



**Reshoring  
Institute**

# GEORGIA

## State Economic Survey and Incentive Comparison

### CONTACT INFORMATION

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Additional Relevant Links for Relocating  
Companies:  
<http://www.georgia.org/siteselector/>

### INCOME AND OUTPUT

This section highlights your state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

Gross Domestic Product, in millions: **\$558,181** (Source: Bureau of Economic Analysis, Q3 2017 GDP, Millions of Current Dollars)

Gross Domestic Product % Growth: **+4.9%** (Source: Bureau of Economic Analysis, 2015-2016 GDP Percent Change, Current Dollars)

Per Capita Personal Income (\*GDP/Population) This is often used as a standard of living measurement: **\$42,159** (Source: Bureau of Economic Analysis, 2015-2016 Per Capita Personal Income, Current Dollars)

Per Capita Personal Income % Change: **+2.8%** (Source: Bureau of Economic Analysis, 2015-2016 Per Capita Personal Income Percent Change, Current Dollars)

### WORKFORCE

This section gives manufacturers an idea of the industry's environment in the state, including the makeup of the available workforce, the labor requirements, and recent trends.

Total Population: **10,429,379** (Source: United States Census Bureau, Population Estimates, July 2017)

Total Civilian Labor Force: **5,082,349** (Source: Georgia Dept. of Labor, Local Area Unemployment Statistics, Dec. 2017)

Total Number of Persons Employed: **4,862,505** (Source: Georgia Dept. of Labor, Local Area Unemployment Statistics, Dec. 2017)

Total Number of Persons Unemployed: **219,844** (Source: Georgia Dept. of Labor, Local Area Unemployment Statistics, Dec. 2017)

Unemployment Rate %: **4.30%** (Source: Georgia Dept. of Labor, Local Area Unemployment Statistics, Dec. 2017)

Manufacturing Employment: **394,551** (Source: Georgia Dept. of Labor, Quarterly Census of Employment and Wages, Q3 2017)

Professional and Business Services Employment:

Industry Sector	Total Employment
<b>Administrative and Support and Waste Management</b>	<b>329,474</b>
<b>Management of Companies and Enterprises</b>	<b>68,140</b>
<b>Professional, Scientific, and Technical Services</b>	<b>269,791</b>
<b>Grand Total</b>	<b>667,405</b>

(Source: Georgia Dept. of Labor, Quarterly Census of Employment and Wages, Q3 2017)

State Right-to-Work Law Y/N: **Yes** (Source: Georgia General Assembly, General Statutes, §34-6-21)

Large Factory Openings during Previous year:

Company	County	Type of Facility	Total New Jobs
<b>ASOS</b>	Fulton	Distribution/Warehouse	1,620
<b>Amazon</b>	Jackson	Distribution/Warehouse	1,000
<b>Luxottica Group NA</b>	Henry	Manufacturing/Distribution	1,000
<b>Amazon</b>	Bibb	Distribution/Warehouse	600
<b>Sports Warehouse</b>	Forsyth	Distribution/Warehouse	342
<b>S&amp;S Activewear</b>	Henry	Distribution/Warehouse	300
<b>Lidl</b>	Bartow	Distribution/Warehouse	250
<b>Nestle - Purina</b>	Hart	Manufacturing; Distribution/Warehouse	240
<b>Bed, Bath and Beyond, Inc.</b>	Jackson	Distribution/Warehouse	213
<b>Castellini Company, LLC</b>	Clayton	Distribution/Warehouse	204
<b>Academy Sports</b>	Twiggs	Distribution/Warehouse	200
<b>Safavieh</b>	Chatham	Distribution/Warehouse	200

(Source: GDEcD, Located Projects 2017)

Large Factory Closures during Previous year:

Company	County	Type of Facility	Date	Total New Jobs
Coca-Cola	Fulton	Layoff	7/15/2017	334
Exel	Walton	Layoff	3/3/2017	280
Newell Brands	Fulton	Layoff	3/31/2017	258
Suniva	Gwinnett	Layoff	3/29/2017	131
Coca-Cola	Fulton	Layoff	12/31/2017	128
ZEP Inc.	Fulton	Facility Closure	6/1/2017	88
International Fragrance & Tech dba Agilex Fragrance	DeKalb	Layoff	6/4/2017	85
West Rock	Fulton	Layoff	8/31/2017	71
ZEP Inc.	Fulton	Facility Closure	6/1/2017	70
West Rock	Fulton	Facility Closure	1/20/2017	66
Coca-Cola	Fulton	Layoff	7/15/2017	59
West Rock	Douglass	Layoff	11/27/2017	57

(Source: Georgia Department of Labor, WARN Data, 2017)

## EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

% High School Diploma or More: **85.8%** (Source: American Community Survey, 2016 Estimate, Educational Attainment for Population 25 years and Over)

% Bachelor's Degree or Higher: **29.4%** (Source: American Community Survey, 2016 Estimate, Educational Attainment for Population 25 years and Over)

Enrollment in Higher Education Institutions: **685,077** (Source: National Center for Education Statistics, 2015 Total Students in Post-Secondary Institutions)

Science and Engineering Graduate Students: **18,073** (Source: National Center for Education Statistics, Survey of Graduate Students and Postdoctorates in Science and Engineering, Fall 2016)

List of High school, College, or University Manufacturing Partnership Programs *These are partnerships with manufacturers to help train future employees in certain skills:*

In 2016, the State of Georgia launched the **Georgia Consortium for Advanced Technical Training (GA CATT)**, an innovative and industry-focused approach to education and workforce development that is the first of its kind in the United States. Beginning in the 10th grade, high school students now have the opportunity to complete their education by combining traditional high school classes, college level technical courses, and paid apprenticeship modules. GA CATT addresses the workforce needs of companies and the challenges they face when finding a skilled workforce. The three-year program combines on-the-job training and educational post-secondary learning for various industrial professions with a number of manufacturing leaders, signaling a brighter future for its students who want to pursue meaningful careers well ahead of the traditional education timeline.

List of Additional Manufacturing Training Programs:

**Quick Start:** Consistently ranked No. 1 in the U.S. for workforce training by Area Development, Georgia Quick Start is the premier partner for developing and delivering a strategic workforce. Quick Start may conduct a customized training program for Georgia companies, providing comprehensive workforce solutions for qualified new and expanding companies in Georgia. Services are provided free of charge as a discretionary incentive for job creation for clients opening or expanding manufacturing operations, distribution centers, headquarters operations and customer contact centers in a broad range of industries.

All training materials developed during the process will become the property of the company and proprietary to it. For more than 40 years, Quick Start has supported industries by delivering training via classroom, mobile labs, or on the plant floor.

**Aviation:** Gulfstream and Savannah Technical College partner to train avionics technicians and airframe and power plant mechanics at an aviation training center on the college's campus. The 30,000-sq.-ft. center offers 4 labs and a 5,000-sq.-ft. hangar for hands-on learning.

**Bioscience:** Just east of Atlanta, in Stanton Springs, you'll find the Georgia BioScience Training Center which offers state-of-the-art technology used in the life sciences industry. The 40,000-sq.-ft., state-owned facility opened in 2015 with a customized program to support pharmaceuticals giant Shire (formerly Baxalta), which had recently opened a plasma fractionation plant. The center's flexible design, however, can accommodate the bioscience manufacturing processes of other companies.

List of Future Planned Manufacturing Training Programs *If known please include expected implementation date:*

**Advanced Manufacturing:** Not far from the Port of Savannah, Georgia is building a massive new training center in advanced manufacturing. Georgia Quick Start will deliver customized training in the new Georgia Advanced Manufacturing Center, covering mechatronics, control systems, automation and robots, software, equipment and operation controls and industrial technologies and networked wireless systems of sensors. The 48,000-sq.-ft. center will be networked with 5 of the state's technical colleges in the region.

## COST OF DOING BUSINESS

This section highlights the costs associated with doing business in the state including taxes, wages, insurance, and energy expenses.

State Corporate Income Tax %: 5.75% beginning in 2019.

State Individual Income Tax %:

Individual Income Tax Rate	Georgia Taxable Income Bracket
1%	<b>Bracket 1:</b> Not over \$750
2%	<b>Bracket 2:</b> Over \$750, but not over \$2,250
3%	<b>Bracket 3:</b> Over \$2,250, but not over \$3,750
4%	<b>Bracket 4:</b> Over \$3,750, but not over \$5,250
5%	<b>Bracket 5:</b> Over \$5,250, but not over \$7,000
6%	<b>Bracket 6:</b> Over \$7,000

State Level Sales Tax %: The State of Georgia has a sales and use tax of 4%, while local governments can enact an additional sales tax ranging from 2% to 4.9%, depending on the county or city. Georgia offers sales tax exemptions on a number of qualified goods and services. The purchase and repair of machinery, industrial materials, and energy used in manufacturing qualify for sales tax exemption, along with several other goods and services.

State Use Tax: Same as Sales Tax

Unemployment Insurance Tax % (estimate): The initial rate for a new company in Georgia is 2.7% of each employee's first \$9,500 in earnings (also known as the taxable wage base). After 36 months, a new rate is developed based on the company's employment history. The rate increases for those companies with high employee turnover or layoffs, and it decreases for companies with steady employment records.

Additional Relevant Taxes: A summary of major state and local government taxes can be found here:

<http://frc.gsu.edu/files/2018/01/Georgia-Tax-Handbook-January-2018.pdf>

Workers' Compensation Employer Insurance Costs per \$100 of Payroll: \$0.67 (Source: National Academy of Social Insurance, 2016 Report)

Average Industrial Electric Rate: 5.09 cents per kilowatt hour (Source: US Energy Information Administration, February 2018 Data Series)

Average Price of Natural Gas Delivered to Industrial Consumers: **\$5.28** cents per kilowatt hour (Source: US Energy Information Administration, February 2018 Data Series)

Average Hourly Earnings of Production Workers in Manufacturing: **\$14.76**/hour (Source; EMSI, Occupational Data, 2018)

Minimum Wage (current): **\$7.25**/hour

Pending Legislation Regarding Minimum Wage: Georgia's General Assembly is closed for the 2018 legislative session, and there are no announced proposals or pending litigation to affect Georgia's Minimum Wage.

If you answered YES to the above question, what is the proposed minimum wage?

If you answered YES to the above question, what is the legislative bill number?

## ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of the state in terms of business innovation through awards, venture capital, and This section underscores the successes of your state in terms of business innovation through awards, venture capital, and intellectual property attainment.

Total Small Business Innovation Research (SBIR) Awards Found at: [https://www.sbir.gov/reports/state-summary?year=2016&program\\_tid=105791](https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105791):

Total Small Business Technology Transfer (STTR) Awards Found at: [https://www.sbir.gov/reports/state-summary?year=2016&program\\_tid=105792](https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105792):

Venture Capital Deals, in millions: Venture capital funding within the State of Georgia grew by 113% between 2014 and 2017 to reach \$1.68 billion, which is significantly greater than the 7% U.S. venture capital growth during this same period. (Source: Technology Association of Georgia, "2018 State of the Industry Report: Technology in Georgia")

% of State with Internet Accessibility: 91% of Georgians have access to what the state defines as high-speed internet (wired connection capable of 25mbps download speeds). (Source: Technology Association of Georgia)

Newly Registered Businesses: Between 2012 and 2016, the number of establishments located in Georgia increased from 216,308 to 228,330. Over five years, roughly 12,022 net new establishments have been created in Georgia. (Source: US Census Bureau, County Business Patterns, 2012 – 2016)

Newly Registered Patents:

Year	New Patents Registered
2015	<b>2,465</b>
2014	<b>2,669</b>
2013	<b>2,506</b>
2012	<b>2,128</b>
2011	<b>1,933</b>

(Source: U.S. Patent and Trademark Office, Patent Counts by State, 2011 – 2015)

## FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

Year	Announcements	Investment	Total New Jobs
2017	86	\$1.61 billion	6,883
2016	82	\$1.26 billion	4,081
2015	97	\$1.94 billion	7,522
2014	72	\$1.13 billion	6,348
2013	62	\$1.75 billion	5,423
2012	117	\$2.82 billion	6,566
2011	88	\$1.64 billion	4,593
2010	72	\$747 million	4,519
2009	46	\$1.08 billion	2,160
2008	53	\$1.08 billion	7,001
2007	48	\$416 million	2,836

(Source: GDEcD, Located Projects June 2018)

## TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of the state and what a company can expect in terms of the logistics of shipping their product.

Number of major 2 or 4-Lane Highways running through state: Georgia has 6 major interstates, 2 major transcontinental interstate highways (I-95, I-75), and 4 additional interstates (I-20, I-85, I-16, I-59).

Number of major railways going through state: Georgia has access to more rail miles than any other state in the southeastern United States, making it a major railway hub, with two class 1 railroads (CSX and Norfolk Southern) and over 20 local railroads that spans nearly 5,000 miles of track.

Number of major ports connected to state:

Deepwater ports in Savannah and Brunswick are Georgia businesses' gateway to the globe and some of the busiest ports in the US.

**The Port of Savannah** is the largest single container terminal in North America and the second-busiest U.S. container port. It's also the nation's fastest-growing container exporter.

**The Port of Savannah** is expected to complete a major expansion project by 2022. The expansion will deepen the river from 42 to 47 feet to accommodate larger New Panamax cargo ships, and save businesses an estimated \$174 million per year.

**The Port of Brunswick** is No. 1 among busiest ports in the US for new auto imports. More than 30 manufacturers of auto and heavy equipment use this port to move cargo.

Exporters and importers can speed their freight to and from Georgia's ports via Georgia's two inland ports —

**Cordele Inland Port** in southwest Georgia gives exporters and importers in southwest Georgia, southern Alabama and western Florida a direct 200-mile rail route from Cordele to Georgia's ports on the Atlantic coast.

**Appalachian Regional Port** provides exclusive CSX rail service on a direct, 388-mile rail route between the Port of Savannah and companies in northwest Georgia, Alabama, Tennessee and Kentucky.

Number of airports throughout state: 104 public airports including 11 commercial airports

Number of International airports throughout state: Georgia is home to two international airports, Hartsfield-Jackson Atlanta International Airport and Savannah International Airport. Hartsfield-Jackson Atlanta International Airport has been ranked the leader in airport efficiency for 10 consecutive years, and offers direct flights to over 150 U.S. destinations and more than 70 international destinations.

Number of distribution centers: As of 2016, Georgia houses 796 establishments engaged in warehousing and storage (Source: Georgia Dept. of Labor, Quarterly Census of Employment and Wages, Q3 2017).

Number of foreign trade zones: **3** (#26, #104, #144)

## INCENTIVES

Different states offer different incentives to entice companies to move to their state. This section will allow you to highlight these incentives.

### Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N):

Georgia's General Assembly is closed for the 2018 legislative session, and there are no announced proposals or pending litigation to affect Georgia's Business Incentives.

If you answered YES above, please describe the pending incentives including the bill number if applicable:

### Cash Incentives

Does your state provide any CASH incentives? (Y/N): Yes

If you answered YES above, please provide details of this incentive including the contact information and website if applicable:

REBA and EDGE grants are discretionary cash incentives considered by the Georgia Department of Economic Development on a project-by-project basis and are considered as deal-closing funds. They are used to close identifiable gaps between a community's incentive offer to a company and the company's business requirements for locating. These discretionary incentives are considered by GDEcD only after a company has identified a final, single location of choice in the state. For more information, contact: Scott McMurray, Division Director, Global Commerce.



A number of Georgia's tax credits are applicable to payroll withholding, which are effectively cash. Mega Project Tax Credits, Job Tax Credits for companies located in Tier 1 counties or in state designated zones (Opportunity Zones, Less Developed Census Tracts, or Military Zones), and Quality Job Tax Credits offer remaining tax credits to be applicable towards a company's payroll withholding. For more information, contact: Scott McMurray, Division Director, Global Commerce.

## State Tax Credits

Does your state provide any Tax Credit incentives? (Y/N): Yes

If you answered YES above, please describe the available tax credits:

**Job Tax Credit:** New and expanding companies may earn Job Tax Credits for creating new jobs in Georgia. These credits can effectively eliminate a company's corporate income tax liability and in certain areas, can also reduce the company's payroll withholding obligations.

The requirements and benefits depend on where the new jobs are located, with lower qualification requirements and higher benefits in Georgia's less developed areas. Eligibility includes companies that; create and maintain a minimum number of net new jobs in Georgia, and engage in manufacturing distribution, telecommunications, or another strategic industry. The amount of the per-job tax credit, how the credits can be used, and the qualification requirements depend on the community's location, which assigns it to a designated tier.

Employees that qualify must: be full-time (working at least 35 hours each week); offer access to a defined benefits health insurance policy consistent to what is offered to existing employees; and pay more than the average wage of the county with the lowest average wage in the State (currently the lowest county average wage is Glascock County at \$484 per week, or \$12.10 per hour, or \$25,168 per year).

Once a company has qualified to earn Job Tax Credits, it can earn a tax credit for each net new job it creates (and maintains) during the next five years. Each of those jobs can earn an annual credit for five years after it is created.

Job Tax Credits are subject to program requirements as outlined in O.C.G.A. § 48-7-40 and rules published by the Georgia Department of Community Affairs in Chapter 110-9.1.

To claim the Job Tax Credit, file a form IT-CA with the Georgia income tax return at the time the return is filed. It must be claimed no later than the earlier of: one year from the date the original return is filed, or one year from the return due date, including any approved extension. If the company wants to use the credit to offset state payroll withholding, a Form IT-WH must be filed with the Georgia Department of Revenue 30 days after the income tax return is filed and claimed.

**Port Tax Credit Bonus:** The port tax credit bonus rewards new or expanding Georgia companies that increase imports or exports through a Georgia port by at least 10 percent over the previous or base year.

To be eligible for the port tax credit bonus:

- Companies must first meet the requirements of either the job tax credit or investment tax credit programs.
- Base year port traffic must be at least 75 net tons; or five containers; or 10 TEUs (Twenty-foot Equivalent Units). If base year traffic is lower, then these minimums automatically become the base upon which traffic increases are calculated.

The port tax credit bonus is calculated as follows according to which program it is used with:

Job Tax Credit: An addition of \$1,250 (per job) to the job tax credit, which can be taken for five years to reduce or eliminate Georgia corporate income tax liability; or

Investment Tax Credit: An adjustment in the calculation of the investment tax credit, so that the credit amount is based on the equivalent of a Tier 1 location. (5% of the qualified investment expenses or 8% for recycling, pollution control and defense conversion.)

The port tax credit bonus may offset up to 50 percent of the company's corporate income tax liability. Unused credits may be carried forward for 10 years – but the increase in port traffic must remain above the qualifying threshold, and the company must continue to meet the requirements for either the Job Tax Credit or the Investment Tax Credit.

Note: The port tax credit bonus cannot be used with Georgia's quality jobs tax credit program.

**Quality Job Tax Credit:** Companies that create at least 50 jobs in a 24-month period where each job pays wages that are at least 110 percent of the county average are eligible to receive a tax credit of \$2,500 to \$5,000 per job, per year, for up to five years, based on the scaled system below. To qualify, each job must be new to Georgia and: have a regular work week of 30 hours or more, and pay wages that are at least 110 percent of that county's average wage. Only jobs that pay at or above 110% of the average wage of the county in which the job is located are eligible for the credit and can be included in the calculation of the company's average wage. New jobs that do not meet the requirements for the Quality Jobs Tax Credit may count toward the Job Tax Credit program if they meet the eligibility requirements for that program separately.

New quality jobs created within seven years can qualify for the credit. Credits may be used to offset the company's state payroll withholding once all other Georgia corporate income tax liability has been exhausted, and may be carried forward for 10 years

The Quality Jobs Tax Credit is subject to program requirements as outlined in O.C.G.A. § 48-7-40.17 and rules published by the Georgia Department of Revenue in regulation 560-7-8-.51.

To claim the Quality Jobs Tax Credit, file a form IT-QJ with the Georgia income tax return at the time the return is filed. It must be claimed no later than the earlier of: one year from the date the original return is filed, or one year from the return due date, including any approved extension. If the company wants to use the credit to offset payroll withholding, a Form IT-WH must be filed with the Georgia Department of Revenue 30 days after the due date of the return (including extensions) or 30 days after the filing of a timely filed return, whichever occurs first.

**Mega Project Tax Credit:** Companies may receive Mega Project Tax Credits (QJTC) if they hire at least 1,800 net new full-time employees and either invest a minimum of \$450 million or have a minimum annual payroll of \$150 million. Credit level is determined by the average wage of qualifying jobs created. Companies can have up to 10 years to meet the job creation threshold depending on the amount of qualified investment.

For a project to be eligible for the Mega Project Tax Credit, the project must meet the minimum job creation requirement, meet either the payroll requirement or qualified investment property requirement, and be determined to have a significant beneficial economic effect on the region for which it is planned. The project must employ at least 1,800 net new employees in Georgia, and each job must be located in Georgia; involve a regular work week of 35 hours or more; have no predetermined end date; and pay at or above the average wage of the county with the lowest average wage in the state (\$484/week as of 6/30/2018).

In addition, the employer must offer health insurance benefits consistent with what is offered to existing employees, and must pay for it in the same manner as it does for existing employees. The newly created jobs must have a minimum annual payroll of \$150 million or must include a minimum qualified investment of \$450 million (must involve the construction of at least one new facility). The determination of a significant beneficial economic effect on the region is based on whether not the project will create new full-time employee jobs with average wages that are twenty percent above the average wage for all jobs located in tier one counties; ten percent above the average wage for all jobs located in tier two counties; and five percent above the average wage for all jobs located in tier three and four counties.

A project can also be considered a significant beneficial economic effect on the region if the project demonstrates high growth potential based upon the prior year's Georgia net taxable income growth of over 20 percent from the previous year, if the company's Georgia net taxable income in each of the two preceding years also grew by 20 percent or more. Companies can have up to 10 years to meet the job creation threshold depending on the amount of qualified investment.

Companies may claim an annual tax credit of \$5,250 per job for the first five years of each full-time employee job position. Credits are first applied to State corporate income tax liability. Any excess credits are eligible for use against Georgia payroll withholding. Unused credits may be carried forward for 10 years.

To claim a Mega Project Tax Credit, a company must attach a schedule to its Georgia corporate income tax return filed with the Georgia Department of Revenue and report the credit on the applicable schedule of the return. To use these credits to offset withholding taxes, a Georgia DOR form IT-WH-MEGA must be filed 30 days before the due date of the Georgia income tax return or filing the tax return, whichever occurs first. Once the Georgia DOR receives the company's income tax return, it has thirty (30) days after receipt of Form IT-WH-MEGA to review the credit and determine the amount eligible to be used against Georgia payroll withholding tax.

**Research and Development Tax Credit:** The Research and Development Tax Credit is offered to new and existing businesses in strategic industries that perform qualified R&D in Georgia. Most, if not all, companies have some level of activity that can qualify for Georgia's R&D tax credit, such as developing or prototyping new products or processes, or R&D to get capital purchases for process improvements up and running. R&D Tax Credits may be used to reduce Georgia payroll withholding liability. The credit is determined by taking the current year's qualified R&D expenses, subtracting the base amount, and multiplying by 10%. The base amount = Current Year Georgia Gross Receipts X [(the average of the ratios of qualified GA research expenses to GA gross receipts for the preceding 3 taxable years) OR 0.300, whichever is less]. For companies with no prior R&D expenditures in Georgia, the base amount is 30% of the current year's Georgia gross receipts. To qualify, the company must be engaged in a strategic industry such as manufacturing, warehouse and distribution, or other industries identified as eligible for the Job Tax Credit, and must be applied towards qualified research expenses as defined in Section 41 of the Internal Revenue Code of 1986, as amended, except that all wages paid and all purchases of services and supplies must be for research conducted within the state of Georgia. Value determined by R&D expenses. Credits are applied to 50% of the company's Georgia income tax liability after all other credits have been applied. Any remaining R&D credits can then be applied to the company's state payroll withholding. There is also a 10 year carry forward for excess credits.

A summary of major state business incentives can be found here:

<http://online.flowpaper.com/79590748/BusinessIncentivesBrochure/>

## State Tax Exemptions

Does the state provide any Tax Exemptions? (Y/N): Yes

If you answered YES above, please describe the available tax exemptions:

Sales and use tax exemptions significantly lower the cost for Georgia businesses to buy, upgrade and replace critical equipment. This incentive offers a savings based on a percentage of the price of the qualifying purchases, dependent on the county.

Below is an overview of what qualifies for sales and use tax exemptions. Full program requirements are available in O.C.G.A. §§ 48-8-3, 48-8-3.2 and 48-8-3.3 and rules published by the Georgia Department of Revenue in regulations 560-12-2-.62, 560-12-2-.103, and 560-12-2-.107.

**Energy used directly or indirectly in manufacturing or processing** is exempt from sales and use taxes, with the exception of 1% for educational purposes. The energy exemption includes natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water, and other materials necessary and integral for heat, light, power, refrigeration, climate control, processing, or any other used in the manufacture of tangible personal property. However, this does not apply toward the generation of electricity. To claim the exemption, the company must present a completed ST-5M Certificate of Exemption and a completed ST-5M Addendum at the point of sale.

The legislation authorizing the energy exemption enabled local governments to choose whether to impose an excise tax on energy equivalent to the local portion of the sales tax (1 – 4%, depending on the community).

**Manufacturing machinery and equipment** that is integral and necessary to the manufacturing process and used in a manufacturing facility located in this state is exempt from sales and use tax. Computer equipment and software also qualifies for exemption when its use is integral and necessary to the manufacturing process. The exemption for manufacturing machinery and equipment integral and necessary to the manufacturing process extends to consumable supplies and repair and replacement parts. To claim the exemption, the company will present a completed ST-5M Certificate of Exemption at the point of sale.

**Repair or replacement parts** used to maintain, repair, restore, install, or upgrade machinery and equipment necessary and integral to the manufacture of tangible personal property for sale or further processing is exempt from sales and use taxes. This includes machinery clothing, molds, dies, waxes or tooling for machinery. Qualifying repair and replacement parts must be purchased by a manufacturer and used at a manufacturing plant. To claim the exemption, the company must present a completed ST-5M Certificate of Exemption at the point of sale.

**Materials** for future processing, manufacture, or conversion into articles of tangible personal property for resale that will become a component part of the finished product; Materials coated upon or impregnated into the product at any stage of its processing, manufacture or conversion (materials do not have to become a component part of the finished product); and materials used for packaging tangible personal property for shipment or sale (including both reusable and single use packaging) are exempt from sales and use tax. To claim the exemption, the company must present a completed ST-5M Certificate of Exemption at the point of sale.

**Machinery and equipment used for the primary purpose of reducing or eliminating air and water pollution** is exempt from sales and use taxes. To claim the exemption, the company must present a completed ST-M7 at the point of sale.

**Machinery and equipment and materials used in the construction or operation of a clean room of Class 100 or less** when the clean room is used directly in the manufacture of tangible personal property is exempt from sales and use taxes. To claim the exemption, the company must present a completed ST-5M Certificate of Exemption at the point of sale.

**Machinery and equipment used to handle, move, or store** tangible personal property in a new or expanded distribution or warehouse facility where the total purchase or expansion is valued at \$5 million or more is exempt from sales and use taxes. The facility may not have retail sales equal to or greater than 15 percent of the facility's total revenues. Manufacturers may qualify for this exemption when the material handling equipment is placed in an **enclosed, separate** portion of the facility designated for handling, moving, or storing tangible personal property. To claim the exemption, the company must present a completed ST-WD1 at the point of sale.

**Certain computer equipment and software** is exempt from sales and use taxes when the total qualifying purchases by a high technology company in a calendar year exceed \$15 million. A high technology company is defined by certain relevant North American Industry Classification System codes found in O.C.G.A. § 48-8-3. The company must apply for the exemption by submitting a completed form ST-CE1 to the Georgia DOR. Once approved the company will receive from the DOR a certificate of exemption that is presented at the point of sale to claim the exemption.

**Data Center** projects that create at least 20 new jobs that are eligible for the Quality Job Tax Credit and meet a minimum threshold of investment may be eligible for a sales and use tax exemption on qualified purchases. To qualify, the company must meet the investment threshold, which is linked to the population in which the facility is located (from \$100 million to \$250 million). Eligible expenses include materials, components, machinery, hardware, software, or equipment, including but not limited to cooling towers, energy storage or energy efficiency technology, switches, power distribution units, switching gear, peripheral computer devices, routers, batteries, wiring, cabling, or conduit.

**High-Tech Companies (including Single-User Data Centers)** are exempt from sales taxes on the sale of certain computer equipment is exempt when the total qualifying purchases by a High Technology Company in a calendar year exceed \$15 million. To qualify, the company must be classified under certain relevant North American Industry Classification System (NAICS) codes and must have a minimum spend of \$15 million on qualifying purchases.

## **State Grants**

Does the state provide any Grant incentives? (Y/N): Yes

If you answered YES above, please describe the available grants:

REBA and EDGE programs are flexible incentives offered by the State of Georgia. These discretionary incentives are considered by the Georgia Department of Economic Development on a project-by-project basis and are considered deal-closing funds, used to close identifiable gaps between a community's incentive offer to a company and the company's business requirements for locating. Discretionary incentives are considered by GDEcD only after the company has identified a final, single location of choice in the state.

## State Loans

Does the state provide any Low-Interest Financing incentives? (Y/N): No

If you answered YES above, please describe the available financing opportunities:

## Training Programs

Does the state provide any Specialized Training Program incentives? (Y/N): Yes

If you answered YES above, please describe the available training programs:

Consistently ranked No. 1 in the U.S. for workforce training by *Area Development*, Georgia Quick Start is the premier partner for developing and delivering a strategic workforce. Quick Start may conduct a customized training program for companies involved in several types of industries, providing comprehensive workforce solutions for qualified new and expanding companies in Georgia. Services are provided free of charge as a discretionary incentive for job creation for clients opening or expanding manufacturing operations, distribution centers, headquarters operations and customer contact centers in a broad range of industries.

All training materials developed during the process will become the property of the company and proprietary to it. For more than 40 years, Quick Start has supported industries by delivering training via classroom, mobile labs, or on the plant floor.

## Zoning

Does the state provide any Special Zoning incentives? (Y/N): Yes

If you answered YES above, please describe the available special zoning opportunities:

Certain areas have special designations. Companies in Less Developed Census Tracts (LDCT), Georgia Opportunity Zones (OZ), AND Military Zones (MZ) are eligible for a \$3,500 job tax credit that can be applied to 100% of corporate income tax liability (Georgia Opportunity Zones predate federal Opportunity Zones). Any excess credits may be used to offset state payroll withholding liability. OZs and MZs, as well as Georgia's 40 least-developed counties, offer job tax credits to business of any nature, including retail businesses, that create at least two net new jobs.

LDCTs, OZs, and MZs are located throughout the state, and the job threshold requirement, job tax credit value, and use of credits allowed in these areas supersede those of the county in which these designated areas are located. In 2018, the Governor signed into law an expansion of what areas in Georgia qualify as Military Zones.

## State Marketing and Promotions

Does the state provide any Marketing and Promotional incentives? (Y/N): No

If you answered YES above, please describe the available special marketing or promotional opportunities:

## Innovation Centers

Does the state have Innovation Centers or Additional Resource available for companies? (Y/N): Yes

If you answered YES above, please describe the available innovation centers or additional resources:

**The Georgia Centers of Innovation (COI)** are the state's leading resource for facilitating business innovation. Through the assistance of the five centers, Georgia companies translate new ideas and technologies into commercially viable products and services to better compete in the global marketplace. This economic catalyst,

in turn, promotes the continued growth of the state's economy. A division of the Georgia Department of Economic Development, COI provides the leading technical industry expertise, research collaborations, and business partnerships to help the state's strategic industries connect, compete and grow.

Five individual centers operate statewide with a focus on Aerospace, Energy Technology, Information Technology, Logistics, and Manufacturing. More information on Georgia's Centers of Innovation can be found here: <http://www.georgia.org/business-resources/georgia-centers-of-innovation/>

**The International Trade division** of the Georgia Department of Economic Development (GDEcD) provides Georgia exporters with global insight and connections to grow their international business opportunities. Leveraging the state's international representatives located in 12 strategic markets, GDEcD's Trade division helps qualified Georgia exporters enter and expand into markets across the globe.

# AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees “Truth in Advertising” regulations including promotion or disclosure of products displaying “Made in USA” labeling. FTC requires products advertised as “Made in USA” be “all or virtually all” made in the U.S. “all or virtually all” means the product should contain no – or negligible – foreign content.

## Made In USA Requirements

Does the state have any specific requirements for labeling products "Made in USA"? (Y/N): **No**

If you answered YES to the question above, what are the requirements for labeling products "Made in USA":

Is there pending legislation regarding these requirements? (Y/N): **No**

If you answered YES to the question above, please describe the proposed legislation including the bill number:

## Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N): **No**

If you answered YES to the question above, what are the requirements for labeling products "Made in YOUR STATE":

Is there pending legislation regarding these requirements? (Y/N): **No**

If you answered YES to the question above, please describe the proposed legislation including the bill number:

Is there an organization or entity that monitors state labeling? (Y/N): **No**

If you answered YES to the question above, please provide the name and contact information for the organization or entity:

Date of Submission 11/1/2018

Thank you for your time. Please email your responses to [alevy@reshoringinstitute.org](mailto:alevy@reshoringinstitute.org) and your responses will be recorded and available online for review at [www.reshoringinstitute.org](http://www.reshoringinstitute.org).