

Opportunity Zones

What are Opportunity Zones (OZ's)?

OZ's are local redevelopment areas that have been designated as areas needing assistance in redeveloping by the Georgia Department of Community Affairs (DCA). An area is designated through an application process to DCA.

This assistance is in the form of access to Georgia's highest Job Tax Credit (JTC) of \$3,500 per new job created.

What type of businesses can take advantage of the OZ tax credits?

Any lawful business can access the tax credits. This includes retail and restaurants.

What type of jobs must be created to access the OZ tax credits?

Business must create at least two (2) net new jobs within a tax year and the new jobs must be full-time, permanent jobs of at least 35 hours per week.

The average wage of the new jobs created must pay above \$435 per week or \$22,620 per year. New jobs must offer health insurance upon employment; however, the employer does not have to pay for such insurance.

How long can the OZ tax credit be claimed?

Tax credits may be claimed up to five years as long as the jobs are maintained. The claim is against 100% of the business's Georgia Income Tax liability, with excess credit claimed against withholding taxes.

What are the benefits of a business being located in an OZ vs. the County Tier System?

A business located within an OZ can take advantage of the state's highest Job Tax Credit (JTC). Traditionally, job tax credits in Georgia are based on County Tier levels 1-4. Tier 1 counties are considered the most distressed in the State and receive the highest credit amount of \$3,500. Tier 2 credit is \$2,500, Tier 3 \$1,250 and Tier 4 \$750 per job. Clarke County is a Tier 1 county.

Requirement of Each Program

Opportunity Zone

At least 2 jobs must be created;
Any lawful business can participate;

County Tier System

At least 10 jobs must be created;
Open only to manufacturing, warehousing and distribution, processing, telecommunications, tourism, or research and development industries;

What's an example of the savings for businesses taking advantage of OZ tax credits?

Opportunity Zone Example:

	Jobs Created	Tax Credit
Year 1	2	\$7,000
Year 2	3	\$10,500
Year 3	3	\$10,500
Year 4	4	\$14,000
Year 5	4	\$14,000
Year 6	5	\$7,000
Year 7	5	\$3,500
Year 8	6	\$3,500
Year 9	6	\$0
Total		\$70,000

In 10 years, an Opportunity Zone business could access \$70,000 in tax credits while a Tier 2 business would only have access to \$19,850 in tax credits.

For more information about Opportunity Zones in Athens-Clarke County contact:

Athens-Clarke County Unified Government
Housing and Community Development Department
Phone: 706-613-3155

Housing and Community Development Department: <http://athens-clarkecounty.com/hcd>

State of Georgia Opportunity Zone: <http://www.dca.ga.gov/OppZones>