

CHILD CARE RELATED TAX CREDITS IN STATES

October 2020 State Profile

Georgia

FOR EMPLOYERS

Tax Landscape: Forty-four states levy corporate income taxes.

Does Georgia levy taxes on corporate employers in the state?

Yes

Does Georgia have an employer tax credit to incentivize the provision of child care for employees?

Yes, see below for more information

Employer Child Care Tax Credit Description

Employer's Credit for Purchasing Child Care Property.

Employers who purchase qualified child care property will receive a credit totaling 100% of the cost of such property. The credit is claimed at the rate of 10% a year for 10 years. Any unused credit may be carried forward for three years and the credit is limited to 50% of the employer's Georgia income tax liability for the tax year. Recapture provisions apply if the property is transferred or committed to a use other than child care within 14 years after the property is placed in service. For more information, refer to O.C.G.A. §48-7-40.6.

Code Section: § 48-7-40.6

Link: <http://ow.ly/XLYC50BWrd>

FOR PARENTS

Tax Landscape: Nine states do not levy personal income taxes.

(Seven states do not levy personal income taxes and an additional two states do not tax wages. For example, in those states investment income and interest is taxed but wages are not taxed).

Does Georgia levy taxes on personal income?

Yes

Does Georgia have a dependent care tax credit for parents?

Yes, see below for more information

Parent Child Care Tax Credit Description

30% of federal child and dependent care tax credit (CDCTC), not refundable

Code Section: § 48-7-29.10

Link: <http://ow.ly/Czqc50BYK4F>

OTHER POTENTIAL REVENUE SOURCES

Check out CED's Child Care Tax Credit Corner web page for other taxes that states may levy (e.g., estate or inheritance taxes, lottery taxes, marijuana taxes, property taxes, sales taxes, and tobacco and vaping taxes).

www.ced.org/child-care-state-tax-credits