Senate Bill 118
By: Senators Parent of the 42nd, Butler of the 55th, Orrock of the 36th, Halpern of the 39th, Jones II of the 22nd and others

A BILL TO BE ENTITLED
AN ACT

To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, so as to revise a state income tax credit based upon the federal qualified child and dependent care tax credit; to provide for a state income tax credit equal to 25 percent of the federal child tax credit; to provide for an income tax credit equal to 20 percent of the federal earned income tax credit; to provide for rules and regulations; to provide for a short title; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be cited as the "Georgia Work and Family Credit Act."

SECTION 2.

Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes, is amended by revising Code Section 48-7-29.10, relating to tax credits for qualified child and dependent care tax credits, as follows:

"48-7-29.10.

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

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

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

(3) Thirty percent for all taxable years beginning on or after January 1, 2008, and prior to January 1, 2023; and

(4) One-hundred percent for all taxable years beginning on or after January 1, 2023.

(b) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall not be allowed to be carried forward to apply to the taxpayer's succeeding years' tax liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

(b.1) Notwithstanding the provisions of subsection (b) of this Code section, for taxable years beginning on or after January 1, 2023, if the total amount of the tax credit provided for in this Code section exceeds the taxpayer's income tax liability for a taxable year, such excess funds shall be refunded to the taxpayer.

(c) The commissioner shall be authorized to promulgate any rules and regulations necessary to implement and administer this Code section."

SECTION 3.

Said chapter is further amended by adding a new Code section to read as follows:

″48-7-29.26.

(a) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount equal to 25 percent of the federal credit that such taxpayer is allowed under Section 24 of the Internal Revenue Code. Such credit shall be allowed only if the individual would have received the federal credit allowed under Section 24 of the Internal Revenue Code after adding any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit.

(b) If the total amount of the tax credit provided for in this Code section exceeds the taxpayer's income tax liability for a taxable year, such excess funds shall be refunded to the taxpayer.

(c) The commissioner shall be authorized to promulgate rules and regulations necessary to implement and administer the provisions of this Code section.″

SECTION 4.

Said chapter is further amended by adding a new Code section to read as follows:

″48-7-29.27.

(a) A taxpayer shall be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount equal to 20 percent of the federal credit that such taxpayer is allowed under Section 32 of the Internal Revenue Code. Such credit shall be allowed only if the individual would have received the federal credit allowed under Section 32 of the Internal Revenue Code after adding any carryforward of a net operating loss that was deducted pursuant to such section in determining eligibility for the federal credit.

(b) If the total amount of the tax credit provided for in this Code section exceeds the taxpayer's income tax liability for a taxable year, such excess funds shall be refunded to the taxpayer.

(c) The commissioner shall be authorized to promulgate rules and regulations necessary to implement and administer the provisions of this Code section.″

SECTION 5.

This Act shall become effective on July 1, 2023, and shall be applicable to all taxable years beginning on or after January 1, 2023.

SECTION 6.

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