



Georgia ranks third overall for mature operations and sixth overall for newly established operations. Specifically:

- Georgia ranks second for both the mature call center and the mature labor-intensive manufacturing firm. The call center's total effective tax rate (TETR) is 12.5 percent, 40 percent below the national average, while the TETR for the manufacturing operation is 6.5 percent, or nearly 45 percent below the national average.
- For manufacturers, Georgia has a very friendly income apportionment formula – a single-sales factor and no throwback rule. Georgia's sourcing rules for services similarly advantage operations such as call centers that sell their services out of state. This contributes to the state's tenth-place ranking for mature R&D operations and eighth-place ranking for new R&D operations.
- Georgia has low tax costs (ranking eighth) for mature capital-intensive manufacturing. With a TETR of just 7.5 percent, this operation benefits from the state's low income tax burden and low unemployment insurance tax bill.
- The state has slightly higher tax costs (ranking 23rd) for new corporate headquarters, though this operation's tax costs are still below the national average. This operation does not benefit from the state's single-sales factor apportionment or sourcing rules. All of its income is subject to in-state taxation (albeit at a reasonably low 6 percent rate).
- Georgia also ranks toward the middle (21st) for newly established retail operations. This operation is particularly burdened by the state's relatively high 7.25 percent sales tax and property taxes – specifically the taxes on equipment and inventory.
- Georgia is one of only 10 states to levy a property tax on inventories – in addition to buildings, land, and equipment.

# Georgia

## Corporate income tax

Main tax rate	6.000%
Applies to income over	–
Specific adjustments:	
- s.199 deduction disallowed	
- Deduction allowed for in-state tax paid	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			No
Interstate services income apportionment			Benefits

## Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate <sup>a</sup>	Land	Buildings	Equipment	Inventory
Tier 1	Atlanta	7.250%	1.668%	1.668%	1.668%	1.658%
Tier 2	Macon	6.500%	1.609%	1.609%	1.609%	1.599%

a. Manufacturing machinery is exempt from sales tax

## Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
2.70%	\$8,500	≤\$5,000	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

## Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	n/a							
Job creation	Varies from \$1,250-\$1,750 per new job x 5 years	✓	✓	✓	✓	✓	✓	
Withholdings	Partial refundability of above job tax credits	✓	✓	✓	✓	✓	✓	
R&D	10% of in-state R&D expenses, per federal concepts						✓	
Property tax	Abate 50% x 10 years + freeport for mfg. inventory	✓	✓	✓	✓	✓	✓	

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

## Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	8.5%	7.1%	7.2%	22.3%	15.2%	7.5%	31.0%		7.5%	6.5%	12.5%	25.9%	14.0%	8.6%	14.8%			
Index	74.6	60.8	29.1	61.6	94.2	51.1	95.4	<b>66.7</b>	59.1	55.6	59.6	84.5	89.4	67.0	87.3	<b>71.8</b>		
Rank	20	7	5	4	23	8	21	<b>6</b>	8	2	2	16	19	10	15	<b>3</b>		

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