

Tax Incentive Review Panel

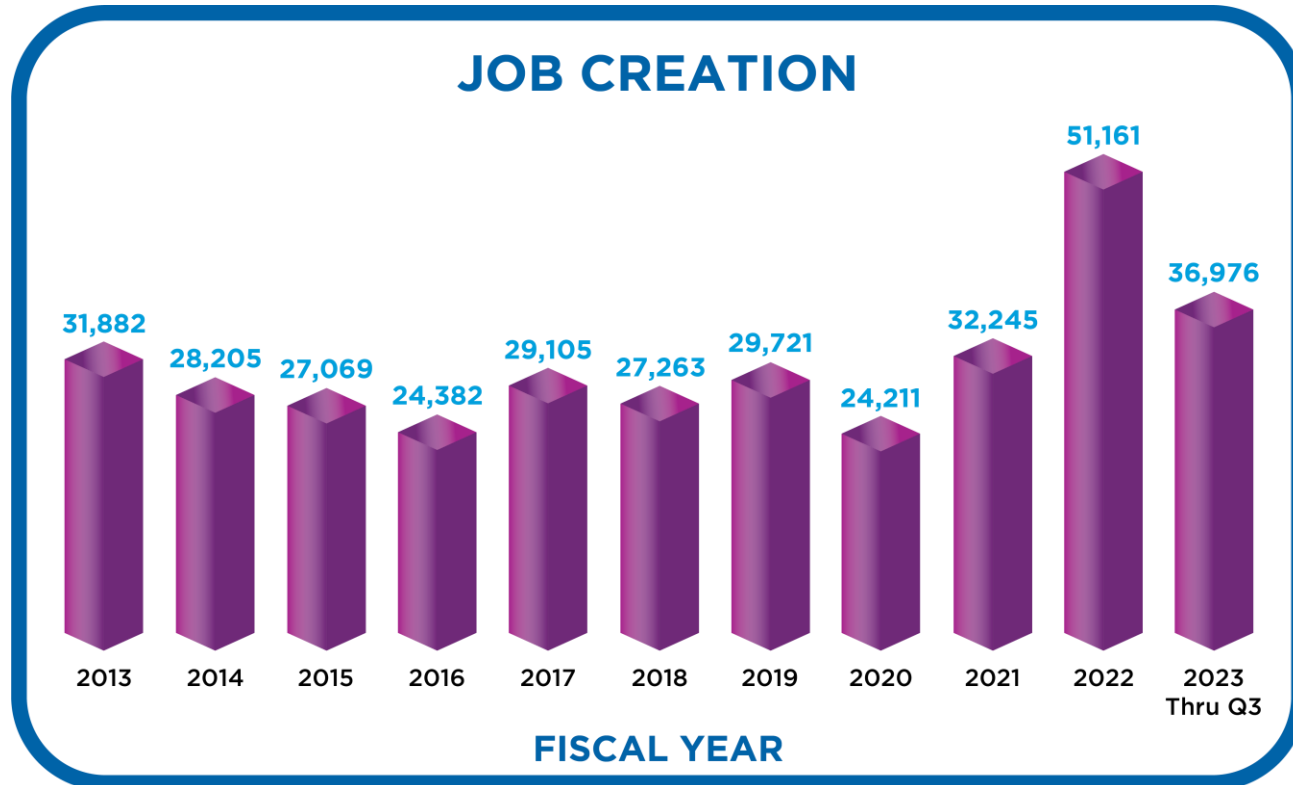
Georgia Department of Economic Development
June 14, 2023



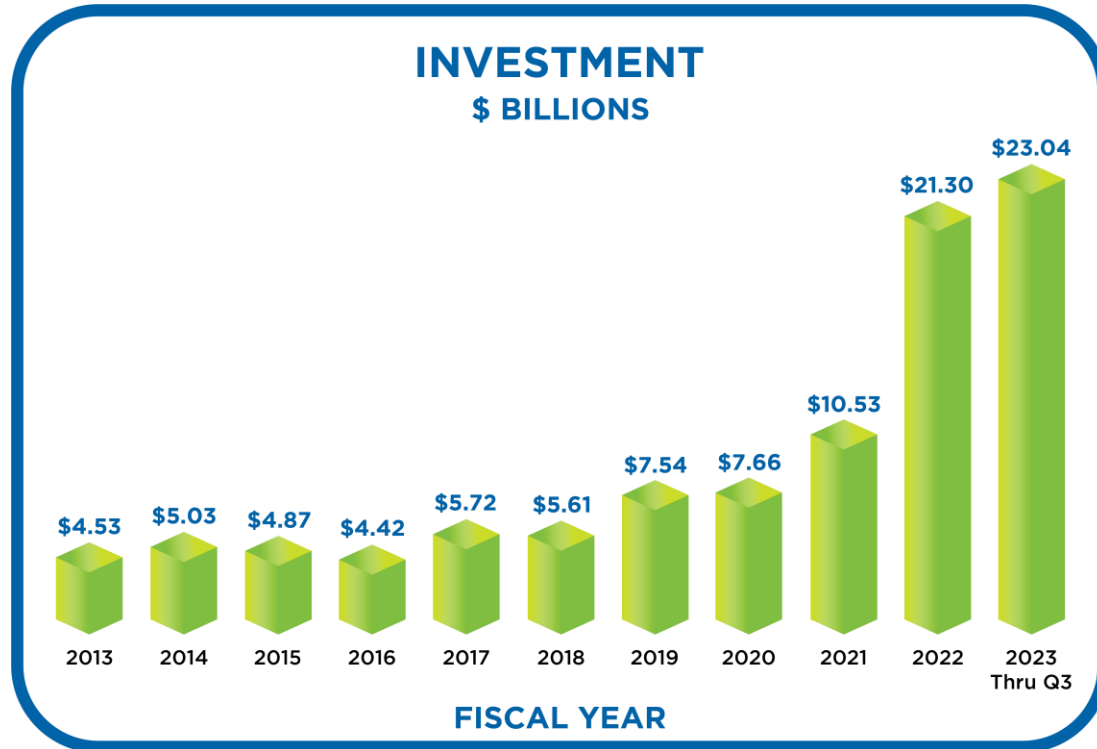
GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT

- ❑ Georgia Film Office
- ❑ Explore Georgia
- ❑ Georgia Council for the Arts
- ❑ Center of Innovation
- ❑ International Trade
- ❑ Global Commerce
- ❑ Small Business
- ❑ International Relations

Global Commerce: A Decade of Job Growth



Global Commerce: A Decade of Direct Investment



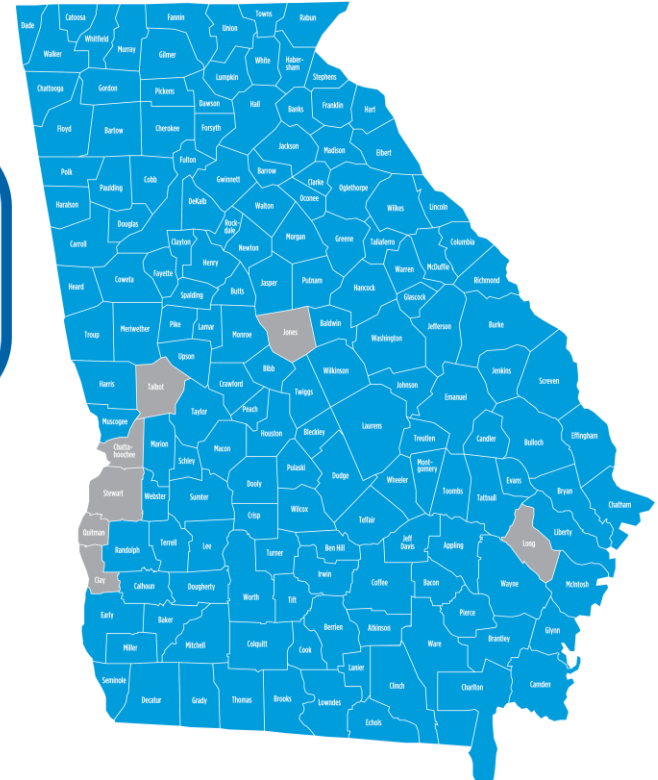
Global Commerce: Rural Counties (Pop. 50k or less)

Fiscal Year
2013 to 2023 YTD
(7/1/12 - 5/31/23)

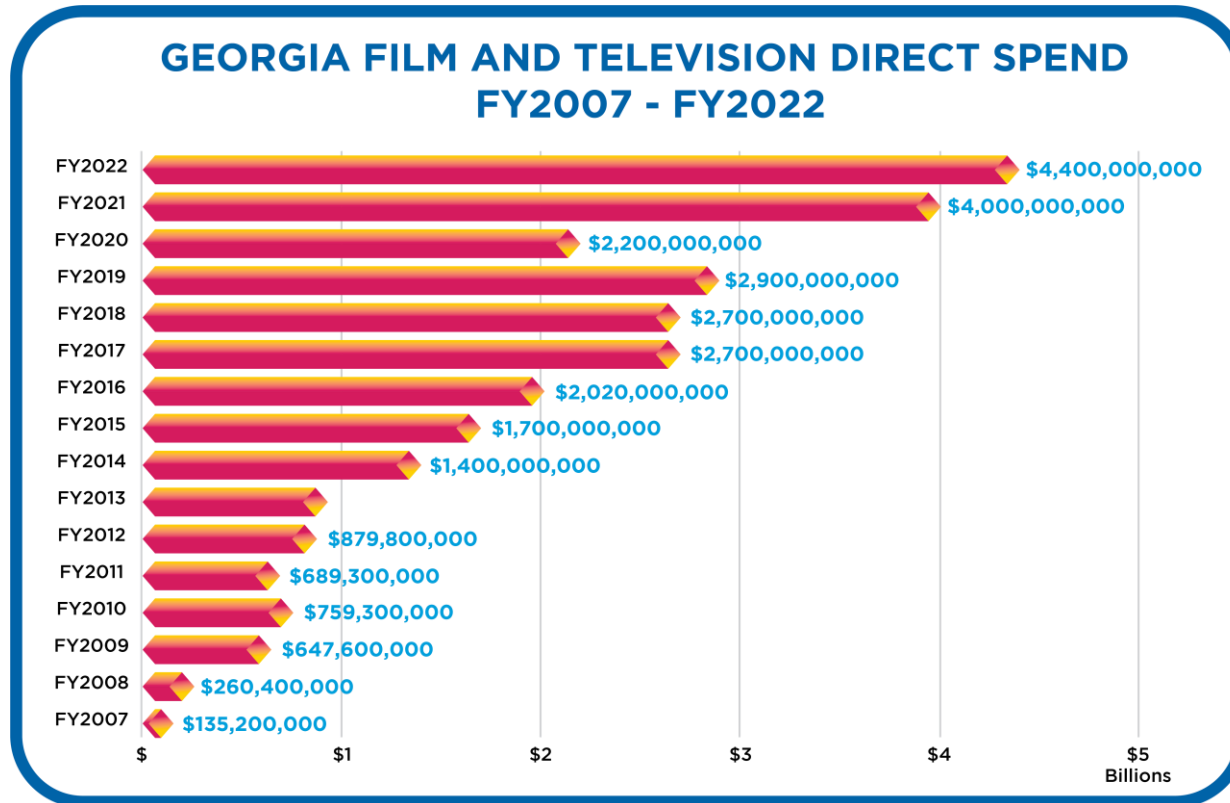
INVESTMENT IN RURAL COMMUNITIES (July 2012 - May 2023)

118 Counties with a Population of 50,000 or Less

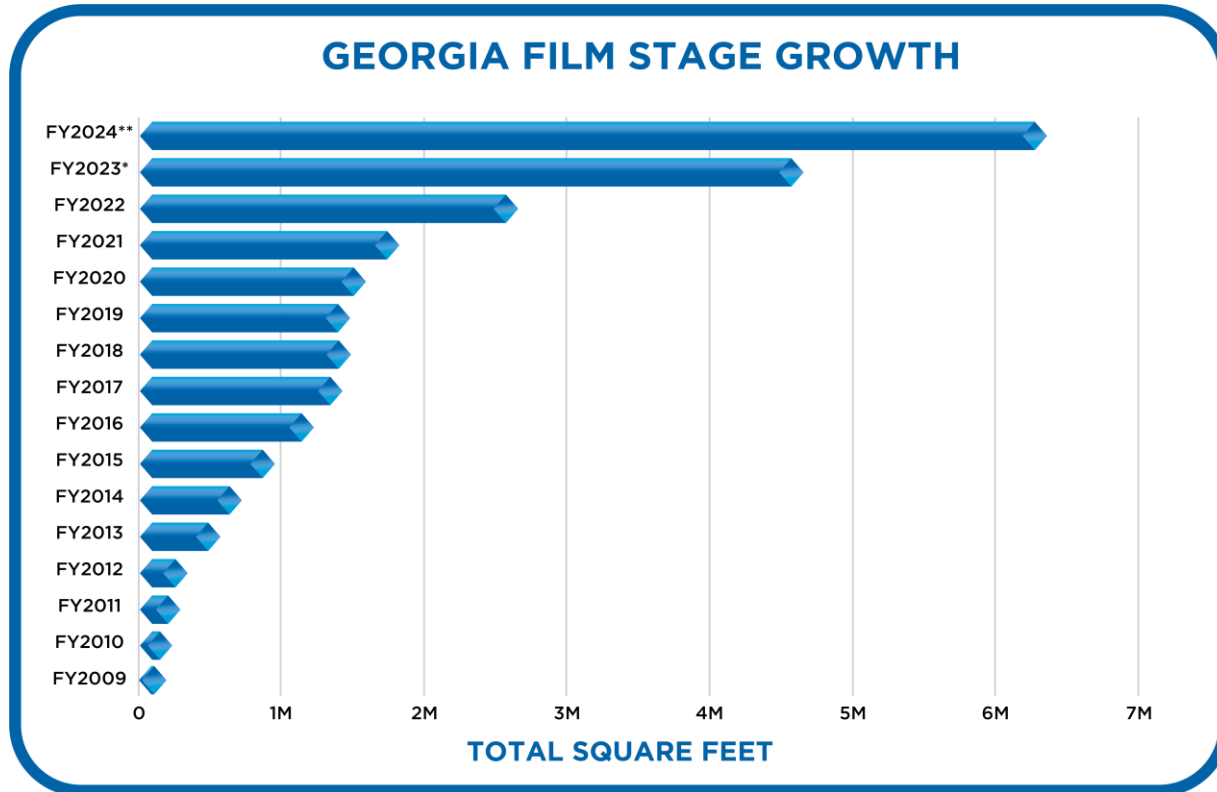
PERIOD	LOCATIONS	NEW JOBS	INVESTMENT
FY 2013 - 2023 YTD	1,557	74,053	\$23,270,763,845



Film: Direct Spending Data (FY2007 – FY2022)

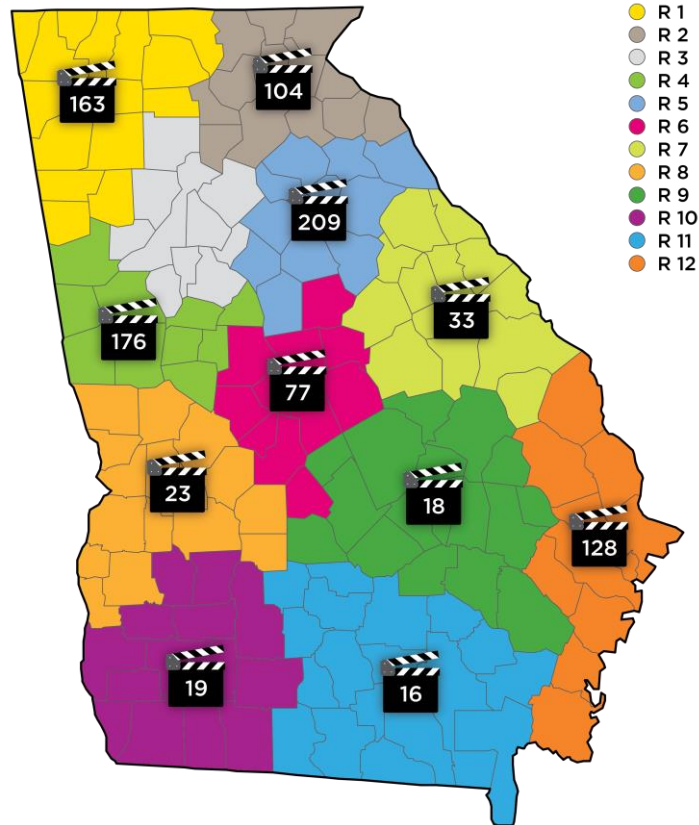


Film: Built Infrastructure (FY2009 – FY2024)



*Represents soundstages in development that project a 2023 opening. **Represents announced expansion that has not yet begun development.

Film: Activity by Region (2007 – 2023)



Statewide Impact



Why Has Georgia Been So Successful?

Business Recruitment & Retention

- ✓ Workforce
- ✓ Logistics and Infrastructure
- ✓ Available Developable Sites
- ✓ Speed of Permitting
- ✓ Cooperative and Responsive Government
- ✓ Stable and Predictable Incentive Programs

Film

- ✓ Workforce-Georgia Film Academy
- ✓ Logistics and Infrastructure
- ✓ Diversified Geography
- ✓ Network of local businesses supporting filming (catering, costuming, logistics support)
- ✓ Large amounts of studio/stage space
- ✓ Camera Ready Communities
- ✓ Stable and Predictable Incentives Programs

The Gratuities Clause: A built-in Guardrail

Georgia Constitution: Art. III, VI, Para. VI:

The General Assembly shall not have the power to grant any donation or gratuity or to forgive any debt or obligation owing to the public,

What does gratuity mean?

- -- “[s]omething given freely or without recompense; a gift” or
- – “[s]omething voluntarily given in return for a favor or now especially a service; hence, a bounty; a tip; a bribe.” *McCook v. Long*, 193 Ga. 299, 303 (1942); *Garden Club of Ga., Inc. v. Shackelford*, 266 Ga. 24, 24-25 (1995)

The Gratuities Clause: A built-in Guardrail

- Job Tax Credit; Quality Job Tax Credit → Create a job within a certain industry with benefits and a certain wage requirement (minimum \$15.90); credits range from \$1,250 up to \$5,000 per job for up to 5 years.
- Research & Development Credit → Invest in R&D, earn tax credit of up to 10% above base amount
- Film Tax Credit → Complete eligible approved production, meet in state spend threshold, complete audit, receive up to 30% of eligible spend
- Investment Tax Credit → Invest in eligible expenses; earn up to 8% credit

GDEcD Administered Tax Incentives

Incentive or Credit

- Film Tax Credit; Interactive Entertainment Credit; Music Tax Credit - O.C.G.A. §§ 48-7-40.26; 40.33; R&R 159-1-1, 2; 560-7-8-.45
- Tourism Development Act; O.C.G.A. § 48-8-270 et seq.
- Competitive Project of Regional Significance; -O.C.G.A. § 48-8-3(93); R&R 159-3-1-.01

GDEcD's Role

- Certifying a particular project as eligible; ensuring that project is of the type eligible to be certified, ensuring base spend is met, handling appeals process; preparing annual alternative marketing report; ensure logo is placed as legislated, ensure distribution requirements are met.
- Certifying projects with joint approval from DCA; Allows for the refund over 10 years of the lesser of ticket sales tax refund or up to 2.5% of a projects development cost.
- Designating companies as being eligible to use the sales and use tax exemption on construction materials; Governor approves each project.

Q&A



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