

The House Committee on Ways and Means offers the following substitute to HB 919:

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 automatic repeal; to provide for applicability; to repeal conflicting laws; and for  
7 other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

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

13 "31-8-9.1.

14 (a) As used in this Code section, the term 'rural health care organization' means an  
15 organization that:

16 (1) Is located in a rural county;

17 (2) Participates in both Medicaid and medicare and accepts both Medicaid and medicare  
18 patients;

19 (3) Provides health care services to indigent patients;

20 (4) Receives at least 10 percent of its net revenue from uncompensated care;

21 (5) Is a not for profit organization;

22 (6) Has a local board of directors;

23 (7) Is current with all audits and reports required by law; and

24 (8) Annually files IRS Form 990, Return of Organization Exempt From Income Tax,  
25 with the Department of Public Health; or

26 (9) Is a critical access hospital as defined in paragraph (3) of Code Section 33-21A-2 that  
 27 annually files IRS Form 990, Return of Organization Exempt From Income Tax, with the  
 28 Department of Public Health.

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

## 33 SECTION 2.

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

37 "48-7-29.20.

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

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

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

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

46 (1) In the case of a single individual or a head of household, 80 percent of the actual  
 47 amount expended or \$2,500.00 per tax year, whichever is less; or

48 (2) In the case of a married couple filing a joint return, 80 percent of the actual amount  
 49 expended or \$5,000.00 per tax year, whichever is less.

50 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this  
 51 chapter for qualified rural health care organization expenses in an amount not to exceed 80  
 52 percent of the actual amount expended or 75 percent of the corporation's income tax  
 53 liability, whichever is less.

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

58 (e)(1) In no event shall the aggregate amount of tax credits allowed under this Code  
 59 section exceed \$250 million per tax year.

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

61 (3) For the purposes of paragraph (1) of this subsection, a rural health care organization  
62 shall notify a potential donor of the requirements of this Code section. Before making  
63 a contribution to a rural health care organization, the taxpayer shall electronically notify  
64 the department, in a manner specified by the department, of the total amount of  
65 contributions that the taxpayer intends to make to the rural health care organization. The  
66 commissioner shall preapprove or deny the requested amount within 30 days after  
67 receiving the request from the taxpayer and shall provide written notice to the taxpayer  
68 and the rural health care organization of such preapproval or denial which shall not  
69 require any signed release or notarized approval by the taxpayer. In order to receive a tax  
70 credit under this Code section, the taxpayer shall make the contribution to the rural health  
71 care organization within 60 days after receiving notice from the department that the  
72 requested amount was preapproved. If the taxpayer does not comply with this paragraph,  
73 the commissioner shall not include this preapproved contribution amount when  
74 calculating the limit prescribed in paragraph (1) of this subsection. The department shall  
75 establish a web based donation approval process to implement this subsection.

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

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

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

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

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

104 (i) This Code section shall stand automatically repealed on December 31, 2020."

105 **SECTION 3.**

106 This Act shall be applicable to all taxable years beginning on or after January 1, 2017.

107 **SECTION 4.**

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