



Qualified Foster Child Donation Credit

FAQs

What is a tax credit?

A tax credit is an amount of money a taxpayer can subtract, dollar for dollar, from the income taxes they owe. The Georgia Qualified Foster Child Donation Tax Credit is a state tax credit that can only be used to reduce state income taxes. It does not benefit you if you do not pay Georgia state taxes.

Should this tax credit replace my giving to Promise686?

No, we hope not! Participating in this tax credit program is truly a REDIRECTION of tax dollars you would normally owe to the state of Georgia. Promise686 still relies on the generosity of regular giving to continue to further our mission to mobilize church communities to care for vulnerable children.

Why should I participate?

This is a chance for you to say where you want your tax dollars to go - to the well-being and flourishing of youth who are aging out of Georgia's foster care system. If you are a

business owner, check with your tax advisor for additional tax benefits that might be possible.

How do I go about getting the tax credit?

You apply for the credit on the [Georgia Tax Center \(GTC\) website](#). If you do not already have a GTC account, you will need to create one. Click on “Sign Up” on the GTC Department of Revenue (DOR) site; you will need your prior year Adjusted Gross Income to complete this step.

How long does it take for my application to process?

The Department of Revenue (DOR) will review your application and notify you within 30 days of your status.

Do I pay when I submit my application?

No, your application has to be processed by the Department of Revenue (DOR) first. Once approved, you will make your payment directly to Promise686, the Qualified Foster Child Support Organization you selected on your application. You will receive your approval letter through the mail. You may also log into your GTC account and view it online.

What are the contribution limits per year?

Contribution limits are dependent on your tax filing status:

- Single, Head of Household: Any Amount Up to \$2500
- Married, Filing Jointly: Any Amount Up to \$5,000
- S-Corp, LLC, or Partnership: Any Amount Up to \$5,000
- C-Corp, Trust, or Pass-through Entity: Any Amount Up to 10% of the entity’s income tax liability

These limits are in place from January 1 through June 30 of each year. Beginning July 1, contribution applications can be submitted in any amount provided the yearly cap has not been met. If you applied and paid already, you will submit another application.

Why is the amount I applied for higher than what the Department of Revenue (DOR) approved me to contribute?

The DOR will review your requested contribution amount. You will be approved for a lower amount if the amount you requested is higher than the maximum allowed for your tax filing status (which is limited from January 1 through June 30 of each year) or if the total yearly cap for the credit has already been met.

Am I able to claim the Georgia tax credit on my federal taxes as a charitable donation?

You cannot claim your contribution as both a charitable donation on your federal return and a tax credit on your state return. You can elect to claim your contribution as a general charitable donation on your federal income tax return, but then you will also claim the contribution as a charitable donation deduction versus a tax credit on your Georgia state tax return.

Are you asking me to donate money?

We are not asking you for a donation, we are asking you to tell the government how to spend your tax dollars. Rather than your tax dollars going to the general fund, you can commit those dollars to this cause you care about. This is a redirection of a portion of your state tax liability. Promise686 also gratefully accepts general donations.

If my ability to pay changes between application and payment, can I pay a lower amount than what I was approved for?

Yes. You will receive a tax receipt that reflects your actual payment. This is the amount you will claim on your tax return.

Will I receive a refund for the amount I contribute to the tax credit when I file my taxes?

It depends. The amount you contribute to the tax credit gets applied to the Georgia taxes you owe for the year. If you paid more to qualified organizations than you owed, you can roll over/carry forward the overage and apply it to your future tax liability within the next five (5) years. Taxes are withheld on each paycheck earned based on the allowances you claim on your G-4. When you file your taxes, the total amount you have “paid in” will be applied to the total taxes you owe for the year. If you paid more than you owed, you will receive a refund.

If I pay more in the tax credit than my tax liability, do I receive a refund for the difference?

No. The amount of the tax credit paid over your total tax liability will roll over/carry forward and can be applied to your future tax liability within the next five (5) years.

If my tax credit payment is less than my state tax liability, will I be responsible for the difference?

Yes.

Can I still use the tax credit even if I usually get a yearly refund on my state taxes?

Yes, as long as your total tax liability for the year is greater than or equal to your total state tax liability. For example, if you owe \$5,000 in state taxes in a calendar year and paid \$5,500 through state payroll tax withholdings, you are due a refund of \$500. If you have a \$2,500 tax credit, your refund will be \$3,000.

Can the tax credit be used to alleviate my estimated payment filings?

Yes. You can as long as the estimate is for the current year that it is given.

If I don't pay the qualified organization (Promise686) within 60 days of the Department of Revenue's (DOR) approval letter issue date or by the end of the calendar year, whichever comes first, do I have to start over and apply again?

Yes, if you don't pay the qualified organization (Promise686) within 60 days of the Department of Revenue's (DOR) approval letter issue date or by the end of the calendar year you will have to apply again.

Can I apply for the tax credit multiple times in the same year as long as I don't exceed the contribution limits allowed for my tax filing status?

Yes. If you need to break up your applications into smaller, more affordable amounts, you can apply multiple times throughout the year. As long as the yearly cap has not been met, you will be approved to make additional payments. The tax status contribution limits are waived after June 30 each year.

Do I have to apply for the tax credit each year?

Yes. The tax credit cap resets on January 1 each year and requires taxpayers to apply each year to take advantage of the tax credit. We appreciate you making this simple process part of your annual "to-do" list!

What tax form do I need to include with my tax return?

The Georgia Form IT-QFCD-FUND1. This form is completed and sent to you by Promise686. If you file electronically, you do NOT need to attach the form to your return but do keep it for your records.

How do I itemize the tax credit on my return?

On your Georgia state return, you will look for tax credits. Select "Business & Individual" credit. Select Code 151 in the drop down menu. Enter the amount you contributed and enter the Department of Revenue approval certificate number. The amount you paid will automatically be applied.

Can I contribute the Georgia Qualified Foster Child Donation Tax Credit for a tax credit if I don't reside in the state of Georgia?

Yes. As long as you pay Georgia state income taxes you can contribute to this program through Promise686 for a tax credit.

Can I participate in the Georgia Qualified Foster Child Donation Tax Credit while also participating in other tax credit programs offered by the state of Georgia (i.e. the Qualified Education Expense Tax Credit through Student Scholarship Organizations like Georgia GOAL)?

You may participate in multiple tax credit programs up to your total state income tax liability.

What is the deadline to qualify for this tax credit?

To receive a tax credit, you must pledge to donate by December 31, **BUT DO NOT WAIT AS YOU RISK NOT GETTING PRE-VERIFIED** so that you can be approved by the Georgia Department of Revenue. You will then receive approval from the Georgia DOR in January. Once you receive approval, you then have 60 days from the date of your DOR approval letter to fund your tax credit.

When should I fund my tax credit?

Payment needs to be made after you received approval from the Department of Revenue. Payment to Promise686 must be made within 60 days from the date of your approval letter (typically mid-January through mid-March).

How should I pay for the redirection of my tax dollars?

Please write a check to Promise686 and note on the memo line that it is for “tax credit.” Please mail to:

**Fostering Independence Project
Promise686
5300 Triangle Parkway, Suite 202
Peachtree Corners, GA 30092**

You can also [click here](#) to pay online through a secured and encrypted link.

What will happen after I contribute?

You will receive a confirmation letter and a state form for your records and to attach to your tax return to claim your tax credit.

**Please note: Promise686 is not providing tax advice. Please consult your tax advisor for specific guidance on your individual tax situation.*