

House Bill 834

By: Representatives Hawkins of the 27th, Rogers of the 29th, Stephens of the 164th, Smith of the 134th, Cooper of the 43rd, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 31 and Title 48 of the Official Code of Georgia Annotated, relating to health
2 and revenue and taxation, respectively, so as to establish charity care organizations to
3 provide health care services to the uninsured in this state; to provide for definitions; to
4 provide for tax credits for contributions to charity care organizations; to provide for the
5 amount, nature, limits, and procedures for such tax credits; to provide for related matters; to
6 repeal 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 established in Code Section
19 48-7-29.20."

20 **SECTION 2.**

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

24 "48-7-29.20.

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

(1) 'Charity health care organization' means a nonprofit corporation supporting ten or more charity health care clinics providing health care services to the uninsured and qualified as exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and approved by the Department of Public Health pursuant to Code Section 31-8-9.1.

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

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

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

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

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

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

(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code section exceed \$2 million per tax year for three years beginning January 1, 2017, except that any unused aggregate credits shall carry over until December 31, 2022, at which time any unused aggregate tax credits shall expire.

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

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

60 days after receiving notice from the department that the requested amount was preapproved. If the taxpayer does not comply with this paragraph, the commissioner shall not include this preapproved contribution amount when calculating the limit prescribed in paragraph (1) of this subsection. The department shall establish a web based donation approval process to implement this subsection.

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

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

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

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

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

SECTION 3.

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