

Georgia Pass-Throughs Invest in Education!

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 program.

1 For "Electing" Pass-Through Entities:

Pass-through businesses may now elect to pay state income taxes at the entity level ("SALT workaround" per Georgia HB 149). Electing pass-through entities may contribute to GOAL at the same generous limits as C corporations:

Tax Filing Status	Tax Credit Limit
C Corp, Trust, or Pass-Through electing to pay tax at the entity level (HB 149)	75% of annual tax liability

Making the election and GOAL contribution likely results in a double tax benefit:

- 100% state income tax credit for the electing pass-through entity
- Federal business expense deduction, resulting in savings which GOAL's CPA firm has calculated at up to [\\$20,313 in an example with Georgia taxable income of \\$1 million.](#)

2 For Pass-Through Entities not making the HB 149 election:

Georgia lawmakers have raised the tax credit limit for pass-through owners to a generous \$25,000, if the owner would pay that much in Georgia income tax as a result of their pass-through ownership!

Tax Filing Status	Previous Limit	New Limit
Pass-Through Owner (not making HB 149 election)	\$10,000	\$25,000

Hint: Pass-through income required to support a \$25,000 GOAL tax credit is \$455,373 (\$25,000 divided by .0549 = \$455,373). Keep in mind that income from the pass-throughs can include both profits (K-1) and wages (W-2) income.

GOAL contributions from non-electing pass-throughs can result in a double tax benefit as well:

- 100% state income tax credit for the pass-through owner
- Federal business expense deduction if the payment qualifies as an ordinary and necessary business expense – *if payment is made with the reasonable expectation of financial return for the business* – resulting in savings which GOAL's CPA firm has calculated at up to [\\$3,200 for a \\$10,000 contribution and \\$8,000 for a \\$25,000 contribution.](#)