



GOAL for Pass-Throughs: Too Good to Pass Up!

Favorable state and federal tax laws and regulations allow pass-through businesses to improve Georgia K-12 education while achieving remarkable tax benefits. Depending on how you will pay your 2026 taxes, there are two opportunities for pass-through businesses to make a substantial impact on our community through GOAL.

Pass-Through owners have two options for paying their taxes and contributing to GOAL:

	Who Claims the Credit?	What ID # is Used?	What % of Tax Liability Can Be Used?	What is the Maximum Contribution Amount?
“Electing” pass-through entities: Pass-through entities paying their taxes by making the HB 149 election	Business Entity	Business FEIN	75%	There is no limit, so long as it falls within 75% of tax liability
“Non-electing” pass-throughs: Pass-through owners paying their taxes in the ‘original’ way	Business Owner	Social Security Number	100% of tax related to business income	\$25,000 per business owner

1. For “Electing” Pass-Through Entities:

HB 149 allows Georgia pass-through businesses to elect to pay state income tax at the entity level, thereby enabling the pass-through owners to avoid the \$10,000 SALT deduction limitation on their earnings from the business. For businesses making this election, they may contribute up to 75% of their state income tax liability to GOAL. This not only helps more families access their desired K-12 education but can result in federal income tax savings for the business owners.

Tax Filing Status	Tax Credit Limit
Pass-Through electing to pay tax at the entity level (HB 149)	75% of annual tax liability

2. For “Non-Electing” Pass-Throughs:

For businesses who do not elect to pay state income tax at the entity level, pass-through owners can receive a tax credit for up to \$25,000 if they anticipate paying that much income tax as a result of their pass-through ownership, taking into account both profits (K-1 income) and wages (W-2 income) received from the business. Plus, these pass-throughs can also deduct contributions to GOAL if they qualify as ordinary and necessary business expenses, resulting in potential federal tax savings.

Tax Filing Status	Tax Credit Limit
Pass-Through Owner (not making HB 149 election)	\$25,000

Note that applications exceeded available credits in 2025, resulting in each applicant being approved for only 53% of the amount requested. GOAL anticipates oversubscription and proration again for 2026. Please consult with your tax advisor about the most advantageous taxpaying method for your business and the associated GOAL tax planning opportunity.