Georgia Retraining Tax Credit
Application Forms

Tax Credit Calculation Worksheet

This worksheet might be helpful in calculating your job retraining tax credit.

A. Instructional Materials
   Item ___________________________  Cost ________________________
   Item ___________________________  Cost ________________________
   Item ___________________________  Cost ________________________
   A. Total ________________________

B. Training Development
   Trainer wages for actual development time  Cost ________________________
   Fees paid to Technical College or other training provider  Cost ________________________
   Other development costs  Cost ________________________
   B. Total ________________________

C. Instruction
   Trainer wages for actual instruction time  Cost ________________________
   Fees paid to Technical College or other training provider  Cost ________________________
   Other  Cost ________________________
   C. Total ________________________

D. Trainee Wages
   Total training hours x hourly wage rate  D. Total ________________________

E. Total Training Costs
   Add A + B + C + D  E. Total ________________________

F. Tax Credit (The maximum allowable credit is one-half of the direct training costs with a maximum of $500 per employee per approved training program.)
   a. Divide the total training costs (E) by 2  a. ________________________
   b. Multiply the number of employees trained by $500  b. ________________________
   The tax credit (F Total) equals the lesser of a or b  F. Total ________________________

Note: The amount on Line F may not exceed 50% of the taxpayer’s total state tax liability for the taxable year as computed without regard to this code section. The tax credit may be used in the current taxable year and excess credit can be carried forward.
Technical College System of Georgia
Georgia Retraining Tax Credit Program Approval Application

Complete this application and submit to the Vice President of Economic Development Programs at your local Technical College.

Name of Training Program

1. Company name ___________________________ Division ___________________________
Address ___________________________ Contact ___________________________
_________________________ Phone ___________________________
_________________________ Email ___________________________
No. years operating in GA ___________________________ No. of employees at facility ___________________________

2. Type of business and nature of operation:

3. Describe relevant equipment or technology changes in your workplace.
   Change from: ___________________________
   Change to: ___________________________

4. Describe purpose and overall objectives of this retraining program.
   ___________________________
   ___________________________
   ___________________________

5. Provide estimated retraining costs.
   ___________________________

6. Are employees unable to function effectively on the job as a result of the skill deficiencies identified in item 3? 
   _____; Will the deficiencies result in employee displacement if skills are not enhanced? _____

7. Name of training provider: ___________________________

Signature of Company Chief Executive ___________________________ Title ___________________________ Date ___________________________

This is to certify that the Retraining Program for the above named company is in compliance with standards established by the Technical College System of Georgia. This approval is subject to review and/or audit by the Department of Revenue and the Technical College System of Georgia.

Signature of TCSG Official ___________________________ Print ___________________________ Date ___________________________
Program Approval Application Checklist

For training program approval, provide access to the following documentation:

☐ Name, address, and phone number of training provider

☐ Qualifications of provider

☐ Training objectives

☐ Training outline

☐ Instructional materials

☐ Estimated total hours of instruction

☐ Training schedules

☐ Training qualifications of instructors

☐ Training location(s)

☐ Criteria for employee performance evaluation and a copy of the evaluation form
Technical College System of Georgia
Georgia Retraining Tax Credit Completion Form

Tax year ending: ________________________________
Name of training program: ___________________________

Complete this form and submit to the Vice President of Economic Development Programs at your local Technical College.

Company Information

Company name: _______________________________________
Address: ___________________________________________
Telephone No.: ___________________ Federal I.D. No. _______________

Retraining Information

Describe relevant equipment and technology changes in the workplace (Repeat item 3 of Program Approval Application.)
Change from: ____________________________________________________________________________

Change to: ____________________________________________________________________________

Describe purpose and overall objectives of this retraining program. (Repeat item 4 of Program Approval Application.)
_______________________________________________________________________________________

Name of retraining provider: _____________________________
Initial retraining program approval date: _____________________
Retraining tax credit amount: _____________________________

Certification: This approval is subject to review and/or audit by the Department of Revenue and the Technical College System of Georgia.

Signature of Company Chief Executive ___________________ Title __________ Date ______________

Signature of TCSG Official ____________________________ Print ______________ Date ______________

Attach to Department of Revenue IT-RC Retraining Tax Credit Form
Employee and Program Information

Provide the information below on a form or spreadsheet and attach it to the Completion Form.

1. Employee name
2. Employee Identification Number (For audit purposes, the Employee Identification Number must be traceable to the employee’s Social Security Number.)
3. Employee hire date
4. Program title
5. Training date(s)
6. Total training hours
7. Employee hourly wage
8. Total employee wage costs
9. Other direct training costs (Itemized details regarding direct training costs must be available upon audit.)
10. Total program costs
11. Costs with 50% limitation
12. Maximum credit

The following employees are ineligible for the retraining tax credit:

- Employees who are required to make any payment at any time for the training either directly or indirectly through the forfeiture of leave time, vacation time, or other compensable time.
- Employees who work less than 25 hours per week and/or have been continuously employed by your company for less than 16 consecutive weeks.
- Employees who are not Georgia residents.
Georgia Department of Revenue
Policy Statement IT-2007-12-06
Georgia Retraining Tax Credit

December 6, 2007

Purpose:

This informational bulletin explains the calculation of the retraining tax credit.

Effective Date: December 6, 2007

Supersedes: All previous documents and any oral directives in conflict herewith.

Authority

The Statute

The retraining tax credit, O.C.G.A § 48-7-40.5, allows some employers to claim certain costs of retraining employees to use new equipment, new technology, or new operating systems. The credit can be worth 50% of the direct costs of retraining full-time employees up to $500 per employee, per approved retraining program, per year.

O.C.G.A. § 48-7-40.5 (b) provides that the amount of the tax credit shall be equal to one-half of the cost of retraining per full-time employee, or $500.00 per full-time employee, whichever is less, for each employee who has successfully completed an approved retraining program.

Scope

A policy statement is intended to provide procedural guidance to the general public and Department personnel. It is a written statement issued to assist in the administration of laws and regulations by providing procedural guidance that may be followed in order to comply with the law. A policy statement does not have the force or effect of law, and is not binding on the public. It is, however, binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

Prepared by Tax Law and Policy
December 6, 2007
Issue

How to calculate the retraining tax credit.

Discussion of Issue

Calculating the credit

Taxpayers are allowed to combine classes for the purposes of calculation of the credit using the following method only:

1. Classes with direct cost of less than $1,000 may be combined, AND
2. Classes with direct cost of $1,000 or more may be combined.

The retraining tax credit calculation does not provide for averaging. The methodology described above offers an option to lessen the number of form IT-RC’s, which must be completed. Classes that are combined should be of a similar nature.

Example 1: Corporation A has 12 employees whose training qualifies for Georgia’s Retraining Tax Credit. Ten employees attended a course in Microsoft Office 2000, which has a total direct cost for each employee of $250. Two employees attended a Network Systems course with direct cost of $5,000 each. In determining the Retraining tax credit for Corporation A, the 10 classes with direct cost of $250 must be claimed and reported on one form IT-RC. The two classes for the Network Systems course should be shown on a second form IT-RC. The retraining tax credit claimed on the tax return would constitute the aggregate of the two forms.

(Last updated: December 6, 2007)

For More Information

For more information about the retraining tax credit please reference O.C.G.A. § 48-7-40.5.