



Business Incentives

Opportunity Zone Tax Credits

The Opportunity Zone Job Tax Credit Program, administered by the Georgia Department of Community Affairs, offers the highest tax advantages for companies and is the most user-friendly job tax credit in the state. It allows businesses to apply a tax credit of \$3,500 per net new job created against the company's state income tax liability.

Businesses looking to locate or expand in the designated Opportunity Zone may be eligible for state Job Tax Credits. A minimum of two new jobs must be created. Any business, large or small, located in the zone is eligible for the maximum state job tax credit per net new employee for five years starting the year of the hire. Only two or more net new jobs need to be created in any one year to be eligible and there are no restrictions on the type of jobs created.

Most significantly, if the company's state income tax liability is insufficient to absorb all of the credits, the balance may be taken by retaining employee withholding taxes that would otherwise be paid to federal income tax, so the company gets the full value of the credited dollars. Note that there are flow-through opportunities to pass the credit to partners, shareholders, etc.

Contact Keri Stevens at the City of Avondale Estates to start the process at 404-294-5400 or kstevens@avondaleestates.org.

Here is a link to the program:

<http://www.dca.state.ga.us/economic/DevelopmentTools/programs/opportunityZones.asp>

Main Street Design Assistance:

A focus on Design supports a community's transformation by enhancing the physical elements of downtown while capitalizing on the unique assets that set the commercial district apart. Main Streets enhance their appeal to residents and visitors alike with attention to public space through the creation of pedestrian friendly streets, inclusion of public art in unexpected areas, visual merchandising, adaptive reuse of older and historic buildings, more efficiently-designed buildings, transit oriented development, and much more. Low cost design assistance is available from the Georgia Main Street Program: <http://www.georgiamainstreet.org/design-services>.

Downtown Revolving Loan Fund:

The purpose of the Downtown Development Revolving Loan Fund (DD RLF) is to assist cities, counties and development authorities in their efforts to revitalize and enhance downtown areas by providing below-market rate financing to fund capital projects in core historic downtown areas and adjacent historic neighborhoods where DD RLF will spur commercial redevelopment.

Eligible applicants under this program shall be municipalities with a population of 100,000 or less, counties with a population of 100,000 or less proposing projects in a core historic commercial area, and development authorities proposing projects in a core historic commercial area in municipalities or counties with a population of 100,000 or less. The ultimate user of funds may be a private business or a public entity such as a city or development authority.

Applicants must demonstrate that they have a viable downtown development project and clearly identify the proposed uses of the loan proceeds. Once approved, funds may be used for such activities as: real estate acquisition, development, redevelopment, and new construction; rehabilitation of public and private infrastructure and facilities; purchase of equipment and other assets (on a limited basis).

The maximum loan is \$250,000 per project. Applications will be accepted throughout the year and as loan funds are available to the Department.

More information can be found: <http://www.dca.state.ga.us/economic/financing/programs/ddrlf.asp>.

Georgia Cities Foundation Revolving Loan Funds:

Applications for the Revolving Loan Fund program may be submitted at any time. GMA and the Foundation staff will review applications to determine if the project fits the overall objectives of the Foundation and is likely to have a positive economic impact on the community.

Applications are evaluated based on leadership, accountability, long-term sustainability, and potential for private investment. Projects should encourage spin-off development, add jobs, promote downtown housing, or add to the cultural enrichment of the community. Each application must also undergo credit underwriting.

More information can be found: <http://www.georgiacitiesfoundation.org/Programs-Services/Revolving-Loan-Fund.aspx>.

Properties in the Historic District Only:

Tax Incentives Available for the Rehabilitation of Buildings Listed In the National Register of Historic Places:

The Historic Preservation Division (HPD), part of the National Park Service, offers financial assistance for rehabilitation of buildings through tax incentives. The agency works with both the federal and state programs. The property must be a "certified structure," which means it must be listed in the National/Georgia Register(s) of Historic Places. The Historic Preservation Division must certify the rehabilitation. A portion of the City is listed in the National Register of Historic Places. You can contact Keri Stevens at City Hall with questions about the National Register District. She can be reached at 404-294-5400 or kstevens@avondalestates.org.

Federal:

- The Rehabilitation Investment Tax Credit (RITC) program. A federal income tax credit equal to 20% of rehabilitation expenses. This is available only for income-producing properties.
- The charitable contribution deduction. The charitable contribution deduction is taken in the form of a conservation easement and enables the owner of a "certified historic structure" to receive a one-time tax deduction. A conservation easement ensures the preservation of a building's facade by restricting the right to alter its appearance. Qualified professionals should be consulted on the matters of easement valuations and the tax consequences of their donation.

For more information: <http://georgiashpo.org/incentives/tax/>.

State:

- The Georgia Preferential Property Tax Assessment Program for Rehabilitated Historic Property allows eligible participants to apply for an 8-year property tax assessment freeze.
- The Georgia State Income Tax Credit Program for Rehabilitated Historic Property allows eligible participants to apply for a state income tax credit equaling 25% of qualifying rehabilitation expenses capped at \$100,000 for personal, residential properties, and \$300,000 for income-producing properties. For more information: <http://georgiashpo.org/incentives/tax/>.

Important Facts:

- The applications are a two or three part process, describing before and after rehabilitation. Ideally, project work should be submitted before work begins and be completed within two years.
- Applications for all programs are sent to HPD, and must be reviewed and approved by HPD, then afterward by the National Park Service (NPS) for the RITC.
- There are substantial cost tests that must be met to qualify for each program.
- See individual fact sheets for details for the federal or state tax incentives. These can be found on HPD's website: <http://georgiashpo.org/economic>.