

Example output

Tell me everything you know about transferable tax credit

Retrieval Generation

Transferable tax credits can be applied against the production entity's tax liability in a specific jurisdiction or sold on the open market if the entity has no tax liability. There is usually a market for these credits, allowing buyers to purchase them at a discount. Selling the credit can result in quicker cash access compared to refundable tax credits. It is important to consider the discount rate when planning to sell or transfer a tax credit to avoid unexpected outcomes. Transferable tax credits are offered in locations like the Dominican Republic and the US state of Georgia.

refundable-transferable-rebate-what-does-it-all-mean

Transferable tax credits require a little more legwork. The full value of the credit can be applied against the production entity's tax liability in the jurisdiction OR – if they have no tax liability - the credit can be sold on the open market, usually at a discount.

There's often a decent market for these credits (for the buyer, it's like buying a discount on your tax bill), and broker services to handle the transactions. If you simply sell the credit, you'll likely get your cash faster than you would with a refundable tax credit, since you don't have to wait to file a return.

One point of caution: if you **know** you'll be selling/transferring a tax credit, be sure to factor the discount rate into your accounting, or you might be surprised when that million-dollar incentive you were counting on turns out to yield only \$900K. The Dominican Republic and US state of Georgia offer transferable tax credits, and unscripted qualifies.