



# Georgia Retraining Tax Credit (RTC)

THE RETRAINING TAX CREDIT ALLOWS GEORGIA BUSINESSES TO OFFSET THEIR INVESTMENT IN THEIR EMPLOYEES, REDUCE THEIR GEORGIA INCOME TAX LIABILITY, AND INCREASE CASH FLOW.

## WHAT IS THE RETRAINING TAX CREDIT?

The Georgia Retraining Tax Credit is a state credit available to companies that train their employees on new software, equipment, and technology as well as upgrading the company's competitiveness with ISO 9000. The method of training can vary and includes vendor-led, webinars, peer-to-peer, or even on-the-job self-learning. The credit calculation is reviewed and signed off on by the state prior to filing on the tax return.

Retraining tax credits can be used to offset up to 50 percent of a company's Georgia corporate income tax liability. If the earned credit exceeds that limit, then the unused credit can be carried forward for up to 10 years and applied to future years' tax liability.

## HOW IS THE RETRAINING TAX CREDIT CALCULATED?

The RTC is equal to one half of the direct cost of training and allows for a credit of up to \$1,250 per qualified employee per year. Eligible expenses that can be included in the calculation include:

- Cost of instructors (internal or external);
- Teaching materials;
- Travel expenses; and
- Employee wages for time spent in training

## HOW TO KNOW IF YOUR BUSINESS CAN BENEFIT FROM THE RTC

Businesses in any industry that file a Georgia income tax return are eligible for the retraining tax credit. Eligible employees must be:

- Georgia residents;
- First-line employees or immediate supervisors;
- Continuously employed with the company for a minimum of 16 weeks;
- Full-time employees (25+ hours per week)

If your company recently had a software implementation, is a software-heavy organization, or uses software for which upgrades are pushed out over the cloud automatically, you would be ideal candidate to benefit from this credit.

For more information about the Georgia Retraining Tax Credit and how your company can benefit, contact us today:

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