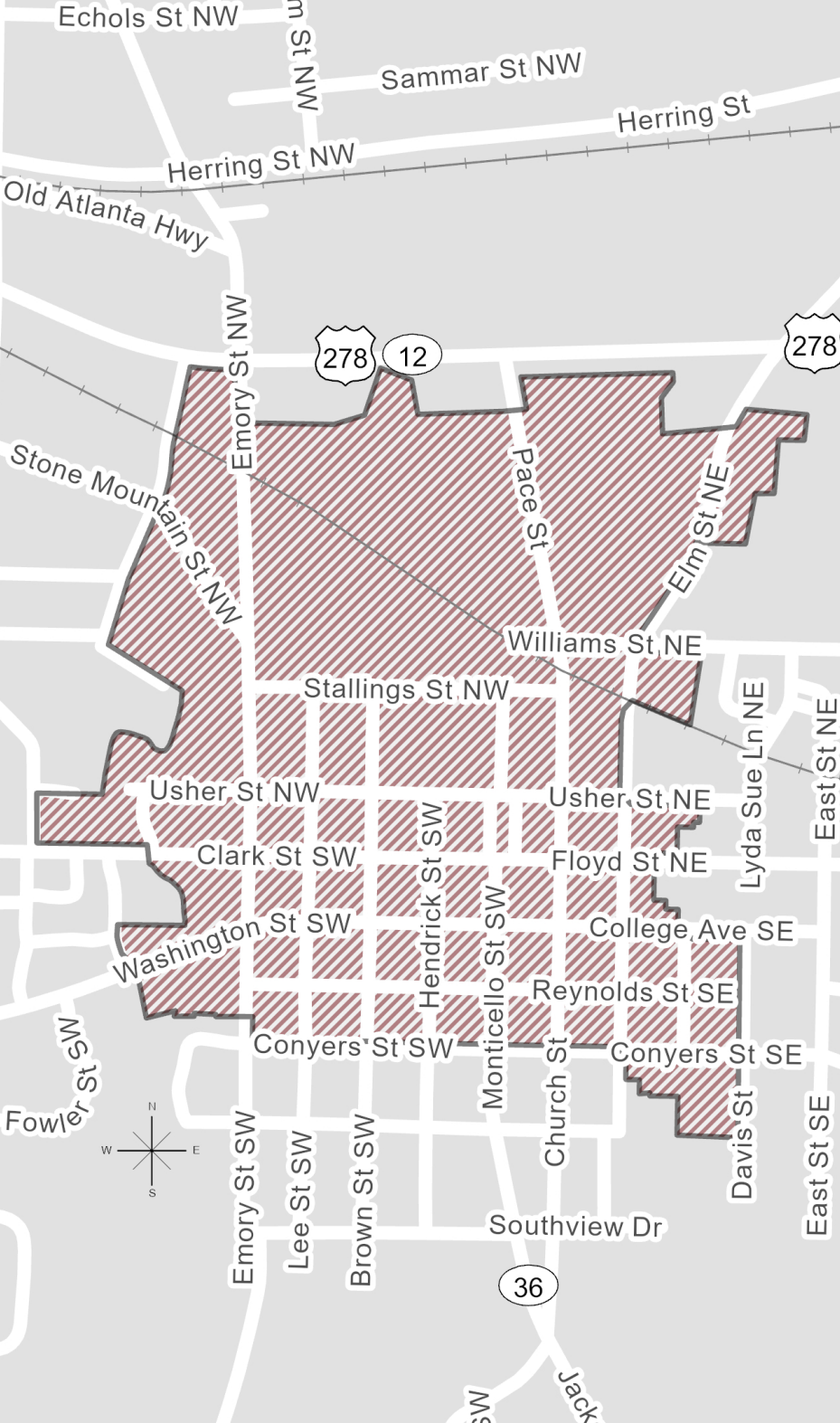




R.U.R.A.L ZONE

REVITALIZING UNDERDEVELOPED RURAL AREAS LEGISLATION

What is a Rural Zone Tax Credit?

This initiative by the Georgia Department of Community Affairs (DCA) provides tax credits to individuals and businesses creating jobs and making qualifying investments within historic downtown areas.

The purpose behind the Rural Zone designation is to assist in the revitalization of our community by incentivizing new businesses to come to Downtown Covington.

By creating new jobs, investing in commercial property, and restoring historic buildings through incentives; downtown entrepreneurs can move forward.

Tax Credit Benefits

- Downtown Revitalization
- Investment Stimulation
- Job Creation Opportunities
- Retail Opportunities
- Up to five-year tax credit on jobs created

1

JOB TAX CREDIT

\$2,000 credit per new full-time equivalent job

2

REHABILITATION TAX CREDIT

Equivalent to 30% of qualified rehabilitation costs, not to exceed \$150,000

3

INVESTMENT TAX CREDIT

Equivalent to 25% of the purchase price, not to exceed \$125,000



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RURAL ZONE PROCESS

HOW IT WORKS

ARE YOU INTERESTED IN RURAL ZONE TAX CREDITS?

Contact your CPA

Identify the property of interest inside the rural zone

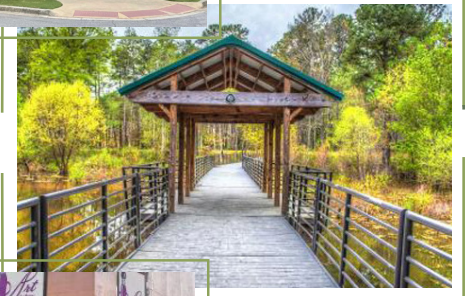
Prove eligibility of acquisition by keeping track of closing documents

Prove redevelopment by documenting renovations

Document all jobs created. This is required for this tax credit

Fill out your rural zone form from the city and submit to the city

Enjoy your money. It comes as a credit on your tax return.



Contact Brian Kitchens for questions or more information on the Rural Zone Process.

JOB TAX CREDITS

- Must create 2 full-time equivalent jobs.
- \$2,000 credit per new full-time equivalent job - not to exceed \$40,000 credit per year.
- Eligible businesses include professional services or retail.
- Credit can be taken for 5 years as long as jobs are maintained.

REHABILITATION TAX CREDIT

- Equivalent to 30% of qualified rehabilitation costs not to exceed \$150,000.
- Credit should be prorated equally in three installments over three taxable years.
- Must create a minimum of two full-time equivalent jobs.

INVESTMENT TAX CREDIT

- This credit is for purchasing property downtown within the Rural Revitalization Zone.
- Equivalent to 25% of the purchase price not to exceed \$125,000.
- To claim this tax credit the investment property must be within the designated Rural Revitalization Zone and create two full-time equivalent jobs.
- Credit can be claimed over 5 years.



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