

Incentives Applicable to Effingham County, Georgia 2012



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Single Factor Apportionment-

In 2005, Georgia became the first state in the Southeast to adopt a “Single Factor Gross Receipts” apportionment formula. The formula will treat only a company’s Gross Receipts, or sales factor as the only relevant factor in determining the portion of the company’s income that is subject to Georgia income tax. Property and payroll will not factor into the calculation of a company’s corporate income tax.

Tax Credits

Job Tax Credit

Manufacturers and other strategic industries and their headquarters qualify for \$1,250 per job by creating 25 jobs in Effingham County. This can be used against 50% of the company’s tax liability and can be carried forward for 10 years.

Port Job Tax Credit

Company’s that increase imports or exports by 10% over the previous year qualify for additional \$1,250 per job that can be combined with Job or Investment Tax Credits. Applicable against 50% of tax liability and can be carried forward for 10 years.

Mega Tax Credit

Manufacturers and other industries may qualify for \$5,250 per job by creating 1,800 new jobs and having a capital investment of \$450 million or an annual payroll of \$150 million. Single user projects occupying properties such as the Effingham Mega Site could qualify for this tax credit. Georgia is one of the only states in the country offering such a tax incentive.

Research & Development Tax Credit

10% of a company’s increased qualified research and development expense over its gross receipts may be claimed as a tax credit. Taxpayers must qualify for a research credit under the IRS code to be eligible. Emerging companies can apply the credit to offset their payroll withholding once all other tax liability has been exhausted for their first 5 years.

Quality Jobs Tax Credit

Companies creating at least 50 jobs and paying wages at least 110% of the county average (Effingham 2008 = \$16.40 p/h, 110% = \$18.04 p/h) are eligible to receive a credit of \$2,500 to \$5,000 per job, per year for up to five years. Credits may be used to offset the company’s payroll withholding once all other tax liability has been exhausted and carried forward 10 years.





Retraining Tax Credits

A company's direct investment in training can be claimed as a tax credit— 50% of the employer's direct cost up to \$500 per employee, per approved training program. The total amount of credit claimed cannot exceed \$1,250 per employee per year. Can be used to offset up to 50% of tax liability. Can be combined with other credits and carry forward for 10 years.

Child Care Tax Credits

Child care credits range from 75% to 100% of costs. The credits are available to all businesses in the state. The child care facility must be licensed by the state. All child care credits can be used against 50% of taxpayer's income tax liability in a given year.

Employers who purchase or build child care facilities are eligible for credits equal to 100% of the cost of construction spread over 10 years. Unused credits can be carried forward for 3 years.

Employers providing or sponsoring child care for employees are eligible for a 75% credit towards income tax liability. Unused credits may be carried forward for 5 years.

Tax Exemptions

Sales and Use Tax Exemption

Qualified equipment purchases or leases are exempt from sales tax when the equipment purchased is used in the manufacturing process. Under certain conditions, primary material handling equipment, computer equipment, clean room machinery and electricity used directly as a raw material in the manufacturing process can also be exempted.

Inventory Tax Exemption

Effingham County exempts from property tax up to 100% of qualified raw material, work-in-process and finished goods inventory under Georgia's "Freeport" law. Distribution Center and warehouse inventories destined to be shipped out of state are also exempt.





Hiring , Training and Education

Hiring Assistance

Georgia's Department of Labor assists companies in recruitment by posting job notices, collecting and screening applications and/or resumes, provides interview space, schedules interviews and hosts job fairs.

Quick Start Employee Training

Georgia's nationally ranked employee training program, Quick Start, provides customized training for new employees in skill-based jobs at no cost to qualifying companies. The training program is given to the company for its future use. Quick Start provides training space, instructors and all needed materials related to the program, potentially saving companies millions of dollars in training costs.

Savannah Tech Specialized Curriculum

Effingham County features a Savannah Tech campus in the Effingham County Industrial Park. In partnership with the Effingham County Industrial Development Authority the campus is able to offer specialized training programs for businesses that require special skill sets from the existing labor force.

Community Based Incentives

Zero Dollar Land Cost

For qualifying companies, the Effingham County Industrial Development may provide industrial sites at low cost or no cost. Qualifications are dependent upon average wages, capital investment, number of jobs created, employment density and other factors.

Local Ad Valorem Tax Abatement

Under certain circumstances qualifying companies may be able to reduce their local tax burden by either a graduated or complete tax abatement. Qualifications are dependent upon average wages, capital investment, number of jobs created, and sufficient net present value upon completion of an economic impact analysis by the IDA.

Site Preparation Cost Allowance

Many projects qualify for a cost contribution allowance to help offset site development costs. Effingham County features a Savannah Tech campus in the Effingham County Industrial Park. Qualifications are dependent upon average wages, capital investment, number of jobs created, employment density and other factors.

Other

Other incentives including fee waivers, expedition, etc. can be negotiated with companies choosing to locate in Effingham County.