

Financing & Incentives Guide

The Fannin County Development Authority welcomes new business and industry to the community and is dedicated to assisting businesses in any way possible. The following are just a few of the financing and incentive programs that are available to new and expanding businesses in our area; contact the Development Authority to discuss the opportunities available to your business.

Financing Programs

- **Tennessee Valley Authority (TVA) Economic Development Funds:**

TVA encourages economic growth in the areas that it serves by providing the resources that businesses need. TVA loan funds are open to manufacturing facilities that are locating or expanding in their service area and may be used for the acquisition of fixed assets. For details on eligible projects and loan terms please contact the Development Authority.

- **Industrial Bond Financing:**

The Fannin County Development Authority is willing to work with new and expanding industry considering revenue bond financing. Contact the Development Authority for more information.

- **One Georgia Authority & Georgia Department of Community Affairs (DCA):**

As Georgia strives to remain a competitive state for business locations the State of Georgia continues to offer a variety of programs to promote business locations including; the One Georgia Economic Development Growth & Expansion Program (EDGE) and DCA's Employment Incentive Program (EIP). These programs are available to business and industry that will be making a substantial capital investment resulting in job creation. To find out more contact the Development Authority.

- **Small Business Administration:**

The SBA has a number of programs to aid small and emerging businesses including the 7(a) and 504 loan programs. The SBA 7(a) program partners with lending institutions to guarantee up to 75% of a loans value for fixed assets and working capital. The SBA 504 Loan Program is administered through the North Georgia Community Development Corporation (NGCDC) and provides direct loans to business owners for the purchase of fixed assets. The 504 loan program will fund up to 40% of the total project costs and has

a job creation requirement. For detailed information or assistance contact the Development Authority or visit www.sba.gov.

- **One Georgia Entrepreneur & Small Business Loan Guarantee Program:**

The One Georgia Authority realizes the importance of small business to the economy of Georgia and is committed to assisting small business in obtaining the funding necessary to start and expand. The Loan Guarantee program partners with business owners and traditional lending institutions to guarantee loans between \$31,500 and \$220,000. For more information and applications please contact the Development Authority.

- **North Georgia Community Development Corporation (NGCDC):**

NGCDC administers a revolving loan fund that is available to businesses locating in Fannin County. The program will fund up to 50% of the total project cost (not to exceed \$200,000) for the purchase of fixed assets or working capital. One job must be created for every \$10,000 in RFL financing. For detailed information contact the Development Authority or visit www.ngcdc.org.

- **Appalachian Community Enterprise (ACE) Micro Loans:**

ACE provides assistance to new and expanding small businesses in North Georgia through financial education, coaching, and small business micro-loans. ACE provides businesses with loans from \$500 - \$50,000. For more information on available programs visit www.ace loans.org or contact the Development Authority.

State Incentive Programs

- **Job Tax Credits:**

Companies and their headquarters that are engaged in strategic industries such as manufacturing, warehousing & distribution, processing, telecommunications, broadcasting, tourism, and research and development may qualify for Georgia's Job Tax Credit Program. Depending on the community's tier, companies must create between five and 25 net new full-time jobs in the first year to qualify. Credits may also be accrued for additional jobs created in years 2-5.

Qualified companies can claim a tax credit with a value of \$750 – \$3,500 per job, per year beginning with the first taxable year in which the new job is created and for the following four years the job is maintained. An additional \$500 credit is offered in counties that participate in a multi-county Joint Development Authority (JDA).

Credits may be taken against 100 percent of state corporate income tax liability in Tier 1 and 2 counties, or against 50 percent of state corporate income tax liability in Tier 3 and 4 counties. Credits that are claimed but not used in any taxable year may be carried forward for 10 years from the close of the taxable year in which qualified jobs were established. Additionally, in Tier 1 counties, excess credits may be credited to Georgia payroll withholding taxes (with a limitation of \$3,500 per job, per year).

Example: Taxpayer creates 50 jobs in Fannin County, a Tier 2 county, offering a \$3,000 credit, receives \$750,000 in tax credits over five years to reduce or eliminate Georgia income tax. [50 jobs x \$3,000 x 5 years = \$750,000].*

**Fannin County is a part of a joint development authority – extra \$500 added.*

- **Investment Tax Incentives:**

Available for existing manufactures or telecommunication businesses, that for, at least, three years has been operating a facility in Georgia. In order for a business to receive a 1% tax credit, they must invest \$50,000. A 3% credit applies for investments made in recycling, environmental friendly equipment, and defense conversions. A tax payer is not allowed to do both job tax credits and investment tax credits.

- **Optional Investment Tax Credit:**

Fannin County tax payers, who qualify for investment tax credit, may choose an optional investment tax credit based on the criteria of having a minimum investment of \$20 million with a 6% tax credit over a 10 year period. Depending on if the qualifying property remains active. One must choose to pursue the regular or optional investment credit. Once a decision has been finalized it is irrevocable.

- **Research and Development Tax Credit:**

A tax credit is available for businesses or industries for research expenditures. Up to 10% of a company's research and development expenses may be claimed as a tax credit.

- **Retaining Tax Credit:**

Retaining tax credit provides some employers to claim specific costs in educating their employees on new equipment, new technology, or new manufacturing settings. The total amount of credit cannot exceed \$1,250 per employee per year.

- **Child Care Tax Credit:**

Businesses who purchase or construct a child care facility qualify to receive Georgia income tax credits equaling to 100% of building costs. Also, businesses who provide or sponsor child care for their employees qualify for a credit against Georgia income tax

equaling 75% of employer's direct costs. The child care tax credit is available to all businesses in Georgia. The child care program must be licensed by the state.

- **Georgia Sales and Use Tax:**

Machinery – Manufacturing machinery is exempt from state and local sales tax. Any machinery or bought instruments used to upgrade or improve existing machinery is considered tax exempt.

Computer Equipment – Any computer equipment, purchased or leased, that exceeds the value of \$15 million is tax exempted for high technology facilities.

Electricity – Electricity interacting directly with manufacturing products is exempt if only the cost of electricity exceeds over 50% of the cost of all materials being used in production, including electricity.

- **Georgia's Quick Start:**

Georgia's QuickStart training program, for more than 40 years, has been providing workforce training to qualifying businesses in Georgia free of charge. Considered to be a key asset to the expansion of businesses and industries, QuickStart can deliver training in classrooms, mobile labs or directly at the location of the business, whichever works best for the company. Trainees are educated with the latest skills and strategies for workforce training.

Visit Georgia.org for more information regarding state business incentives.

For questions, please contact Stephanie Scarce, Executive Director of the Fannin County Development Authority, at 706-632-4450 or email at sscarce@fannindevelopment.com.