

Tax Credit For Cost Of Operations

Section 48-7-40.6(b) of the Georgia Code provides for a tax credit based on expenditures for cost of operations incurred by an employer for child care for employees' children. This credit is 75% of the direct operational costs incurred by an employer who makes available employer provided or employer sponsored child care less any amounts the employees must repay to the employer. The term "employer provided" refers to child care offered on the premises of the employer. "Employer sponsored" refers to a contractual arrangement with a child care facility that is paid for by the employer. If multiple employers utilize the premises, the taxpayer employer must utilize lines 13 and 14 in Section 3 (Summary) on Page 2 and complete the calculation on Page 3, per Georgia Regulation 560-7-8-.38(2)(a).

Name of Taxpayer Claiming Credit	Contact Person
Federal Employer Identification Number	Phone Number
Street Address	City, State and Zip Code
Type of Business: Sole Proprietor S Corporation Partnership/LLC C Corporation Other(Specify) _____	Tax Year
Name of Child Care Provider	FEI Number of Provider
Address of Provider	Location of Facility

Instructions:

If this credit is from a facility which is jointly owned by more than one employer then each employer should complete a form ITCCC75 showing their proportionate share of participation. Also, in the case of a pass through entity (S-Corp., LLC, etc.), the shareholders receive a share of this credit based on their proportionate share of ownership.

Section 1. Annual expenses of operating a child care facility

- | | |
|------------------------------|----------|
| 1. Salaries and wages | 1. _____ |
| 2. Supplies | 2. _____ |
| 3. Utilities | 3. _____ |
| 4. Other | 4. _____ |
| 5. Total (lines 1 through 4) | 5. _____ |

Section 2. Expenses for employer sponsored child care

- | | |
|---|----------|
| 6. Payments to a licensed child care facility | 6. _____ |
|---|----------|

Section 3. Summary

- | | |
|--|-----------|
| 7. Add lines 5 and 6 | 7. _____ |
| 8. Deduct: Reimbursed expenditures* | 8. _____ |
| 9. Cost to employer (Line 7 minus Line 8) | 9. _____ |
| 10. Enter amounts paid by employees to employer | 10. _____ |
| 11. Subtract line 10 from line 9 | 11. _____ |
| 12. Multiply line 11 by 75% | 12. _____ |
| 13. Enter percentage of employees children to total ** | 13. _____ |
| 14. Multiply line 12 by line 13 | 14. _____ |
| 15. Enter carry over (if any) from prior year (See Section 4.) | 15. _____ |
| 16. Add line 14 and line 15 (total available credit) | 16. _____ |
| 17. Enter tax liability | 17. _____ |
| 18. Maximum Possible Credit (50% of line 17) | 18. _____ |
| 19. Enter the lesser of line 16 or 18 | 19. _____ |

The amount on line 18 is the maximum amount allowable for the current tax year. Enter the amount from line 19 on the Income Tax Return other credit line.

Section 4. Carry Over Credit

20. Subtract line 19 from line 16, if less than zero enter none or zero. This amount is your carry over credit and may be carried over for five (5) years or until exhausted, which ever occurs first. However, the portion of line 15 that includes prior carryover amounts that exceed the five (5) year carryover limitation shall be excluded. (Attach schedule).

20. _____

*Deduct reimbursed expenses only if included in the expense amounts from Page 1. This includes amounts for the State-funded Pre-K program or any subsidies received for the costs included on Page 1.

**Calculation for percentage of employees' children to total should be calculated on Page 3. This applies only to employers who must prorate the expenses based on Georgia Regulation 560-7-8-.38(2)(a) (i.e. multiple employers jointly owning the child care facility). If line 13 does not apply, enter 100%.

NOTE: If you are claiming the 100% credit for the Cost of Qualified Child Care Property use form IT-CCC100.

Tax Credit for Cost of Operations

Taxpayer Name _____

Computation of Employees' Children to Total Enrollment

Tax Year _____

This page is to be used only by employers who must prorate the expenses.

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MONTHLY TOTAL	DIVIDE BY 12	MONTHLY AVERAGE
Number of Employees' Children														12	
Total Enrollment *														12	
Divide avg. Employees' Children by avg. Total Enrollment to arrive at percentage															

Note:

1. Please use the average number of children per month. It is understood that there may be week-to-week fluctuations.
2. For the Monthly Total column, add together the numbers in the Jan through Dec columns.
3. For the Monthly Average column, take the Monthly Total column and divide by 12.
4. In the bottom right-hand box, divide the Monthly Average Employees' Children by the Monthly Average Total Enrollment to arrive at the percentage to enter in this space. This figure will be used to compute the child care tax credit.

* Total enrollment should include all children using facility, regardless of employer.