

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the imposition, rate, and computation of income tax, so as to provide for a tax
3 credit for certain amounts expended for qualified child care expenses; to provide for
4 definitions; to provide for conditions and limitations; to provide for authority of the state
5 revenue commissioner with respect to the foregoing; to provide for related matters; to
6 provide for an effective date and applicability; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
11 imposition, rate, and computation of income tax, is amended by adding a new Code section
12 to read as follows:

13 "48-7-29.9.

14 (a) As used in this Code section, the term:

15 (1) 'Qualified child care expenses' means payments by the taxpayer for in-home child
16 care services or for day care, which services or care:

17 (A) Are provided to the qualifying child; and

18 (B) Are purchased or obtained from a day-care facility, preschool, private tutor, nanny,
19 or other individual not related to the taxpayer or the qualifying child.

20 (2) 'Qualifying child' means an individual who is related to the taxpayer by blood,
21 marriage, or adoption and who is under the age of 13.

22 (b) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
23 for qualified child care expenses in an amount not to exceed \$1,000.00 per qualifying child.
24 No taxpayer shall be entitled to such credit with respect to the same qualified child care
25 expenses claimed by another taxpayer.

1 (c) In no event shall the total amount of the tax credit exceed the taxpayer's income tax
2 liability. Any unused tax credit shall not be allowed to be carried forward to apply to the
3 taxpayer's succeeding years' tax liability. No such tax credit shall be allowed the taxpayer
4 against prior years' tax liability.

5 (d) No credit shall be allowed under this Code section with respect to any qualifying child
6 care expenses either deducted or subtracted by the taxpayer in arriving at Georgia taxable
7 net income or with respect to any qualified child care expenses for which amounts were
8 excluded from Georgia net taxable income.

9 (e) The commissioner shall promulgate any rules and regulations necessary to implement
10 and administer this Code section."

11 **SECTION 2.**

12 This Act shall become effective on January 1, 2004, and shall be applicable to all taxable
13 years beginning on or after January 1, 2004.

14 **SECTION 3.**

15 All laws and parts of laws in conflict with this Act are repealed.