

Georgia Tourism Development Act Program

GEORGIA TOURISM DEVELOPMENT ACT (GTDA)

PURPOSE

The Act provides a state sales and use tax incentive program for tourism development projects to induce the creation or expansion of tourism development attractions within the state. The purpose is to relieve unemployment by preserving and creating jobs that would not exist if not for the sales and use tax refund offered by the State and local government.

GTDA – DESCRIPTION OF REFUND

- ❑ **Allows developer to recover, over a ten-year period, the lesser of the amount of sales and use taxes or up to 2.5% of total project development costs incurred at any time prior to January 1 of the year in which the tax refund is filed.**
- ❑ **Applies to state sales and use taxes.**
- ❑ **Can apply to local sales and use taxes, excluding those for educational purposes, if approved by local government and specifically authorized in a resolution.**
- ❑ **Developer/applicant cannot simultaneously claim GTDA and other state tax incentives.**

GTDA – ELIGIBILITY CRITERIA

- Over \$1 million investment in new tourism attraction or expansion of existing tourism attraction
- Significant and positive economic impact on State, taking into account potential competition with other attractions
- Sufficient revenues and demand to be open 100 days per year
- No adverse impact on employment in the State
- For each year following third year of operation, attract at least 25% of its visitors from out-of-state

GTDA – ELIGIBILITY (cont.)

- Act defines Tourism Attractions as:
 - Cultural or historical sites
 - Recreation or entertainment facilities
 - Convention hotel and conference centers
 - Automobile race track with other tourism amenities
 - Golf course facility with other tourism amenities
 - Marinas and water parks with lodging and restaurant facilities
 - Georgia crafts and products centers

- Not eligible:
 - GTDA does not apply to facilities devoted primarily to retail (malls, movie theatres, restaurants) and used primarily by locals.
 - Renovation costs

GTDA – APPLICATION PROCESS

- Eligible Applicants: Developers/Owners of Tourism Attractions and Development Authorities
- Pre Application Strongly Encouraged
- Prior to Formal Application
 - Submit project to local government for public hearing, local government approval, and local government resolution
 - Supporting Documents: business plan, marketing study, economic and financial projections, project cost estimates, resumes, financial statements, written financial commitments, site plan/map, etc.
- Formal Application Will Require Fee – the lesser of 0.5% of proposed cumulative sales and use tax refund for the ten-year period, or \$10,000

GTDA – AFTER APP SUBMITTED

- DCA reviews and sends completeness letter.
- Independent Consultant is contacted to conduct analysis of fiscal and economic impact, competition, tourist attendance. Independent Consultant fee is responsibility of applicant.
- DCA staff make preliminary recommendation to Commissioners of DCA and GDEcD.
- Both Commissioners must approve for project to receive GTDA approval.
- Agreement is executed between DCA and applicant.
- Applicant submits tax refund paperwork to DOR IAW terms of agreement.

For more information, contact

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