House Bill 1080 (AS PASSED HOUSE AND SENATE)

By: Representatives Golick of the 34th, Roberts of the 154th, Geisinger of the 48th, Freeman of the 140th, Chambers of the 81st, and others

A BILL TO BE ENTITLED

AN ACT

To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, and computation of income tax, so as to provide for an income tax credit with respect to qualified child and dependent care expenses; to provide for conditions and limitations; to provide for powers, duties, and authority of the state revenue commissioner with respect to the foregoing; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, and computation of income tax, is amended by adding a new Code section immediately following Code Section 48-7-29.9, to be designated Code Section 48-7-29.10 to read 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.

(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.

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

SECTION 2.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval and shall be applicable to all taxable years beginning on or after January 1, 2006.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.