

House Bill 209

By: Representatives Epps of the 90th, Howard of the 98th, Brooks of the 47th and Stanley-Turner of the 43rd, Post 2

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 in conformity with
4 federal tax law; to provide for definitions; to provide for conditions and limitations; to
5 provide for authority of the state revenue commissioner with respect to the foregoing; to
6 provide for related matters; to provide for an effective date and applicability; to repeal
7 conflicting laws; and for other 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 immediately following Code Section 48-7-29.8, to be designated Code Section 48-7-29.9,
13 to read as follows:

14 "48-7-29.9.

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

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

18 (A) Allow the taxpayer to work or look for work;

19 (B) Are provided to the qualifying child; and

20 (C) Are purchased or obtained from an organization or individual not related to the
21 taxpayer or the qualifying child.

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

24 (b) A taxpayer who has claimed and been allowed a federal earned income credit pursuant
25 to Section 32 of the Internal Revenue Code of 1986, as amended, shall be allowed a credit
26 against the tax imposed by Code Section 48-7-20 for qualified child care expenses in an

1 amount not to exceed the amount of the federal child care tax credit which the taxpayer
2 claims and is allowed for federal income tax purposes. No taxpayer shall be entitled to
3 such credit with respect to the same qualified child care expenses claimed by another
4 taxpayer.

5 (c) Except as otherwise provided in subsection (d) of this Code section, in no event shall
6 the amount of the tax credit exceed the taxpayer's income tax liability. Any unused tax
7 credit shall not be allowed to be carried forward to apply to the taxpayer's succeeding
8 years' tax liability. No such tax credit shall be allowed the taxpayer against prior years'
9 tax liability.

10 (d) To the extent that the tax credit exceeds the taxpayer's income tax liability and the
11 commissioner determines that this state's allocation of federal temporary assistance for
12 needy families block grant for the earned income credit contains sufficient funds, the
13 commissioner is authorized to refund the applicable excess to the taxpayer from such
14 federal funds made available for such purpose. If insufficient funds are available for such
15 purpose, the commissioner shall make a pro rata refund with respect to qualifying
16 taxpayers. If no funds are available, no refund shall be made under this subsection.

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

21 (f) The commissioner shall promulgate any rules and regulations necessary to implement
22 and administer this Code section."

23 **SECTION 2.**

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

26 **SECTION 3.**

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