

A Tax-Smart Opportunity for Pass-Through Businesses

Thanks to favorable state and federal tax laws, pass-through businesses can use the Georgia GOAL tax credit to align smart tax planning with meaningful impact. Eligible contributions provide a 100% Georgia income tax credit, a federal charitable deduction, and sustained support for our school community. Based on your 2027 tax strategy, pass-through entities have two ways to create substantial impact through Georgia GOAL.

1

Electing Pass-Through Method

The Georgia 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

Up to 75% of annual tax liability

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

- 100% state income tax credit for the electing pass-through entity
- Federal business expense deduction, resulting in tax savings

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 SALT deduction limitation on their earnings from the business.

Submit your 2027 Georgia GOAL tax credit application at goalscholarship.org.

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

Georgia 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 for the pass-through business

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.