



Taxes

Real Estate Taxes

Assessed valuation in Georgia is 40% of real property value, and industrial property is taxed at the same rate as commercial and residential. Thus, the effective tax millage is 40% of the mills levied. Millage is expressed as dollars of tax per \$1,000 of value.

For a site located within one of the tax districts of Spalding County, the combined 2009 ad valorem tax rates are as follows:

| | Outside City | Inside City |
|-------------------------|---------------------|--------------------|
| State | .25 | .25 |
| County Government | 14.88 | 14.88 |
| School District | 18.80 | 18.80 |
| Sub-Total | 33.93 | 33.93 |
| | | |
| County Water District | 0.00 | 0.00 |
| County Fire District | 3.23 | 0.00 |
| City Government | 0.00 | 8.60 |
| Sub-Total | 3.23 | 8.60 |
| | | |
| Total Mills | 37.16 | 42.53 |
| | | |
| 40% Assessment | X .40 | X .40 |
| | | |
| Effective 2009 Tax Rate | \$14.86 | \$17.01 |

State Corporate Income Tax

While the maximum State Corporate Income Tax is 6%, since Georgia income tax paid is deductible for Georgia and Federal income tax purposes, the overall effective rate of the tax is approximately 4%. With only a few exceptions, Georgia follows Federal income tax rules in determining a corporation's net income that will be taxable in Georgia.

An advantage is that Georgia did not adopt the Federal 20% Corporate Alternative Minimum Tax system. There is also an election for the corporation to adopt depreciation deductions allowed for Federal income tax purposes instead of the depreciation deductions previously allowed for Georgia income tax purposes during the tax year the depreciated property was placed in service.

State Individual Income Tax

The maximum individual rate is also 6%. The standard deductions are:

| | |
|--|---------|
| Single taxpayers and Heads-of-Households | \$2,300 |
| Married filing separate returns | \$1,500 |
| Married filing joint return | \$3,000 |

Franchise Tax

The annual corporate franchise tax in Georgia is computed on net worth and ranges from a minimum of \$10 to a maximum of \$5,000 for a company with more than \$22-million of net worth. A company with \$4-million of net worth would pay about \$1,000.

Employment Security (Unemployment) Taxes

Georgia's unemployment insurance law is the Employment Security Law, which is administered by the Georgia Department of Labor. The tax rate for new employers is 2.7% imposed on the first \$8,500 of wages paid to each employee in a calendar year. Thirty-six months, after the computation date (6/30 of each year), the tax rate is computed annually based on the unemployment experience of the company. Computed rates range from 0.03% to a maximum of 7.02%.

Contributions that are paid in at timely manner will result in a 5.4% credit against the FUTA unemployment tax due the Federal Government.

Unlike many other states, the Georgia Trust Fund for unemployment insurance was solvent by more than \$291,286,677 in September 2009.

The maximum amount of unemployment benefits a claimant may be paid is \$320 each week up to 26 weeks, effective July 2006.