

House Bill 68

By: Representative Thomas of the 65th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
2 income taxes, so as to increase the tax benefits available to employers that offer certain child
3 care services for employees; to provide for a short title; to provide for related matters; to
4 provide for an effective date and applicability; to repeal conflicting laws; and for other
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 This Act shall be known and may be cited as the "Supporting Working Parents Act."

9 **SECTION 2.**

10 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,
11 is amended by revising subsections (b) through (e) of Code Section 48-7-40.6, relating to tax
12 credits for employers providing child care, as follows:

13 "(b) A tax credit against the tax imposed under this article shall be granted to an employer
14 who provides or sponsors child care for employees. The amount of the tax credit shall be

15 equal to ~~75~~ 85 percent of the cost of operation to the employer less any amounts paid for
16 by employees during a taxable year.

17 (c) The tax credit allowed under subsection (b) of this Code section shall be subject to the
18 following conditions and limitations:

19 (1) Such credit shall not exceed ~~50~~ 90 percent of the amount of the taxpayer's income tax
20 liability for the taxable year as computed without regard to any other credits;

21 (2) Any such credit claimed but not used in any taxable year may be carried forward for
22 five years from the close of the taxable year in which the cost of operation was incurred;
23 and

24 (3) The employer shall certify to the department the names of the employees, the name
25 of the child care provider, and such other information as may be required by the
26 department to ensure that credits are granted only to employers who provide or sponsor
27 approved child care pursuant to this Code section.

28 (d) In addition to the tax credit provided under subsection (b) of this Code section, a
29 taxpayer shall be allowed a credit against the tax imposed under this article for the taxable
30 year in which the taxpayer first places in service qualified child care property and for each
31 of the ensuing nine taxable years following such taxable year. The aggregate amount of
32 the credit shall equal 100 percent of the cost of all qualified child care property purchased
33 or acquired by the taxpayer and first placed in service during a taxable year, and such credit
34 may be claimed at a rate of 10 percent per year over a period of ten taxable years.

35 (e) The tax credit allowable under subsection (d) of this Code section shall be subject to
36 the following conditions and limitations:

37 (1) Any such credit claimed in any taxable year but not used in such taxable year may
38 be carried forward for three years from the close of such taxable year. The sale, merger,
39 acquisition, or bankruptcy of any taxpayer shall not create new eligibility for the credit
40 in any succeeding taxpayer;

41 (2) In no event shall the amount of any such tax credit, including any carryover of such
42 credit from a prior taxable year, exceed ~~50~~ 90 percent of the taxpayer's income tax
43 liability as determined without regard to any other credits; and

44 (3) For every year in which a taxpayer claims such credit, the taxpayer shall attach a
45 schedule to the taxpayer's Georgia income tax return setting forth the following
46 information with respect to such tax credit:

47 (A) A description of the child care facility;

48 (B) The amount of qualified child care property acquired during the taxable year and
49 the cost of such property;

50 (C) The amount of tax credit claimed for the taxable year;

51 (D) The amount of qualified child care property acquired in prior taxable years and the
52 cost of such property;

53 (E) Any tax credit utilized by the taxpayer in prior taxable years;

54 (F) The amount of tax credit carried over from prior years;

55 (G) The amount of tax credit utilized by the taxpayer in the current taxable year;

56 (H) The amount of tax credit to be carried forward to subsequent tax years; and

57 (I) A description of any recapture event occurring during the taxable year, a calculation
58 of the resulting reduction in tax credits allowable for the recapture year and future
59 taxable years, and a calculation of the resulting increase in tax for the recapture year."

60 **SECTION 3.**

61 This Act shall become effective on July 1, 2023, and applicable to taxable years beginning
62 on or after July 1, 2023, provided, however, that the provisions of this Act shall only be
63 applicable to costs of operation incurred and qualified child care property purchased or
64 acquired and first placed in service on or after July 1, 2023.

65

SECTION 4.

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