

House Bill 1131

By: Representatives Park of the 101st, Trammell of the 132nd, Clark of the 108th, Moore of the 95th, Kennard of the 102nd, and others

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
3 graduated tax credit based on taxpayer income for certain child and dependent care expenses;
4 to provide the refund of such tax credit exceeding tax liability; to provide for related matters;
5 to provide for an effective date and applicability; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 style="text-align:center">**SECTION 1.**

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
10 imposition, rate, and computation of income tax, is amended by revising Code
11 Section 48-7-29.10, relating to credit for qualified child and dependent care expenses, as
12 follows:

13 "48-7-29.10.

14 (a) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20
15 for qualified child and dependent care expenses. Such credit shall be determined by
16 applying a percentage to the amount of the credit provided for in Section 21 of the Internal
17 Revenue Code which is claimed and allowed pursuant to the Internal Revenue Code. Such
18 percentage shall be:

19 (1) Ten percent for all taxable years beginning on or after January 1, 2006, and prior to
20 January 1, 2007;

21 (2) Twenty percent for all taxable years beginning on or after January 1, 2007, and prior
22 to January 1, 2008; ~~and~~

23 (3) Thirty percent for all taxable years beginning on or after January 1, 2008, and prior
24 to January 1, 2021; and

25 (4) For all taxable years beginning on or after January 1, 2021:

26 (A) One hundred percent when the taxpayer's income is \$25,000.00 or less;

- 27 (B) Eighty percent when the taxpayer's income is between \$25,001.00 and \$50,000.00;
28 (C) Sixty percent when the taxpayer's income is between \$50,001.00 and \$75,000.00;
29 (D) Forty percent when the taxpayer's income is between \$75,001.00 and \$100,000.00;
30 and
31 (E) Thirty percent when the taxpayer's income is more than \$100,000.00.
- 32 (b) ~~In no event shall the total amount of the tax credit under this Code section for a taxable~~
33 ~~year exceed the taxpayer's income tax liability. Any unused tax credit shall not be allowed~~
34 ~~to be carried forward to apply to the taxpayer's succeeding years' tax liability. No such tax~~
35 ~~credit shall be allowed the taxpayer against prior years' tax liability. When the total amount~~
36 ~~of a taxpayer's tax credit provided for in this Code section exceeds the taxpayer's income~~
37 ~~tax liability for a taxable year, such excess funds shall be refunded to the taxpayer.~~
- 38 (c) The commissioner shall be authorized to promulgate any rules and regulations
39 necessary to implement and administer this Code section."

40 **SECTION 2.**

41 This Act shall become effective upon its approval by the Governor or upon its becoming law
42 without such approval and shall be applicable to all taxable years beginning on or after
43 January 1, 2021.

44 **SECTION 3.**

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