



## 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 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. Instructional Materials 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. Training Development Total: \_\_\_\_\_

### C. Instruction

Trainer wages for actual instruction time Cost: \_\_\_\_\_

Fees paid to Technical College or other training provider Cost: \_\_\_\_\_

Other Cost: \_\_\_\_\_

C. Instruction 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 = \_\_\_\_\_

b. Multiply the number of employees trained by \$500 = \_\_\_\_\_

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.



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**Georgia Department of Revenue**  
**Policy Statement IT-2007-12-06**  
**Georgia Retraining Tax Credit**

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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.