheets, e-mail, personal information management, or computer operating systems except a retraining tax credit shall be allowable for those providing support or training on such software. The credit is calculated at 50% of the direct costs of retraining full-time employees, up to \$500 per employee per approved retraining program per year. For tax years beginning on or after January 1, 2009, there is a cap of \$1,250 per year per full-time employee who has successfully completed more than one approved retraining program. The credit may be utilized up to 50% of the taxpayer's total state income tax liability for a tax year. For tax years beginning on or after January 1, 2009, the credit must be claimed within 1 year instead of the normal 3 year statute of limitation period. Credits claimed but not used may be carried forward for 10 years. For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-253-2800 or visit their website. This credit should be claimed on Form IT-RC, with Program Completion forms signed by Department of Technical and Adult Education personnel attached. For more information, refer to O.C.G.A. §48-7-40.5.
- 103 Employer's Jobs Tax Credit.** This credit provides for a statewide job tax credit for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism or research and development industries, but does not include retail businesses. If other requirements are met, job tax credits are available to businesses of any nature, including retail businesses, in counties recognized and designated as the 40 least developed counties.

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

Credits similar to the credits available in Tier 1 counties are potentially available to companies in certain less developed census tracts in the metropolitan areas of the state. Note that the average wage for each new job must be above the average wage of the county that has the lowest average wage of any county in the state. Also employers must make health insurance available to employees filling the new full-time jobs, Employers are not, however, required to pay all or part of the cost of such insurance unless this benefit is provided to existing employees. For taxpayers that initially claimed this credit for any taxable year beginning before January 1, 2009, credits are allowed for new credit full-time employee jobs for five years in years two through six after the creation of the jobs. In Tier 1 and Tier 2 counties, the total credit amount may offset up to 100% of a taxpayer's state income tax liability for a taxable year. In Tier 3 and Tier 4 counties, the total credit amount may offset up to 50% of a taxpayer's state income tax liability for a taxable year. In Tier 1 counties and less developed census tracts only, credits may also be taken against a company's income tax withholding. To claim the credit against withholding, a business must file Form IT-WH as provided in the job tax credit regulation or as instructed by the Commissioner. A credit claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which the qualified jobs were established. The measurement of the new full-time jobs and maintained jobs is based on 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 locating within a county that belongs to a Joint Development Authority per O.C.G.A. §36-62-5.1. An existing business enterprise as defined in O.C.G.A. §48-7-40 qualifies for an additional \$500 credit for each new full-time job provided all conditions are met. For taxpayers that create a new year one under DCA regulations for any taxable year beginning on or after January 1, 2009 the following apply:

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

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

TAX CREDITS (continued)

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

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

106 Manufacturer's Investment Tax Credit. Based on the same Tier Ranking as the Job Tax Credit program. It allows taxpayer that has operated an existing manufacturing or telecommunications facility in the state for the previous three years to obtain a credit against income tax liability. The credit is calculated on expenses directly related to manufacturing or to providing telecommunications services. Taxpayers must apply (use Form IT-APP) and receive approval before claiming the credit on the appropriate tax return. A taxpayer may not claim the job tax credit or the optional investment tax credit when claiming this credit for the same project. Companies must invest a minimum of \$50,000 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%

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

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

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

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

- (1) 90% of the excess of the tax of the applicable year determined without regard to any credits over the base year average; or
- (2) The excess of the aggregate amount of the credit allowed over the sum of the amounts of credit already used in the years following the base year.

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

108 Qualified Transportation Credit. This is a credit of \$25 per employee for any "qualified transportation fringe benefit" provided by an employer to an employee as described in Section 132(f) of the IRC of 1986. For more information, refer to O.C.G.A. §48-7-29.3.

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.

110 Diesel Particulate Emission Reduction Technology Equipment. This is a credit given to any person who installs diesel particulate emission reduction equipment at any truck stop, depot, or other facility. For more information, refer to O.C.G.A. §48-7-40.19.

TAX CREDITS (continued)

- 111 Business Enterprise Vehicle Credit.** This credit is for a business enterprise for the purchase of a motor vehicle used exclusively to provide transportation for employees. In order to qualify, a business enterprise must certify that each vehicle carries an average daily ridership of not less than four employees for an entire taxable year. This credit cannot be claimed if the low and zero emission vehicle credit was claimed at the time the vehicle was purchased. For more information, refer to O.C.G.A. §48-7-40.22.
- 112 Research Tax Credit.** A tax credit is allowed for research expenses for research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing, and distribution, processing, telecommunications, tourism, broadcasting or research and development industries. The credit shall be 10% of the additional research expense over the "base amount," provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the Internal Revenue Code of 1986. For tax years beginning on or after January 1, 2009, the base amount calculation is based on Georgia gross receipts instead of Georgia taxable net income. (Note that for tax years beginning before January 1, 2009, the base amount must contain positive Georgia taxable net income for all years.) The credit may not exceed 50% of the business' Georgia net income tax liability after all other credits have been applied in any one year. Any unused credit may be carried forward 10 years. Excess research tax credit earned in taxable years beginning on or after January 1, 2012, may be used to offset withholding as provided in the research tax credit regulation. This credit should be claimed on Form IT-RD. For more information, refer to O.C.G.A. §48-7-40.12.
- 113 Headquarters Tax Credit.** Companies establishing their headquarters or relocating their headquarters to Georgia prior to January 1, 2009 may be entitled to a tax credit if the following criteria are met: 1) At least fifty (50) headquarters jobs are created; and 2) within one year of the first hire, \$1 million is spent in construction, renovation, leasing, or other cost related to such establishment or reallocation. Headquarters is defined as the principal central administrative offices of a company or a subsidiary of the company. The credit is available for establishing new full-time jobs. To qualify, each job must pay a salary which is a stated percentage of the average county wage where the job is located: Tier 1 counties at least 100%; Tier 2 counties at least 105%; Tier 3 counties at least 110%; and Tier 4 counties at least 115%. The company has the ability to claim the credit in years one through five for jobs created in year one and may continue to claim newly created jobs through year seven and claim the credit on each of those jobs for five years. The credit is equal to \$2,500 annually per new full-time job meeting the wage requirement or \$5,000 if the average wage of all new qualifying fulltime jobs is 200% or more of the average county wage where new jobs are located. The credit may be used to offset 100 percent of the taxpayers Georgia income tax liability in the taxable year. Where the amount of such credit exceeds the taxpayer's tax liability in a taxable year, the excess may be taken as a credit against such taxpayer's quarterly or monthly withholding tax. To claim the credit against withholding, a business must file Form IT-WH as provided in the headquarters tax credit regulation or as instructed by the Commissioner. This credit should be applied for and claimed on Form IT-HQ. For more information, refer to O.C.G.A. §48-7-40.17.
- 114 Port Activity Tax Credit (Use 114J for Port Activity Job Tax Credit and 114M for Port Activity Investment Tax Credit).** For taxable years beginning before January 1, 2010, businesses or the headquarters of any such businesses engaged in manufacturing, warehousing and distribution, processing, telecommunications, broadcasting, tourism, or research and development that have increased shipments out of Georgia ports during the previous 12-month period by more than 10% over their 1997 base year port traffic, or by more than 10% over 75 net tons five containers or ten 20- foot equivalent units (TEU's) during the previous 12-month period are qualified for increased job tax credits or investment tax credits. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base. Companies must meet Business Expansion and Support Act (BEST) criteria for the county in which they are located. The tax credit amounts are as follows for all Tiers: An additional job tax credit of \$1,250 per job; investment tax credit of 5%; or optional investment tax credit of 10%. Companies that create 400 or more new jobs, invest \$20 million or more in new and expanded facilities, and increase their port traffic by more than 20% above their base year port traffic may take both job tax credits and investment tax credits. The credit is claimed by filing the appropriate form for the applicable credit (job tax: Form IT-CA; investment tax: Form IT-IC or optional: Form IT-OIT) with the tax return and providing a statement with port numbers to verify the increase in port traffic. For more information, refer to O.C.G.A. §48-7-40.15. For tax years beginning on or after January 1, 2010, the following changes apply:
1. "Base year port traffic" means the amount of imports and exports during the second preceding 12 month period. For example, if the taxpayer is trying to claim the credit for 2010, they would compare 2009 to 2008 and if the increase is more than 10% they would qualify. NOTE: Base year port traffic must be at least 75 net tons, five containers, or 10 TEU's. If not, the percentage increase in port traffic will be calculated using 75 net tons, five containers, or 10 TEU's as the base.
 2. "Port traffic" means the amount of imports and exports.
- 115 Bank Tax Credit.** All financial institutions that conduct business or own property in Georgia are required to file a to file a Georgia Financial Institutions Business Occupation Tax Return, Form 900. Effective on or after January 1, 2001, a depository financial institution with a Sub S election can pass through the credit to its shareholders on a pro rata basis. For more information, refer to O.C.G.A. §48-7-29.7.

TAX CREDITS (continued)

- 116 Low Emission Vehicle Credit.** This is a credit, the lesser of 10% of the cost of the vehicle or \$2,500, for the purchase or lease of a new low emission vehicle. Also there is a credit for the conversion of a standard vehicle to a low emission vehicle which is equal to 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle. Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable. A low emission vehicle is defined as an "alternative fuel" vehicle and does not include any gasoline powered vehicles (i.e. hybrids). A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16. **The low emission vehicle tax credit was repealed and cannot be claimed for vehicles purchased or leased on or after July 1, 2015.**
- 117 Zero Emission Vehicle Credit.** This is a credit, the lesser of 20% of the cost of the vehicle or \$5,000, for the purchase or lease of a new zero emission vehicle. Also there is a credit for the conversion of a standard vehicle to a zero emission vehicle which is equal to 10% of the cost of conversion, not to exceed \$2,500 per converted vehicle. **Certification approved by the Environmental Protection Division of the Department of Natural Resources must be included with the return for any credit claimed under this provision. A statement from the vehicle manufacturer is not acceptable.** A zero emission vehicle is a motor vehicle which has zero tailpipe and evaporative emissions as defined under rules and regulations of the Board of Natural Resources and includes an electric vehicle whose drive train is powered solely by electricity, provided the electricity is not generated by an on-board combustion device. A "low speed vehicle" does not qualify for this credit. For more information, refer to O.C.G.A. §48-7-40.16. **The zero emission vehicle tax credit was repealed and cannot be claimed for vehicles purchased or leased on or after July 1, 2015.**
- 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 and can receive credit for up to a maximum of 3,300 jobs. 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. The business enterprise can receive credit up to a maximum of 4,500 jobs. 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 their application by a panel, the business enterprise is rewarded with the new job tax credit. The credit is \$5,250 per job created. The credit offsets income tax liability and any excess credit may be used to offset withholding taxes. There is a 10-year carryforward of any unused tax credit. For more information, refer to O.C.G.A. §48-7-40.24.
- 119 Electric Vehicle Charger Credit.** This is a credit for a business enterprise for the purchase of an electric vehicle charger located in the State of Georgia. The credit allowed 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 more information, refer to O.C.G.A. §48-7-40.25.
- 121 Historic Rehabilitation Credit For Historic Homes.** A credit will be available for the certified rehabilitation of a historic home. Standards set by the Department of Natural Resources 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. This credit should be claimed on Form IT-RHC. For more information, refer to O.C.G.A. 48-7-29.8 and the regulation or the Department of Natural Resources 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. 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 production company's withholding taxes. To claim the credit against withholding, the production company must file **Form IT-WH** as provided in the film tax credit regulation or as instructed by the Commissioner. The production company also has the option of selling the tax credit to a Georgia taxpayer. A credit claimed but not used in any taxable year may be carried forward for 5 years from the close of the taxable year in which the investment occurred. **Form IT-FC**, along with certification from the Film Office of the Georgia Department of Economic Development must be filed with the production company's income tax return to claim the credit. For more information, refer to O.C.G.A. §48-7-40.26.

TAX CREDITS (continued)

- 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 of for less than fair market value, up to a maximum credit of \$250,000 per individual, and 500,000 per corporation, and \$500,000 per partnership. However, the partners of the partnership are subject to the per individual and per corporation limits. The amount of the credit used in any one year may not exceed the taxpayer's income tax liability for that taxable year. Any unused portion of the credit may be carried forward for ten succeeding years. The Department of Natural Resources will certify that such donated property is suitable for conservation purposes. Please note that the Department of Natural Resources cannot accept new applications after December 31, 2021. 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 January 1, 2016 the aggregate amount of tax credits shall not exceed \$30 million per calendar year and the taxpayer must request preapproval.
- 125 Qualified Education Expense Credit.** This provides a tax credit for qualified educational expenses. The credit is allowed on a first come, first served basis. The aggregate amount of the tax credit allowed to all taxpayers cannot exceed \$58 million per tax year. The taxpayer must add back to Georgia taxable income that part of any federal charitable contribution deduction taken on a federal return for which a credit is allowed. Taxpayers must request preapproval to claim this credit on Form IT-QEE-TP1. For more information, refer to O.C.G.A. § 48-7-29.16 and Revenue Regulation 560-7-8-.47.
- 126 Seed-Capital Fund Credit.** This provides tax credits for certain qualified investments made on or after July 1, 2008. For more information, refer to O.C.G.A. §§ 48-7-40.27 and 48-7-40.28.
- 127 Clean Energy Property Credit.** This provides a tax credit for the construction, purchase, or lease of clean energy property that is placed into service in Georgia between July 1, 2008 and December 31, 2014. 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. A person receiving a grant from GEFA under O.C.G.A. § 50-23-21 shall not be eligible to claim this tax credit with respect to the same clean energy property. If a taxpayer is denied the Clean Energy Property Tax Credit because the credit cap has been reached, that taxpayer shall be added to a waiting list and receive priority for the following years credit allocation. Credits claimed in calendar years 2012-2014 must be taken in four equal installments over four years. Taxpayer must request preapproval to claim these credits on Forms IT-CEP-AP. For more information, refer to O.C.G.A. § 48-7-29.14.
- 128 Wood Residuals Credit.** This provides a tax credit for transporting or diverting wood residuals to a renewable biomass qualified facility on or after July 1, 2008. The aggregate amount of tax credits allowed for both the clean energy property tax credit and the wood residuals tax credit is \$2.5 million for calendar years 2008, 2009, 2010, 2011; and \$5 million for calendar years 2012, 2013, and 2014. Taxpayers must request preapproval to claim this credit on Form IT-WR-AP. For more information, refer to O.C.G.A. § 48-7-29.14.
- 129 Qualified Health Insurance Expense Credit.** Effective for taxable years beginning on or after January 1, 2009, an employer (but only an employer who employs 50 or fewer persons either directly or whose compensation is reported on Form 1099) is allowed a tax credit for qualified health insurance expenses in the amount of \$250.00 for each employee enrolled for twelve consecutive months in a qualified health insurance plan. Qualified health insurance means a high deductible health plan as defined by Section 223 of the Internal Revenue Code. The qualified health insurance must be made available to all employees and compensated individuals of the employer pursuant to the applicable provisions of Section 125 of the Internal Revenue Code. The total amount of the tax credit for a taxable year cannot exceed the employer's income tax liability. The qualified health insurance premium expense must equal at least \$250 annually.
- 130 Quality Jobs Credit.** For tax years beginning on or after January 1, 2009, a taxpayer creating at least 50 "new quality jobs" may be entitled to a credit provided certain conditions are met. A "new quality job" means a job that: 1) Is located in this state; 2) Has a regular work week of 30 hours or more; 3) Is not a job that is or was already located in Georgia regardless of which taxpayer the individual performed services for; 4) which pays at or above 110 percent of the average wage of the county in which it is located; and 5) For a taxpayer that initially claimed the credit in a taxable year beginning before January 1, 2012, the job has no predetermined end date. The credit amount varies depending upon the pay of the new quality jobs. The credit must be claimed within 1 year instead of the normal 3 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 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 taxpayer must file Form IT-WH through the Georgia Tax Center as provided in the quality jobs tax credit regulation or as instructed by the Commissioner. For a taxpayer that initially qualifies to claim the credit in a taxable year beginning on or after January 1, 2016, the term "taxpayer" means any person required by law to file a return or to pay taxes, except that any taxpayer may elect to consider the jobs within its disregarded entities, as defined in the Internal Revenue Code, for purposes of calculating the number of new quality jobs created by the taxpayer. Such election shall be irrevocable and must be made on the initial qualifying return (on Form IT-QJ) or within one year of the earlier of the date the initial qualifying return was

TAX CREDITS (continued)

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, withholds 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. Finally, 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 more information, refer to O.C.G.A. § 48-7-40.17.

- 131 Alternate Port Activity Tax Credit.** O.C.G.A. § 48-7-40.15A provides an alternate port tax credit. The definitions of “base year port traffic” and “port traffic” include imports and exports of product. It allows the credit to any business enterprise located in a tier two or three county established pursuant to O.C.G.A. § 48-7-40 and in a less developed area established pursuant to O.C.G.A. § 48-7-40.1 and which qualifies and receives the tax credit under O.C.G.A. § 48-7-40.1 and which:
1. Consists of a distribution facility of greater than 650,000 square feet in operation in this state prior to December 31, 2008;
 2. Distributes product to retail stores owned by the same legal entity or its subsidiaries as such distribution facility; and
 3. Has a minimum of 8 retail stores in this state in the first year of operations.
- The business enterprise shall not be authorized to claim both this credit and the port credit provided in O.C.G.A. § 48-7-40.15, unless such business enterprise has increased its port traffic of products during the previous twelve month period by more than 20 percent above its base year port traffic, and also has increased employment by 400 or more no sooner than January 1, 1998. The tax credit, in addition to the tax credit under O.C.G.A. § 48-7-40, shall be limited to an amount not greater than 50 percent of the taxpayer’s state income tax liability which is attributable to income derived from operations in this state for that taxable year. No credit may be claimed and allowed under this code section for any jobs created on or after January 1, 2015.
- 132 Qualified Investor Tax Credit.** This provides a 35% credit for amounts invested in a registered qualified business. The aggregate amount of credit allowed an individual person for one or more qualified investments in a single taxable year, whether made directly or by a pass-through entity and allocated to such individual, shall not exceed \$50,000.00. The credit is available for investments made in 2011, 2012, 2013, 2014, 2015, 2016, 2017, and 2018. The credit is claimed 2 years later, in 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 respectively. The aggregate amount of tax credits allowed is \$10 million for investments made in calendar years 2011, 2012, and 2013; and \$5 million for investments made in calendar years 2014, 2015, 2016, 2017, and 2018. The taxpayer must get approval as provided in O.C.G.A. § 48-7-40.30 before claiming the credit. This became effective January 1, 2011. See Code Section 48-7-40.30 and Regulation 560-7-8-.52 for more information.
- 133 Film Tax Credit for A Qualified Interactive Entertainment Production Company.** For taxable years beginning during 2013 the aggregate amount of film tax credits allowed for qualified interactive entertainment production companies and their affiliates which are qualified interactive entertainment production companies shall not exceed \$25 million. Such cap for taxable years beginning in 2014 and later is \$12.5 million for each year. The maximum credit for any qualified interactive entertainment production company and its affiliates which are qualified interactive entertainment production companies is \$5 million for taxable years beginning in 2013, 1.5 million for taxable years beginning in 2014 and later. For taxable years beginning in 2014 through 2017 no qualified interactive entertainment production company shall be allowed to claim an amount of tax credits for any single year in excess of its total aggregate payroll expended to employees working within Georgia for the calendar year directly preceding the start of the year the qualified interactive entertainment production company claims the film tax credit. For taxable years beginning in 2018 and later no qualified interactive entertainment production company shall be allowed to claim an amount of tax credits for any single year in excess of its total aggregate payroll expended to employees working within Georgia for the taxable year the qualified interactive entertainment production company claims the film tax credit. The amount in excess of these limits is not eligible for carry forward to the succeeding years’ tax liability, nor shall such excess amount be eligible for use against the qualified interactive entertainment production company’s quarterly or monthly payment under Code Section 48-7-103, nor shall such excess amount be assigned, sold, or transferred to any other taxpayer. For taxable years beginning in 2014 through 2017 before the Department of Economic Development issues its approval to the qualified interactive entertainment production company for the qualified production activities related to interactive entertainment, the qualified interactive entertainment production company must certify to the Department of Revenue that it maintains a business location physically located in Georgia and that it had expended a total aggregate payroll of \$500,000.00 or more for employees working within Georgia during the calendar year directly preceding the start of the taxable year of the qualified interactive entertainment production company. For taxable years beginning in 2018 and later before the Department of Economic Development issues its approval to the qualified interactive entertainment production company for the qualified production activities related to interactive entertainment, the qualified interactive entertainment production company must certify to the Department of Revenue that it maintains a business location physically located in Georgia and that it had expended or intends to expend a total aggregate payroll of \$250,000.00 or more for employees working within Georgia during the taxable year the qualified interactive entertainment production company claims the credit; if these requirements are met the Department of Revenue will issue a certification. For the taxable years beginning in 2013, 2014 and 2015 the credits are allowed on a first-come first-served basis based on the date the film tax credits are claimed. For taxable years beginning in 2016 and later the qualified interactive entertainment production company must request preapproval to claim the credit and must report certain information to the Department.
- 134 Alternative Fuel Heavy-Duty Vehicle and Alternative Fuel Medium-Duty Vehicle Tax Credits.** For fiscal years 2016 and 2017 (fiscal years ending June 30, 2016 and June 30, 2017 respectively), this provides an income tax credit for a taxpayer that purchases an alternative fuel heavy-duty vehicle or an alternative fuel medium-duty vehicle. The credit is allowed on a first-come first-served basis. The aggregate amount of the tax credit allowed to all taxpayers cannot exceed \$2.5 million per fiscal year. The maximum credit allowed to any taxpayer and their affiliates is \$250,000 per fiscal year. Taxpayers must electronically request preapproval to claim this credit through the Department’s Georgia Tax Center. Taxpayers must have a certification from the Department of Natural Resources before requesting preapproval. For more information, refer to O.C.G.A. § 48-7-29.18 and 48-7-29.19 and Revenue Regulation 560-7-8-.53.

TAX CREDITS (continued)

- 135 Historic Rehabilitation Tax Credit for any Other Certified Structure (not a historic home).** This provides a tax credit for certified rehabilitation of any other certified structure. Standards set by the Department of Natural Resources must be met. For taxable years beginning on or after January 1, 2017, a taxpayer must receive preapproval as provided in DOR's regulation and the credit can be sold to a Georgia taxpayer as provided in DOR's regulation. For more information, refer to O.C.G.A. § 48-7-29.8 and Revenue Regulation 560-7-8-.56.
- 136 Qualified Rural Hospital Organization Expense Tax Credit.** This provides a tax credit for a donation to a Rural Hospital Organization. The credit is allowed on a first come, first served basis. The aggregate amount allowed for all taxpayers cannot exceed \$60 million per tax year. The taxpayer must add back to Georgia taxable income that part of any federal charitable contribution deduction related to the credit. Taxpayers must request preapproval to claim this credit. For more information, refer to O.C.G.A. § 48-7-29.20 and Revenue Regulation 560-7-8-.57.
- 137 Qualified Parolee Jobs Tax Credit.** Effective for taxable years beginning on or after January 1, 2017, an employer that employs a qualified parolee in a full-time job may claim this credit if certain requirements are satisfied. This credit must be claimed on Form IT-QPJ. For more information, refer to O.C.G.A. § 48-7-40.31 and Revenue Regulation 560-7-8-.58.

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 tax due (on Schedule 3, Line 10), 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 6), did you show the amount to be refunded and/or credited to estimated tax (on Schedule 3, Line 11)?
- √ Have you addressed your envelope properly? Do not mail your Georgia Form 600 to the Internal Revenue Service.
- √ If you claimed Georgia Business credits, 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 G 2RP.**

STATE OF GEORGIA
DEPARTMENT OF REVENUE
TAXPAYER SERVICES DIVISION
1800 CENTURY BLVD. NE, 8TH FLOOR
ATLANTA, GEORGIA 30345-3205