



## Research Tax Credit

Section 48-7-60 (2)

A tax credit is allowed for a business enterprise which has qualified research expenses in Georgia in a taxable year exceeding a base amount, provided that the business enterprise for the same taxable year claims and is allowed a research credit under Section 41 of the IRS Code of 1986, as amended. A copy of Federal Form 6762 must be attached.

### Section 1. Employer Information

Name	Tax ID No.	
Address	Type of Entity (C Corp, S-C, etc.)	NAICS Code
City/County/State	Tax Year Ending	
Contact Person	Telephone Number	

### Section 2. Basis Calculation

(A) Previous 3 Years	(B) Georgia Research Expenses	(C) Georgia Taxable Net Income	Credit Basis (A) $\times$ (B) / (C)
(D) Total Basis (Credit 20%)			

### Section 3. Calculation of Average

Total Basis (D)	No. of Years (E)	Average (D) / (E) = (F)

### Section 4. Calculation of Tax Base

Current Year Georgia Research Expenses	Multiplied by 20% (20% limitation) = (G)	+ (F) = (H)

### Section 5. Calculation of Tax Credit

Current Year Research Expenses	Minus (H) = (I)	Times (J)	Multiply (K) by 20%	Equals Tax Credit (L)

### Section 6. Application of Credit and Carry-Forward

(1) Current Tax Liability Without any Credits	\$
(2) Minus of all other Credits Claimed	\$
(3) Subsequent line (2) from line (1), this is the remaining tax liability	\$
(4) Multiply line (3) by 70%. Maximum credit allowed	\$
(5) Enter Research Tax Credit from line (L) in Sec. 5	\$
(6) Enter amount of tax credit carried over from prior year	\$
(7) Total available Research Tax Credit, line 4 & 5a	\$
(7) Credit to be claimed on return, lesser of line (6) or line (7)	\$
(8) If line (8) exceeds line (7), Unused Credit or Carry-Forward	\$

Line 8 is the available Carry-Forward. This amount may be carried forward for 10 years but may not exceed 70% of the business enterprise's remaining Georgia tax liability after all other credits have been applied. **Caution!** Section 5 must show positive Georgia Taxable Net Income for all three years in order to qualify. See example on back.