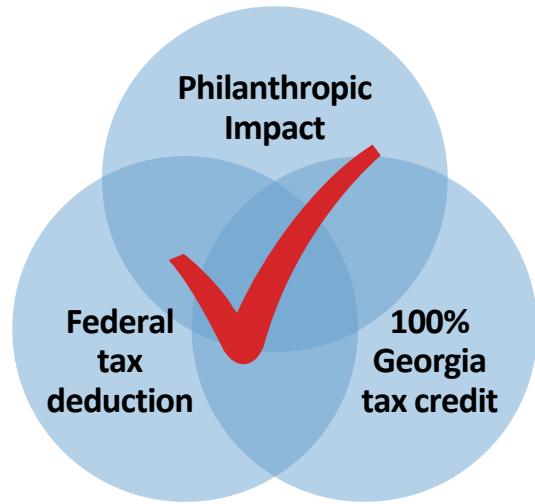


The HEART of the Matter for Businesses:

Favorable state and federal tax laws and regulations allow pass-through businesses to achieve remarkable benefits through the HEART tax credit: a state tax credit, a federal tax deduction, and a sustaining philanthropic impact on Georgia communities!



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 HEART at the same generous limits as C corporations – **and importantly, these limits are in effect during the first half of the calendar year:**

TAX FILING STATUS	TAX CREDIT LIMIT
C Corp, Trust, or <u>Pass-Through electing to pay tax at the entity level (HB 149)</u>	up to 75% of annual tax liability

Making the election and HEART contribution 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 HEART’s CPA firm has calculated at up to \$21,275 in an example with Georgia taxable income of \$1 million.

Significantly, making the HB 149 election may be the best chance of obtaining a sizable HEART tax credit given the program popularity and the pace at which tax credits are now being consumed.

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

TAX FILING STATUS	LIMIT: JANUARY-JUNE	LIMIT: BEGINNING JULY 1
Pass-Through Owner (Entity is not making the HB 149 election)	\$10,000	UNLIMITED

HEART 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.

We recommend that you consult with your tax professional about this tax planning opportunity, as Georgia HEART does not provide tax advice.