

CATOOSA COUNTY TAXES AND TAX INCENTIVES

State and Local Tax Rates

- Local sales tax: 3%
- State sales tax: 4%
- County Millage rate: 22.14
- City of Fort Oglethorpe Millage rate: 28.60
- City of Ringgold Millage rate: 24.84
- City of Fort Oglethorpe property tax: \$11.48*
- City of Ringgold property tax: \$9.98*
- County property tax (for properties outside city limits): \$8.88*
- State income tax: graduated, from 1%-6%

**Effective tax rate per \$1000 of property*

State and Local Tax Exemptions

State and local sales tax exemptions include:

- New manufacturing production machinery (including machinery at warehouses and distribution centers)
- Upgrades or replacements of existing machinery
- Machinery, equipment and materials purchased and used in a clean room of Class 100 or less
- Electricity interacting directly with a manufactured product, if the total cost of the electricity is more than half the cost of all materials used in making the product
- Primary handling equipment at warehouses and distribution centers when the company invests \$5 million or more in a new or expanded facility
- Re-manufacturing of aircraft engines and components
- Purchased or leased computer equipment at a high tech company, when the total purchase or lease exceeds \$15 million

Property Tax Exemptions

Catoosa County exempts up to 100% of inventory of the qualified product of a company from property tax under the state's "freeport" law. City exemption rates are 100% in Ringgold and 60% in Fort Oglethorpe. The City of Ringgold exempts up to 100% and the City of Fort Oglethorpe.

Raw material, work-in-process and finished goods inventory can all be exempted. Distribution centers and warehouse inventories are also exempt if the inventory will be shipped out of state.

Job/ Investment Tax Credits

Job tax credits or investment tax credits (taxpayer choice) are available to a business or its headquarters engaged in:

- Manufacturing
- Telecommunications
- Warehouse Distribution
- Research & Development
- Processing
- Tourism

Credits ranging from 6%-10% of qualified capital investment are available to:

- existing manufacturing or telecommunications business investing \$50,000 or more (when they've operated a facility in the state for three years prior); and
- manufacturing plants investing in recycled equipment, pollution control equipment, and for the conversion of a defense plant to manufacturing of a new product.

Catoosa County offers the following reductions in Ad Valorem tax credits for new jobs, or building and equipment investments:

- 10-24 new jobs or \$250k-\$1 million investment: 10% reduction over five years
- 25-99 new jobs or \$1.1 million-\$4 million investment: 20% reduction over five years
- 100 or more new jobs or more than \$4 million investment: 33% over seven years

Quality Jobs Tax Credit

Companies that create at least 50 jobs and pay wages at least 110% of the county average are eligible for a credit of \$2500-\$5000 per job/ per year, for up to five years. Credits may offset payroll withholding once all other tax liability has been exhausted. They may be carried forward 10 years.

Headquarter Tax Credits

Companies who locate their North American or International corporate headquarters in the state are eligible to receive an income tax credit of \$5,000 per job, per year for five years when the headquarter jobs pay twice the county average wage rate.

Research and Development Tax Credit

The R&D tax credit is up to 10% of the additional R&D expense over a base amount. The credit is available to businesses engaged in:

- Manufacturing
- Telecommunications
- Warehouse Distribution
- Research & Development
- Processing
- Tourism

Retraining Tax Credit

This credit is one-half of the employer's direct retraining cost, up to \$500 per employee. It's available to businesses in any sector.

Childcare Tax Credit

Employers that purchase or build qualified childcare facilities are eligible for up for a credit of up to 100% of construction costs. Employers providing or sponsoring childcare are eligible to receive a state income tax credit equal to 75% of their direct costs.

Both credits are available to businesses in any sector.

Corporate Income Tax

Georgia uses only a company's gross receipts or sales factor to determine the income subject to state income tax. This means property and payroll is not assessed for state income tax purposes. For manufacturing, distribution and service companies with substantial sales outside Georgia, this formula significantly reduces our rate of effective taxation.

Franchise or Corporate Net Worth Tax

The annual tax based on net worth is called a license or occupational tax in Georgia. Domestic corporations are taxed on 100% of net worth. Out-of-state corporations are taxed only on net worth apportioned to Georgia. This tax is capped at \$5,000 annually.

Mega Project Tax Credit

Companies that employ at least 1,800 net new employees, and invest a minimum of \$450 million OR have a minimum annual payroll of \$150 million may claim a \$5,250 per job/ per year tax credit for the first five years of each new job position.

Small Business Tax Relief

Small businesses making capital investments of less than \$410,000 may write off up to \$102,000 of those expenses in the current year. For capital investments greater than \$410,000, the tax write-off is reduced dollar for dollar.

Existing Industry Job Tax Credit Bonus

Companies that have been doing business in the state for at least three years can claim a one-time \$500 tax credit for every net new job added between 2006 and 2011.

