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Georgia Form IT-QFCD-TP2 (Last Rev. 04/17/23)

Qualified Foster Child Donation Credit Computation

Georgia Department of Revenue

C. Corporations, Fiduciary, S Corporation, or Partnership*

1. Total amount expended	1.	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
2. Total amount approved.....	2.	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
3. Tax liability.....	3.	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
4. Percentage Limitation.....	4.												
		<input type="text" value="10%"/>											
5. Multiply line 3 by line 4.....	5.	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00
6. Credit allowed. Lesser of lines 1, 2, or 5.....	6.	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	,	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.00

* S Corporation that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-21 and Partnership that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-23.

Enter the credit allowed on the appropriate income tax form and attach this form.

Requirements

The Official Code of Georgia Annotated establishes an income tax credit for qualified contributions to qualified foster child support organizations.

A credit is allowed for the contribution of funds made by the taxpayer to a qualified foster child support organization that has been certified by the Division of Family and Children Services, pursuant to O.C.G.A. § 48-7-29.24.

In order to claim this credit, the amount must have been preapproved by the Department of Revenue. Once preapproval was received, the taxpayer must have made the contribution to the qualified foster child support organization within 60 days of the date of the preapproval notice received from the Department and within the calendar year in which it was approved.

In order to claim this tax credit, a letter of confirmation of contribution issued by the qualified foster child support organization to which the contribution was made must be received and retained by the taxpayer. Form IT-QFCD-FUND1 is used for this purpose.

From January 1 to June 30 of each calendar year of the credit:

Individual Taxpayers

An individual taxpayer is allowed a credit for qualified contributions as follows:

- (1) In the case of a single individual or a head of household, the actual amount expended or \$2,500.00 per tax year, whichever is less; or
- (2) In the case of a married couple filing a joint return, the actual amount expended or \$5,000.00 per tax year, whichever is less; or
- (3) In the case of a married person filing a separate return, the actual amount expended or \$2,500.00 per tax year, whichever is less.

For an individual taxpayer the credit is further limited and may not exceed the taxpayer's income tax liability. The amount of the credit that exceeds the taxpayer's income tax liability can be used against the next succeeding five years' tax liability.

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Individual Taxpayers who are Members of a Limited Liability Company, Shareholders of a Subchapter S Corporation, or Partners in a Partnership

For an individual taxpayer who is a member of a limited liability company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, the credit is limited to the lesser of the actual amount expended or \$5,000 per tax year, whichever is less; provided, however, that the tax credits shall only be allowed for the Georgia income on which such tax was actually paid by such member of a limited liability company, shareholder of a Subchapter 'S' corporation, or partner in a partnership. In determining such Georgia income, the shareholder partner, or member shall exclude any income that was subtracted on the individual Georgia return because the entity paid tax at the flow-through entity level. If the individual taxpayer is a member, partner, or shareholder in more than one pass through entity, the total credit allowed cannot exceed \$5,000; the individual taxpayer decides which pass through entities to include when computing Georgia income for purposes of the qualified foster child donation credit. All Georgia income, loss, and expense from the taxpayer selected pass through entities will be combined to determine Georgia income for purposes of the qualified foster child donation credit. Such combined Georgia income shall be multiplied by the applicable marginal tax rate to determine the tax that was actually paid. If the taxpayer is filing a joint return, the taxpayer's spouse may also claim a credit for their ownership interests and shall separately be eligible for a credit as provided in this subparagraph. If the taxpayer(s) chooses to be preapproved pursuant to this subparagraph, for all purposes of claiming the credit they shall be subject to the provisions of this subparagraph and shall not be entitled to claim any other amounts provided in O.C.G.A. § 48-7-29.24 and Regulation 560-7-8-.68. If the taxpayer is preapproved for an amount that exceeds the amount that is calculated as allowed when the return is filed, the excess amount cannot be claimed by the taxpayer and cannot be carried forward.

Corporate and Fiduciary Taxpayers, Electing S Corporation, Electing Partnership

A corporation or fiduciary, an S corporation that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-21 or a partnership that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-23 is allowed a credit for qualified contributions in an amount not to exceed the lesser of the actual amount expended or 10 percent of the corporation's or fiduciary's income tax liability. Any of this lesser amount (amount expended or 10% of the corporation's or fiduciary's income tax liability) that is not used can be used against the succeeding five years' tax liability. Fiduciary entities cannot pass the credit through to their beneficiaries. S corporations and partnerships that elect to pay taxes at the entity level may make an irrevocable election to pass all or part of the credit through to their members, partners, or shareholders by completing the "credit allocation to owners" schedule on an original or amended Form 600S or Form 700.

From July 1 to December 31 of each calendar year of the credit:**Individual Taxpayers**

An individual taxpayer is allowed a credit for qualified contributions as follows:

- (1) In the case of a single individual or a head of household, the actual amount of qualified contributions made; or
- (2) In the case of a married couple filing a joint return, the actual amount of qualified contributions made; or
- (3) In the case of a married person filing a separate return, the actual amount of qualified contributions made.

Individual Taxpayers who are Members of a Limited Liability Company, Shareholders of a Subchapter S Corporation, or Partners in a Partnership

The individual taxpayer credit amount for a member of a limited liability company duly formed under state law (including a member who owns a single member limited liability company that is disregarded for income tax purposes), a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, is not available from July 1 to December 31, since the credit is not limited for an individual taxpayer during this time period.

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Corporate and Fiduciary Taxpayers, Electing S Corporation, Electing Partnership

A corporation or fiduciary, an S corporation that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-21 or a partnership that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-23 is allowed a credit for qualified contributions in an amount not to exceed the actual amount of qualified contributions made. Any amount that is not used can be used against the succeeding five years' tax liability. Fiduciary entities cannot pass the credit through to their beneficiaries. S corporations and partnerships that elect to pay taxes at the entity level may make an irrevocable election to pass all or part of the credit through to their members, partners or shareholders by completing the "credit allocation to owners" schedule on an original or amended Form 600S or Form 700.

Electronic Filing

Electronic filing is required for taxpayers claiming this credit. Individual taxpayers that electronically file their tax return do not have to submit Form IT-QFCD-FUND1. Form IT-QFCD-FUND1 shall be maintained by the taxpayer and made available upon request by the Commissioner.