

Your company may qualify for tax credits

Do you own or manage a business? Do you have employees? Did you know that the federal government and the state of Georgia both offer tax credits to companies that hire and train employees? Do you know if your company is eligible for any of these credits?



Trey Brooks

I cannot cover all the credits in this article, and some credits are industry specific, but many businesses in our area might be eligible for some of the credits. There are even credits that can be used if a company does not have taxable income. This allows more employers to qualify for a credit while trying to establish or re-establish their business. Many companies that were hit hard by the recession either went under or had to cut back on their work force. Now that business is starting to pick up, these same

employers are having to hire additional employees to keep up with the workload. One federal credit for hiring additional workers was the "2010 HIRE Act." During 2010 this exempted employers from paying the 6.2 percent Social Security tax liability for qualified employees who were hired after Feb. 3, 2010, and before Jan. 1, 2011. Eligible employees had to certify that they had been employed less than 40 hours during the 60 days prior to their hire date, could not be related to the employer, and could not replace a worker unless that worker left voluntarily or for cause. If you hired someone who met the criteria but failed to take the "payroll tax holiday," you can amend your 2010 form 941 by filing form 941-X. An employee who was hired under the HIRE Act may also be eligible for the New Hire Retention Credit. This credit is applied to employees who fell under the HIRE Act and stay with the company for at least 52 con-

secutive weeks. The employee's wages during the second 26 weeks must be at least 80 percent of the wages during the first 26 weeks. If you need help to determine whether your employees qualify for either credit, please consult your accountant. In addition to the federal credits, Georgia has a tax credit for the creation of jobs called the "Employer's Jobs Tax Credit." With this credit, an employer in certain industries including manufacturing, warehousing, processing, telecommunications, broadcasting, tourism, and research could be eligible for a tax credit for hiring additional workers. This credit is broken into four categories or tiers, which determine the minimum number of new employees that need to be hired and the credit amount received for each new employee. Chatham County is classified as a Tier 4 county. A business would need to hire 25 or more employees to be eligible for a \$750 credit per new employee. If a business in Chatham County qualifies

for this credit and hires 25 employees, it would receive a credit of \$18,750. Each year that it maintains employment at that higher level, it would receive an additional \$18,750 for a potential total credit of \$93,750 over five years. However, certain parts of Chatham County are classified as a lower tier where there is a larger credit and a threshold of fewer employees. To find out if your company qualifies for this credit and in which tier your business is located, please consult your accountant. Georgia is interested in having a well-trained workforce and offers credits to encourage companies to invest in their employees. One credit is for providing basic reading, writing and mathematical skills training, including GED classes. Another credit is available for training employees to use new equipment, new technology or new operating systems. You must get your training program pre-approved and certified by the Technical College System of Georgia (Savan-

nah Technical College is in this system). Once the retraining program is approved, the credit is 50 percent of the direct cost to retrain a full-time employee up to \$500 per employee per year. This credit is used against an employer's Georgia income tax liability and can be carried forward for up to 10 years. If you are in the market for new equipment that will require extensive employee training, you should consult your accountant for help in obtaining the proper approval. With the economy making a comeback, businesses are starting to expand. Many of these expansion costs can be offset by tax credits established to help business succeed. It never hurts to ask your accountant what credits apply to your business. You never know the amount of money you could be missing out on. Trey Brooks is in the tax department at Hancock Askew & Co. LLC and can be reached at 912-234-8243 or jbrooks@hancockaskew.com.

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Kara Hooper met Jennifer over a sink. "I washed hair in a salon part-time, and while I was washing Jennifer's hair, I told her I was an English major at Armstrong Atlantic University and didn't know what I wanted to do. She gave me her card and a year later, she offered me a semester internship." After graduation, Kara was hired as the administrative assistant writing press releases, blogging and doing website and database management and event coordination. "If you work in a larger place, you are one of many. Here I am one of four. I have three great mentors and get to learn something from everyone."

what should people know about Abshire Public Relations?

"For the first three years, we worked from each other's homes and until last year, we were all virtual. We now have office space downtown at ThinSavannah. Some of our team still works virtually. It works because we have an amazing, disciplined team. "We stick to our 'core' and bring in expert collaborators to work on projects according to

the client's needs. "I think the powerhouse days of big firms are pretty passé. Since we have always worked lean, we would rather the clients pay for 'brain time' instead of our desks."

what makes APR successful in this economy?

We are very grateful that we had a loyal clientele that felt PR was an important part of the plan. We had long standing relationships and tried to be as flexible as possible within their budget so clients can still get the PR exposure they need from us. The power of the team is key. 'Paying it forward' is so true. I still get amazed by it. If you help someone, it will come back to you. "

APR's latest venture?

"Over last year, APR started an entrepreneurial division to provide small businesses and entrepreneurs public relations and media exposure customized to meet their needs."

favorite quote

"Whether or not it is clear to you, no doubt the universe is unfolding as it should."
— Desiderata

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