

House Bill 919

By: Representatives Duncan of the 26th, Shaw of the 176th, Houston of the 170th, Cheokas of the 138th, Greene of the 151st, and others

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 approve rural health care organizations which
3 provide health care services to underserved areas in this state; to provide for definitions; to
4 provide for tax credits for contributions to rural health care organizations; to provide for the
5 amount, nature, limits, and procedures for such tax credits; to provide for related matters; to
6 provide for applicability; to 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 'rural health care organization' means an
14 organization which has been certified by the Department of Public Health as:

15 (1) Being located in a rural county;

16 (2) Participating in both Medicaid and medicare and accepting both Medicaid and
17 medicare patients;

18 (3) Providing health care services to indigent patients; and

19 (4) Receiving at least 25 percent of its gross net revenue from treating indigent patients.

20 (b) The Department of Public Health shall approve and maintain a list of rural health care
21 organizations eligible to receive contributions from the tax credit provided pursuant to
22 Code Section 48-7-29.20 and may adopt regulations as necessary to implement the
23 provisions of this Code section."

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SECTION 2.

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

"48-7-29.20.

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

(1) 'Rural health care organization' means an organization that is approved by the Department of Public Health pursuant to Code Section 31-8-9.1.

(2) 'Qualified rural health care organization expense' means the contribution of funds by an individual or corporate taxpayer during the tax year for which a credit under this Code section is claimed to a rural health care organization for the benefit of such organization.

(b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter for contributions in support of a rural health care organization as follows:

(1) In the case of a single individual or a head of household, 90 percent of 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, 90 percent of the actual amount expended or \$5,000.00 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 rural health care organization expenses in an amount not to exceed 90 percent of the actual amount expended or 75 percent of the corporation'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 \$250 million per tax year.

(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 rural health care organization shall notify a potential donor of the requirements of this Code section. Before making a contribution to a rural health care organization, the taxpayer shall notify the department of the total amount of contributions that the taxpayer intends to make to the rural 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 rural 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

61 to the rural health care organization within 60 days after receiving notice from the
62 department that the requested amount was preapproved. If the taxpayer does not comply
63 with this paragraph, the commissioner shall not include this preapproved contribution
64 amount when calculating the limit prescribed in paragraph (1) of this subsection. The
65 department shall establish a web based donation approval process to implement this
66 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 rural health care organizations if the commissioner preapproved
73 a donation for a tax credit prior to the date the rural health care organization is removed
74 from the Department of Public Health list pursuant to Code Section 31-8-9.1, and all such
75 donations shall remain as preapproved tax credits subject only to the donor's compliance
76 with paragraph (3) of this subsection.

77 (f) In order for the taxpayer to claim the tax credit under this Code section, a letter of
78 confirmation of donation issued by the rural health care organization to which the
79 contribution was made shall be attached to the taxpayer's tax return. However, in the event
80 the taxpayer files an electronic return, such confirmation shall only be required to be
81 electronically attached to the return if the Internal Revenue Service allows such
82 attachments when the return is transmitted to the department. In the event the taxpayer
83 files an electronic return and such confirmation is not attached because the Internal
84 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, the amount
88 of the contribution, the date of the contribution, and the 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 charitable organization qualified under Section 501(c)(3) of the Internal Revenue
92 Code.

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

95 **SECTION 3.**

96 This Act shall be applicable to all taxable years beginning on or after January 1, 2016.

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SECTION 4.

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