



Employer Documentation Checklist

Federal IRC §45F and Georgia Credits 104, 105 and 162

The employer, not the provider, is responsible for assembling and retaining the records that support these credits. The provider supplies information; the employer maintains the file. Work through this checklist during the year rather than at filing.

Most employers will not need every item. Each part below is divided: the items above the divider apply to any employer claiming that credit, and the items under the heading "If applicable only" apply in particular circumstances — where the employer operates its own facility, owns child care property, pays through an intermediary, claims the small-business rate, or is part of a related group. Skipping a section that does not apply does not weaken the file.

Where employees use more than one child care facility, keep a separate file for each facility containing that facility's agreement, licensing verification, rate confirmation, invoices, and payment records, and use one copy of Part 1 per facility. The remaining parts are completed once for the employer.

Employer and year

Employer name	
Tax year	
Return type	[1120 / 1120-S / 1065 / Schedule C / 1041]
Prepared by	
Date	

Part 1 — Applies to all three credits

Item	Done	Owner	Date	File location
Written contract with the child care facility, describing the care, the seats or places funded, the price, and the period covered				
Proof the provider holds a current license, permit, or commission, obtained before the first payment				
Record of the annual re-verification of the provider's status, and of any lapse or change during the year				
A periodic invoice, statement, or receipt from the facility for each payment period. No statute or regulation requires an invoice in a particular form or at a particular frequency. Where the employer pays a fixed amount each month under a written agreement, a periodic statement identifying the children served and the amounts applied is sufficient. This is not the same as saying the records are unregulated; see the Georgia items in Part 3, which are specific				
Proof of payment showing the employer paid the provider directly rather than reimbursing the employee				
Written child care benefit policy showing the benefit is available to employees generally				
Completed employee enrollment forms and a roster of employees and children served				
Written confirmation from the provider of its standard rate for comparable care				
If applicable only				
Where the employee asked the employer to add the facility: the employee's written request and the employer's written confirmation that the facility was added				
Where a facility left the program during the year: the date it left and the final payment made to it				
Where a facility is license-exempt rather than licensed, permitted, or commissioned: the analysis of what that means for each credit, and the position taken				

Part 2 — Federal IRC §45F

Item	Done	Owner	Date	File location
Support that amounts paid do not exceed fair market value of the care, per IRC §45F(c)(1)(B)				
Records connecting each expenditure to the employer's own employees and their children				
Support for all three facility conditions in IRC §45F(c)(2)(B): enrollment open to the employer's employees; where child care is the employer's own principal business, at least 30% of enrollees are dependents of its employees; and neither use nor eligibility to use favors highly compensated employees under IRC §414(q)				
Category schedule separating facility, operating, contract, intermediary, joint-share, and resource and referral spending				
Credit computation and Form 8882, carried to Form 3800. Confirm the revision in use reflects the 40% and 50% rates and the \$500,000 and \$600,000 caps; the posted form was still the December 2017 revision as of mid-2026				
Evidence of the double-benefit adjustment: IRC §45F(f)(2) denies any other deduction or credit for the credit amount, and IRC §45F(f)(1) separately reduces the basis of acquired or constructed property				
General business credit limitation computation under IRC §38(c), with carryback and carryforward tracked under IRC §39				
If applicable only				
Eligible small business determination, if the 50% rate is claimed: the IRC §448(c) gross receipts test on a five-taxable-year look-back under IRC §45F(c)(4)				
Aggregation analysis for the gross receipts test, covering businesses under common control and affiliated service groups per IRC §448(c)(2)				
Confirmation that a controlled group has applied a single annual cap rather than one per member, per IRC §45F(e)(1)				
Intermediary arrangements: both contracts, employer to intermediary and intermediary to facility, plus evidence that each facility in the chain qualifies under IRC §45F(c)(2)				
Intermediary arrangements: schedule of amounts the intermediary actually remitted for care, with any retained fee identified separately				

Item	Done	Owner	Date	File location
Jointly owned or operated facility: the ownership or operating agreement, and support that the employer credited only its own expenditures. IRC §45F(c)(2)(C) removes a disqualification; it does not allocate the credit, and no guidance addresses allocation				
Recapture calendar, ten years from the date placed in service, reaching acquisition and construction credits only				

Part 3 — Georgia Credit 105

Item	Done	Owner	Date	File location
Schedule of the cost of operation for the year. For an employer that sponsors care by contracting with an outside facility, this is the amount the employer paid the facility for care, and no separation of property cost is required. An employer that operates its own facility must additionally separate reasonable direct operating costs from qualified child care property, because property cost is excluded from the Credit 105 base				
Schedule of amounts paid by employees, which reduces the Credit 105 base				
Employee names and provider identification as required for the Georgia return				
Georgia income tax liability computation at the 2026 rate of 4.99%				
The 50% ceiling computation for each credit claimed, each figured on Georgia income tax liability computed without regard to any other credits. The two ceilings are separate rather than shared				
Carryforward schedules: Credit 105 for five years from the close of the year the cost was incurred; Credit 104 for three years from the close of the year the credit is claimed, with each of the ten annual installments running its own three-year period				
Form IT-CCC75 and, where applicable, Form IT-CCC100, attached to the Georgia return				
Support that the child was under 13 when the care was provided and was a dependent for whom the employee can claim an exemption for Georgia income tax purposes. This limit is supplied by Reg. 560-7-8-.38(1)(a); the statute has no age limit				
Proof that the employer paid the cost of care directly to the entity providing it, as Reg. 560-7-8-.38(1)(f) requires for employer-sponsored care				
If applicable only				
Where any amount was paid through an intermediary or benefits platform: the analysis of Reg. 560-7-8-.38(1)(f), which requires payment directly to the entity providing the care, and the position taken. Georgia has not conformed to the 2026 federal intermediary rule				

Item	Done	Owner	Date	File location
Credit 104 only: support that the property is used exclusively for the facility, and that at least 95% of the children using it are children of the employer's employees. Children of another employer's employees count toward the 95% only where the property is owned jointly or severally by the employer and that other employer, or where the other entity is in the employer's IRC §1504(a) affiliated group; attendance should be reasonably representative of each employer's capital contribution				
Credit 104 only: the Georgia depreciation add-back on property that generated the credit				
Credit 104 only: recapture calendar covering the fourteen-year period under O.C.G.A. §48-7-40.6(a)(9). The recapture percentage falls to 10 in the fourteenth full year and to zero after the close of that year				
Records certifying the cost of operation, containing what Reg. 560-7-8-.38(2)(d) enumerates: employee names and social security numbers, the names and ages of their children and the children's social security numbers where the child is at least one, and the provider's name and federal identification number				
Form IT-CCC75 attached to the Georgia return (Reg. 560-7-8-.38(2)(e)). For Credit 104, Form IT-CCC100 with the supporting schedule (Reg. 560-7-8-.38(3)(d)) and the parallel property records under (3)(f). These are conditions of the credit, not filing housekeeping				

Part 4 — Georgia Credit 162

Item	Done	Owner	Date	File location
Preapproval application filed with the Department of Revenue. The statute requires application "in the manner specified by the department"; the Department's Credit 162 page says the application is submitted electronically through the Georgia Tax Center, but as of September 29, 2026 no opening date or form had been published, so confirm both with the Department before relying on any particular timing. Retain the submission confirmation and its date — queue position depends on properly completed applications, and the \$20 million pool is allocated in order of submission				
The Department's approval, retained in the file. The credit is not available without it				
Proof each payment was made directly to the child care facility				
Records showing each payment was made in the name of and for the benefit of the employee whose child is enrolled				
Schedule showing at least \$1,000 of qualifying payments per employee for the taxable year. The statute says "at least", so exactly \$1,000 qualifies. The threshold is measured per employee; the credit is computed per child				
Support that the payments were in addition to, and not in lieu of, the employee's other compensation and benefits				
Verification that each child was under age six and enrolled at the facility				
Documentation that the facility is a child care learning center or family child care learning home permitted, licensed, or commissioned by DECAL				
File note recording that the credit is limited to 100% of Georgia liability, has no carryforward or carryback, and is repealed after December 31, 2030				
If applicable only				
Support for the first-year rate, if claimed. The test has two prongs and both must hold: this is the employer's first taxable year of eligible payments, and in no earlier year did the employer pay for, reimburse, or otherwise subsidize the cost of child care for employees in any form. An employer whose earlier arrangement did not itself qualify still fails the second prong and is limited to \$500 per child				

Item	Done	Owner	Date	File location
For a pass-through entity, a note that O.C.G.A. §48-7-29.28 is silent on how the credit flows to owners and that the Department has issued no guidance, so the mechanics are unresolved and no position should be taken without a ruling or further guidance. Silence is not a prohibition				

Part 5 — Positions and review

Item	Done	Owner	Date	File location
Memorandum on whether the same expenditures are claimed under more than one credit, and the position taken. Georgia has not issued the regulation the statute calls for				
Memorandum on the treatment of any amounts an employee funded through a dependent care assistance plan, if the employer also maintains one				
Confirmation that the current federal and Georgia forms and instructions were checked before filing				
Records retained under the employer's retention policy and any grant or contract requirement				

Reviewed by	
Title	
Date	

Sample template prepared for Quality Care for Children by MMA CPA INC. Edition — September 2026. Bracketed text is intended to be replaced. This is general educational material, not legal or tax advice, and should be reviewed against the employer's own facts before use.