

GEORGIA BUSINESSES HELP STUDENTS SUCCEED!

Favorable state and federal tax laws and regulations allow pass-through businesses to improve Georgia K-12 education while achieving remarkable tax benefits.

Consult your tax advisor about this powerful and popular tax credit program, as depending on how you will pay your 2025 taxes, there are two opportunities for pass-through businesses to make a substantial impact on our community through GOAL.

Note that applications exceeded available credits in 2024, resulting in each applicant being approved for only 63% of the amount requested. GOAL anticipates oversubscription and proration again for 2025.

1. ELECTING PASS-THROUGH METHOD

GOAL tax credit is claimed at the entity level, under the name and FEIN of the pass-through business

Tax Filing Status

Pass-Through electing to pay tax at the entity level (HB 149)

Tax Credit Limit

75% of annual tax liability

HB 149 allows Georgia pass-through businesses to elect to pay state income tax at the entity level, thereby enabling the pass-through owners to avoid the \$10,000 SALT deduction limitation on their earnings from the business. For businesses making this election, they may contribute up to 75% of their state income tax liability to GOAL. This not only helps more families access their desired K-12 education, but can result in significant cost savings for the business owners.

2. INDIVIDUAL PASS-THROUGH OWNER METHOD

GOAL tax credit is claimed at the individual level, under the name(s) and SSN(s) of the pass-through business owner (and spouse, if applicable)

Tax Filing Status

Pass-Through Owner (not making HB 149 election)

Tax Credit Limit

\$25,000

For businesses who do not elect to pay state income tax at the entity level, pass-through owners can receive a tax credit for up to \$25,000 if they anticipate paying that much income tax as a result of their pass-through ownership, taking into account both profits (K-1 income) and wages (W-2 income) received from the business. Plus, these pass-throughs can also deduct contributions to GOAL if they qualify as ordinary and necessary business expenses, resulting in potential federal tax savings.

Please consult with your tax advisor about the most advantageous taxpaying method for your business and the associated GOAL tax planning opportunity.