

## Georgia Retraining Tax Credit - Frequently Asked Questions - Healthcare

### ➤ What is the Georgia Retraining Tax Credit (RTC)?

The RTC is designed to reward employers for training their workforce on new or upgraded software, technology or business processes: EHR/EMR, upgrades for meaningful use, diagnostic equipment etc. The credit is an economic development tool that Georgia employers have been using since the mid-1990s. This is one of the strongest state training incentives in the country.

### ➤ Why haven't I heard about this credit before?

Though the credit is built into Georgia's Revenue Code, the program is not widely understood, and relatively few businesses and healthcare practices take full advantage of the opportunity. It is typically utilized by very large organizations that have sophisticated tax resources available. However, this credit is a powerful incentive for small and mid-size practices that are constantly retraining their staff in order to expand or enhance their economic competitiveness.

### ➤ Why didn't my CPA tell me about the credit?

The credit is offered as a tax incentive, but state officials who are outside the normal tax and accounting channels administer it. For all but the largest companies, experts in business process, rather than those specializing in accounting, best manage the credit application process. Moreover, with numerous state and federal tax credits available (many of which change yearly), it is difficult for any CPA firm to keep up with all of them. **Alphareresults specializes solely in Georgia tax credits** and works closely with your CPA to understand your tax strategy and issues.

### ➤ Who is eligible for the credit?

All Georgia employers who pay Georgia income tax on corporate or personal returns are eligible for the credit if the training threshold is met. The tax credit is triggered during the tax year in which employees receive eligible training. Some new, part-time, or non-resident employees are excluded from triggering the credit.

### ➤ When can I use this credit?

The credit can be retroactive. For prior tax years, you can use the credit to secure a refund of taxes paid in past years. For current and future tax returns, you can use the tax credit to immediately offset your Georgia income tax liability. In addition, the tax credit can be utilized against your quarterly Georgia income tax estimated payment.

### ➤ How is this incentive different from the Federal Meaningful Use incentive?

This tax credit is only for employers in Georgia and applies to any new/upgraded technologies (such as Electronic Health Records and diagnostic equipment) and related employee training. The Federal Meaningful Use incentive applies to specific business processes and requirements for managing electronic health records. The Meaningful Use and Georgia RTC incentives can be utilized together, as you may be eligible for a credit based on the training required to pursue meaningful use.

➤ What do I pay for this service?

We work on a pure contingency basis and do not get paid if you do not receive a tax credit. Each tax credit dollar is money back to you for your investment in your practice. It is like money that was lost, but now is found. Bottom line: **you cannot afford not to do this.**

➤ What do I get for this service?

Our background is in information technology, training, process consulting and tax credits. We understand information technology implementation, workflow changes, and the related training impacts. In addition, we have completed hundreds of Retraining Credit projects and secured state approval for all of them, so we understand the process of getting the certification from the State of Georgia. Our goal is to maximize your tax credits while minimizing the time and effort required by your staff. We will work with your CPA to ensure that your tax needs are being addressed. None of your current business relationships will change (such as CPA, Consultants, or other business advisors).

➤ How would my practice qualify for the credit?

Physician practices often have unique tax situations. If your practice is set up as an S Corporation, LLC, LLP, sole proprietor or P.C. (see next question) and you pay Georgia income taxes, you may qualify for the credit. Training qualifications may be met if you have provided training for new technologies such as Electronic Health Records (EHR), clinical technology, workflow changes, LEAN healthcare activities and other new or upgraded programs.

➤ What is a P.C. or P.A.?

A Professional Corporation (such as a P.C. or P.A.) can elect the Georgia income tax structure as either an S Corporation or C Corporation. If your practice is set up as an S Corporation, you may be eligible for the RTC. In some cases, if a Professional Corporation is formed as a C Corporation, it may not benefit from the tax credit due to limited Georgia corporate income tax liability. We will discuss this with your CPA before commencing any project.

➤ How do I get started?

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