

Senate Bill 74

By: Senators Hill of the 32nd, Hill of the 6th and Harper of the 7th

A BILL TO BE ENTITLED
AN ACT

1 To amend Titles 31 and 48 of the Official Code of Georgia Annotated, relating to health and
2 revenue and taxation, respectively, so as to establish charity care organizations to provide
3 health care services to the uninsured in this state; to provide for definitions; to provide for
4 tax credits for contributions to charity care organizations; to provide for the amount, nature,
5 limits, and procedures for such tax credits; to provide for related matters; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 31 of the Official Code of Georgia Annotated, relating to health, is amended by adding
10 a new Code section to Article 1 of Chapter 8, relating to hospital care for the indigent
11 generally, to read as follows:

12 "31-8-9.1.

13 (a) As used in this Code section, the term 'charity health care organization' means a
14 nonprofit corporation supporting ten or more charity health care clinics providing health
15 care services to the uninsured and qualified as exempt from federal income taxation under
16 Section 501(c)(3) of the Internal Revenue Code.

17 (b) The department shall approve and maintain a list of charity health care organizations
18 eligible for the purposes of the charity health care tax credit."

19 **SECTION 2.**

20 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
21 amended by adding a new Code section to Article 2 of Chapter 7, relating to imposition, rate,
22 and computation of income taxes and exemptions, to read as follows:

23 "48-7-29.20.

24 (a) As used in this Code section, the term:

25 (1) 'Charity health care organization' means a nonprofit corporation supporting ten or
26 more charity health care clinics providing health care services to the uninsured and

27 qualified as exempt from federal income taxation under Section 501(c)(3) of the Internal
28 Revenue Code and approved by the Department of Public Health pursuant to Code
29 Section 31-8-9.1.

30 (2) 'Qualified charity health care expense' means the expenditure of funds by the
31 taxpayer during the tax year for which a credit under this Code section is claimed and
32 allowed.

33 (b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter
34 for qualified charity health care expenses as follows:

35 (1) In the case of a single individual or a head of household, the actual amount expended
36 or \$1,000.00 per tax year, whichever is less; or

37 (2) In the case of a married couple filing a joint return, the actual amount expended or
38 \$2,500.00 per tax year, whichever is less.

39 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this
40 chapter for qualified charity health care expenses in an amount not to exceed the actual
41 amount expended or 75 percent of such corporation's or entity's income tax liability,
42 whichever is less.

43 (d) In no event shall the total amount of the tax credit under this Code section for a taxable
44 year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the
45 taxpayer against the succeeding five years' tax liability. No such credit shall be allowed
46 the taxpayer against prior years' tax liability.

47 (e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
48 section exceed \$2 million per tax year for three years beginning January 1, 2016, except
49 that any unused aggregate credits shall carry over until December 31, 2021, at which time
50 any unused aggregate tax credits shall expire.

51 (2) The commissioner shall allow the tax credits on a first come, first served basis.

52 (3) For the purposes of paragraph (1) of this subsection, a charity health care
53 organization shall notify a potential donor of the requirements of this Code section.
54 Before making a contribution to a charity health care organization, the taxpayer shall
55 notify the department of the total amount of contributions that the taxpayer intends to
56 make to the charity health care organization. The commissioner shall preapprove or deny
57 the requested amount within 30 days after receiving the request from the taxpayer and
58 shall provide written notice to the taxpayer and the charity health care organization of
59 such preapproval or denial which shall not require any signed release or notarized
60 approval by the taxpayer. In order to receive a tax credit under this Code section, the
61 taxpayer shall make the contribution to the charity health care organization within 60
62 days after receiving notice from the department that the requested amount was
63 preapproved. If the taxpayer does not comply with this paragraph, the commissioner

64 shall not include this preapproved contribution amount when calculating the limit
65 prescribed in paragraph (1) of this subsection. The department shall establish a web
66 based donation approval process to implement this subsection.

67 (4) Preapproval of contributions by the commissioner shall be based solely on the
68 availability of tax credits subject to the aggregate total limit established under
69 paragraph (1) of this subsection. The department shall maintain an ongoing, current list
70 on its website of the amount of tax credits available under this Code section.

71 (5) Notwithstanding any laws to the contrary, the department shall not take any adverse
72 action against donors to charity health care organizations if the commissioner
73 preapproved a donation for a tax credit prior to the date the charity health care
74 organization is removed from the Department of Public Health list pursuant to Code
75 Section 31-8-9.1, and all such donations shall remain as preapproved tax credits subject
76 only to the donor's compliance with paragraph (3) of this subsection.

77 (f) In order for the taxpayer to claim the charity health care organization tax credit under
78 this Code section, a letter of confirmation of donation issued by the charity health care
79 organization to which the contribution was made shall be attached to the taxpayer's tax
80 return. However, in the event the taxpayer files an electronic return, such confirmation
81 shall only be required to be electronically attached to the return if the Internal Revenue
82 Service allows such attachments when the data is transmitted to the department. In the
83 event the taxpayer files an electronic return and such confirmation is not attached because
84 the Internal Revenue Service does not, at the time of such electronic filing, allow electronic
85 attachments to the Georgia return, such confirmation shall be maintained by the taxpayer
86 and made available upon request by the commissioner. The letter of confirmation of
87 donation shall contain the taxpayer's name, address, tax identification number, amount of
88 the contribution, date of the contribution, and amount of the credit.

89 (g) No credit shall be allowed under this Code section with respect to any amount
90 deducted from taxable net income by the taxpayer as a charitable contribution to a bona
91 fide charity health care organization qualified under Section 501(c)(3) of the Internal
92 Revenue Code.

93 (h) The commissioner shall be authorized to promulgate any rules and regulations
94 necessary to implement and administer the tax provisions of this Code section."

95 **SECTION 3.**

96 All laws and parts of laws in conflict with this Act are repealed.