

WANT TO CHOOSE

where and how **YOUR**
TAX MONEY is used?



GEORGIA'S EDUCATION TAX CREDIT *and deduction!*

There is a brand-new benefit for pass-through businesses, allowing a SALT (state & local income tax) limit workaround, coupled with a more generous tax credit opportunity, per Georgia HB 149.

Pass-through businesses may elect to pay state income tax at the entity level and may contribute to Providence School of Tifton at the same generous limits as C corporations (effective in 2022).

FEDERAL ACTION: Through IRS Notice 2020-75, issued on November 9, 2020, the IRS has allowed for a “SALT Workaround” for pass-through entities paying state income tax. In other words, the IRS will allow for state and local income taxes imposed on and paid by a pass-through entity with respect to its income to be taken as a deduction by the pass-through entity in computing its taxable income or loss for the year. These taxes are not subject to the SALT limitation for partners and shareholders who itemize deductions.

GEORGIA ACTION: HB 149, which the Georgia General Assembly passed during its 2021 legislative session, represents Georgia’s response to this IRS Notice, and provides that pass-through entities may make an annual election to pay the tax due on income earned by the entity *at the entity level* at the rate of 5.75% of the taxpayer’s Adjusted Gross Income (AGI).

GOLDEN DOME IMPACT: HB 149 specifically provides that the electing entity shall be eligible for the Golden Dome credit and will be treated as an “other entity” that is eligible for a credit in an amount up to 75% of the entity’s Georgia income tax liability. Additionally, the electing pass-through entity will not be required to claim any business purpose for the payment besides satisfying the entity’s Georgia tax liability.



All funds must go through a Student Scholarship Organization (SSO). Golden Dome is Providence School of Tifton’s chosen SSO. We recommend that you consult with your tax professional about this tax planning opportunity, as Golden Dome does not provide tax advice.