

Transferable State Tax Credits

Did you know that certain state tax credits can be transferred/sold between unrelated taxpayers with the potential to satisfy your tax liability for less than 100 cents on the dollar?

Sound like a 3 a.m. infomercial? Think again. As many of you are aware, numerous jurisdictions provide various state credits and incentives as an inducement for taxpayers to increase capital expenditures, hire additional employees or engage in similar types of desired economic behavior. However, in many cases the taxpayer is unable to utilize such credits since they are in a loss position or have nominal income in the jurisdiction.

Consequently, many states have provided the ability for a taxpayer to transfer/sell the credits at a discount to a third party in the event they don't have a sufficient tax liability to utilize the credit. As such, this presents a unique opportunity for unrelated taxpayers to satisfy their tax liabilities for less than 100 cents on the dollar.

The Dixon Hughes SALT Practice has summarized the various credits and incentives offered in the eight states in our footprint (Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas and West Virginia) that allow for the transfer of credits between taxpayers.

[View a summary of transferrable credits in the Southeast](#)

At the present time we are aware of \$30 million of Georgia Film Credits that are available to satisfy the 2009 tax liability which can be acquired at 90 cents on the dollar.

For more information, contact Joyce Waterbury at 919.301.6715.

About Dixon Hughes: Dixon Hughes is the largest accounting firm based in the Southern U.S. and ranks among the nation's top 20. With a staff of over 1200 located in eight states, the firm provides a wide array of assurance, tax and consulting services to clients of all sizes. For more information, visit www.dixon-hughes.com.