

# HEART for Pass-Throughs: Too Good to Pass Up!

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!

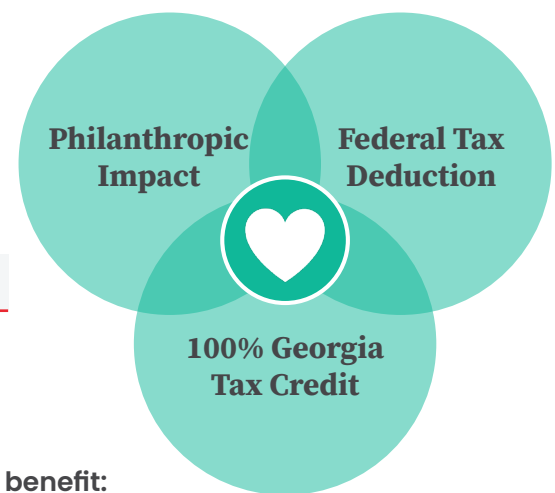
## Pass-Through owners now have 2 options for paying their taxes & contributing to HEART

|  | Who Claims the Credit? | What ID # is Used?     | What % of Tax Liability Can Be Used? |
|--|------------------------|------------------------|--------------------------------------|
| <b>“Electing” pass-through entities:</b><br>Pass-through entities paying their taxes by making the HB 149 election | Business Entity        | Business FEIN          | 75%                                  |
| <b>“Non-electing” pass-throughs:</b><br>Pass-through owners paying their taxes in the ‘original’ way               | Business Owner         | Social Security Number | 100%                                 |

### 1 For “Electing” Pass-Through Entities:

Pass-through businesses may 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:

| TAX FILING STATUS  | TAX CREDIT LIMIT: ALL YEAR        |
|--|-----------------------------------|
| C Corp, Trust, or <b>Pass-Through electing to pay tax at the entity level (HB 149)</b> | 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 tax savings

### 2 For “Non-Electing” Pass-Throughs:

| 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.*