

Overview of Job Tax Credit Benefits

Designation	Eligible Businesses	Job Creation Requirement	Amount of Credit	JDA Bonus *	Credit Usage
Tier 1 – Bottom 40 (Ranked 1-40)	Any lawful business	2 net new jobs [†]	\$3,500 per eligible net new job	\$500 **	100% income tax liability + WH
Tier 1	Defined Business Enterprises	2 net new jobs [†]	\$3,500 per eligible net new job	\$500	100% income tax liability + WH
Tier 2	Defined Business Enterprises	10 net new jobs	\$2,500 per eligible net new job	\$500	100% of income tax liability
Tier 3	Defined Business Enterprises	15 net new jobs	\$1,250 per eligible net new job	\$500	50% of income tax liability
Tier 4	Defined Business Enterprises	25 net new jobs	\$750 per eligible net new job	\$500	50% of income tax liability
Less Developed Census Tract	Defined Business Enterprises	5 net new jobs	\$3,500 per eligible net new job	Not Applicable	100% income tax liability + WH
Designated Opportunity Zone or Military Zone	Any lawful business	2 net new jobs, but cannot be a husband & wife	\$3,500 per eligible net new job	Not Applicable	100% income tax liability + WH

* The Joint Development Authority (JDA) bonus is applicable to the County Tier designations under § 48-7-40, but not the census tract designations under § 48-7-40.1. Since the Opportunity Zone and Military Zone designations fall under the census tract provision, they are not eligible to claim the JDA bonus.

** The JDA bonus for businesses located in a Bottom 40 County is only applicable to an eligible Business Enterprise. A business which does not meet the business enterprise definition (per Code and Regulation) is not eligible to claim the \$500 bonus credit.

WH = Payroll Withholding Tax

[†] Effective for tax years beginning on or after 1/1 2012; for prior tax years, 5 net new jobs are required to meet the job creation threshold.