The House Committee on Ways and Means offers the following substitute to SB 258:

# A BILL TO BE ENTITLED AN ACT

1 To amend Article 1 of Chapter 8 of Title 31, Chapter 2 of Title 40, and Title 48 of the 2 Official Code of Georgia Annotated, relating to hospital care for the indigent generally, 3 registration and licensing of motor vehicles, and revenue and taxation, respectively, so as to approve rural health care organizations which provide health care services to underserved 4 areas in this state to receive contributions; to provide for definitions; to provide for tax 5 credits for contributions to rural and certain other health care organizations; to clarify the 6 7 definition of disabled veteran; to change certain provisions regarding the changing values 8 established by certain appeal or agreement; to provide that the assessed value of property for 9 a taxable year may be lowered by the deciding body based upon the evidence before such 10 body but shall not be increased beyond the assessment value established by the board of tax assessors; to provide an exception; to provide for the amount, nature, limits, and procedures 11 12 for new tax credits for contributions to rural and certain other health organizations; to provide for related matters; to provide for automatic repeal, applicability, and an effective date; to 13 14 repeal conflicting laws; and for other purposes.

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#### BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.** 16 Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to 17 hospital care for the indigent generally, is amended by adding a new Code section to read as 18 19 follows: 20 ″<u>31-8-9.1.</u> 21 (a) As used in this Code section, the term 'rural health care organization' means a hospital 22 or other health care facility that: 23 (1)(A) Is located in a rural county; 24 (B) Participates in both Medicaid and medicare and accepts both Medicaid and 25 medicare patients; 26 (C) Provides health care services to indigent patients;

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27	(D) Receives at least 10 percent of its net revenue from uncompensated care or bad
28	<u>debts;</u>
29	(E) Is a not for profit organization;
30	(F) Has a local board of directors;
31	(G) Is current with all audits and reports required by law; and
32	(H) Annually files IRS Form 990, Return of Organization Exempt From Income Tax,
33	with the Department of Community Health; or
34	(2) Is a critical access hospital as defined in paragraph (3) of Code Section 33-21A-2 that
35	annually files IRS Form 990, Return of Organization Exempt From Income Tax, with the
36	Department of Community Health; or
37	(3) Is a rural health care organization which otherwise meets criteria in paragraph (1) of
38	this subsection that does not file an IRS Form 990, Return of Organization Exempt From
39	Income Tax, but is operated by a county or municipal authority pursuant to Article 4 of
40	Chapter 7 of Title 31.
41	(b) The Department of Community Health shall approve and maintain a list of rural health
42	care organizations eligible to receive contributions from the tax credit provided pursuant
43	to Code Section 48-7-29.20 and may adopt regulations as necessary to implement the
44	provisions of this Code section.
45	(c)(1) Any rural health care organization on the list compiled by the Department of
46	Community Health pursuant to subsection (b) of this Code section shall report all
47	contributions received from individual and corporate donors pursuant to Code Section
48	48-7-29.20. This report shall be filed annually on a form provided by the Department of
49	Community Health and shall also show the manner in which the contributions received
50	were expended by the rural health care organization.
51	(2) The Department of Community Health shall annually prepare a report compiling the
52	information received pursuant to paragraph (1) of this subsection for the chairpersons of
53	the House Committee on Ways and Means and the Senate Health and Human Services
54	Committee."

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### **SECTION 2.**

56 Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to registration and
57 licensing of motor vehicles, is amended by revising subsection (a) of Code Section 40-2-69,

- relating to free license plates and revalidation decals for disabled veterans, as follows:
- 59 "(a) Any disabled veteran who is a citizen and resident of this state shall, upon application
- 60 therefor, be issued a free motor vehicle license plate. As used in this Code section, the
- term 'disabled veteran' means any veteran who was discharged under honorable conditions
   and who has been adjudicated by the United States Department of Veterans Affairs as
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- 63 being 100 percent totally disabled or as being less than 100 percent totally disabled but is
- 64 compensated at the 100 percent level due to individual unemployability and is entitled to
- 65 receive a statutory award from the United States Department of Veterans Affairs for:
- 66 (1) Loss or permanent loss of use of one or both feet;
- 67 (2) Loss or permanent loss of use of one or both hands;
- 68 (3) Loss of sight in one or both eyes; or
- 69 (4) Permanent impairment of vision of both eyes of the following status: central visual
- 70 acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity
- 71 of more than 20/200 if there is a field defect in which the peripheral field has contracted
- 72 to such an extent that the widest diameter of visual field subtends on angular distance no
- 73 greater than 20 degrees in the better eye shall have the same meaning as that term is
- 74 <u>defined in paragraph (1) of subsection (a) of Code Section 48-5-48</u>."
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## **SECTION 3.**

amended by revising paragraph (1) of subsection (a) of Code Section 48-5-48, relating to the

76 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is

78 homestead exemption for disabled veterans, as follows:

- 79 "(a) As used in this Code section, the term 'disabled veteran' means:
- (1) Any veteran who is a citizen and a resident of this state who was discharged under
  honorable conditions and who has been adjudicated by the United States Department of
  Veterans Affairs as having a service related disability that renders such veteran as being
  100 percent totally disabled or as being less than 100 percent totally disabled but is
  compensated at the 100 percent level due to individual unemployability and or is entitled
  to receive a statutory award from the United States Department of Veterans Affairs for:
- 86 (A) Loss or permanent loss of use of one or both feet;
- 87 (B) Loss or permanent loss of use of one or both hands;
- 88 (C) Loss of sight in one or both eyes; or
- (D) Permanent impairment of vision of both eyes of the following status: central visual
  acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity
  of more than 20/200 if there is a field defect in which the peripheral field has contracted
  to such an extent that the widest diameter of visual field subtends on angular distance
- no greater than 20 degrees in the better eye;"

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# **SECTION 4.**

Said title is further amended by revising subsection (c) of Code Section 48-5-299, relating
to ascertainment of taxable property and changing values established by certain appeal or
agreement, as follows:

98 "(c) When the value of real property is reduced or is unchanged from the value on the 99 initial annual notice of assessment or a corrected annual notice of assessment issued by the 100 board of tax assessors and such valuation is has been established as the result of either an 101 appeal decision rendered by the board of equalization, hearing officer, arbitrator, or 102 superior court pursuant to Code Section 48-5-311 or stipulated by written agreement of the 103 parties to such an appeal that this subsection shall apply in any year signed by the board 104 of tax assessors and taxpayer or taxpayer's authorized representative, the new valuation so 105 established by appeal decision or agreement may not be increased by the board of tax 106 assessors during the next two successive years, <u>unless otherwise agreed in writing by both</u> 107 parties, subject to the following exceptions:

(1) This subsection shall not apply to a valuation established by an appeal decision if the
 taxpayer or his or her authorized representative failed to attend the appeal hearing or
 provide the board of equalization, hearing officer, or arbitrator with some written
 evidence supporting the taxpayer's opinion of value;

(2) This subsection shall not apply to a valuation established by an appeal decision or
agreement if the taxpayer files a return at a different valuation during the next two
successive years;

(3) If <u>Unless otherwise agree in writing by the parties, if</u> the taxpayer files an appeal
pursuant to Code Section 48-5-311 during the next two successive years, <u>the board of tax</u>
<u>assessors</u>, the board of equalization, hearing officer, or arbitrator may increase or
decrease the value of the real property based on the evidence presented by the parties
<u>taxpayer</u> during the appeal process; and

120 (4) The board of tax assessors may increase or decrease the value of the real property if,

121 after a visual on-site inspection of the property, it is found that there have been substantial

additions, deletions, or improvements to such property or that there are errors in the board

- 123 of tax assessors' records as to the description or characterization of the property, or the
- board of tax assessors finds an occurrence of other material factors that substantially
- 125 affect the current fair market value of such property."
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### **SECTION 5.**

Said title is further amended in subsection (e) of Code Section 48-5-311, relating to creation
of county boards of equalization, duties, review of assessments, and appeals, by adding a new
paragraph to read as follows:

- 130 "(9) Notwithstanding any other provision of law to the contrary, on any real property tax
- 131 appeal made under this Code section on and after January 1, 2016, the assessed value
- being appealed may be lowered by the deciding body based upon the evidence presented
- 133 but cannot be increased from the amount assessed by the county board of tax assessors.

- 134This subsection shall not apply to any appeal where the taxpayer files an appeal during135a time when subsection (c) of Code Section 48-5-299 is in effect for the assessment being136appealed."
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### **SECTION 6.**

- Said title is further amended by revising subsection (a) of Code Section 48-5-478, relating
  to the exemption from ad valorem taxation for motor vehicles owned or leased by a disabled
  veteran, as follows:
- 141 "(a) A motor vehicle owned by or leased to a disabled veteran who is a citizen and resident 142 of this state and on which such disabled veteran actually places the free disabled veteran motor vehicle license plate he or she receives pursuant to Code Section 40-2-69 is hereby 143 144 exempted from all ad valorem taxes for state, county, municipal, and school purposes. As 145 used in this Code section, the term 'disabled veteran' means any veteran who was 146 discharged under honorable conditions and who has been adjudicated by the United States 147 Department of Veterans Affairs as being 100 percent totally disabled or as being less than 148 100 percent totally disabled but is being compensated at the 100 percent level due to individual unemployability and is entitled to receive service connected benefits and any 149 150 veteran who is receiving or who is entitled to receive a statutory award from the United 151 States Department of Veterans Affairs for: 152 (1) Loss or permanent loss of use of one or both feet; 153 (2) Loss or permanent loss of use of one or both hands; 154 (3) Loss of sight in one or both eyes; or 155 (4) Permanent impairment of vision of both eyes of the following status: central visual 156 acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity
- 157 of more than 20/200 if there is a field defect in which the peripheral field has contracted
- 158 to such an extent that the widest diameter of visual field subtends on angular distance no
- 159 greater than 20 degrees in the better eye shall have the same meaning as that term is
- 160 defined in paragraph (1) of subsection (a) of Code Section 48-5-48."
- 161 SECTION 7.
  162 Said title is further amended by adding a new Code section to Article 2 of Chapter 7, relating
  163 to imposition, rate, and computation of income taxes and exemptions, to read as follows:
  - 164 <u>"48-7-29.20.</u>
  - 165 (a) As used in this Code section, the term:
  - 166 (1) 'Qualified rural health care organization expense' means the contribution of funds by
  - 167 <u>an individual or corporate taxpayer during the tax year for which a credit under this Code</u>
  - 168 section is claimed to a rural health care organization for the benefit of such organization.

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- 169 (2) 'Rural health care organization' means an organization that is approved by the 170 Department of Community Health pursuant to Code Section 31-8-9.1. 171 (b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter 172 for contributions in support of a rural health care organization as follows: 173 (1) In the case of a single individual or a head of household, 80 percent of the actual 174 amount expended or \$2,500.00 per tax year, whichever is less; or 175 (2) In the case of a married couple filing a joint return, 80 percent of the actual amount 176 expended or \$5,000.00 per tax year, whichever is less. 177 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this 178 chapter for qualified rural health care organization expenses in an amount not to exceed 80 179 percent of the actual amount expended or 75 percent of the corporation's income tax 180 liability, whichever is less. 181 (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 182 183 taxpayer against the succeeding five years' tax liability. No such credit shall be allowed 184 the taxpayer against prior years' tax liability. (e)(1) In no event shall the aggregate amount of tax credits allowed under this Code 185 186 section exceed \$100 million per tax year. 187 (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 188 189 shall notify a potential donor of the requirements of this Code section. Before making 190 a contribution to a rural health care organization, the taxpayer shall electronically notify 191 the department, in a manner specified by the department, of the total amount of 192 contributions that the taxpayer intends to make to the rural health care organization. The 193 commissioner shall preapprove or deny the requested amount within 30 days after 194 receiving the request from the taxpayer and shall provide written notice to the taxpayer 195 and the rural health care organization of such preapproval or denial which shall not 196 require any signed release or notarized approval by the taxpayer. In order to receive a tax 197 credit under this Code section, the taxpayer shall make the contribution to the rural health 198 care organization within 60 days after receiving notice from the department that the 199 requested amount was preapproved. If the taxpayer does not comply with this paragraph, 200 the commissioner shall not include this preapproved contribution amount when 201 calculating the limit prescribed in paragraph (1) of this subsection. The department shall establish a web based donation approval process to implement this subsection. 202 (4) Preapproval of contributions by the commissioner shall be based solely on the 203
- 204 availability of tax credits subject to the aggregate total limit established under

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- 205 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. 206 207 (5) Notwithstanding any laws to the contrary, the department shall not take any adverse 208 action against donors to rural health care organizations if the commissioner preapproved 209 a donation for a tax credit prior to the date the rural health care organization is removed 210 from the Department of Community Health list pursuant to Code Section 31-8-9.1, and 211 all such donations shall remain as preapproved tax credits subject only to the donor's compliance with paragraph (3) of this subsection. 212 213 (f) In order for the taxpayer to claim the tax credit under this Code section, a letter of 214 confirmation of donation issued by the rural health care organization to which the 215 contribution was made shall be attached to the taxpayer's tax return. However, in the event 216 the taxpayer files an electronic return, such confirmation shall only be required to be 217 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 218 219 files an electronic return and such confirmation is not attached because the Internal 220 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 221 222 and made available upon request by the commissioner. The letter of confirmation of 223 donation shall contain the taxpayer's name, address, tax identification number, the amount 224 of the contribution, the date of the contribution, and the amount of the credit. 225 (g) No credit shall be allowed under this Code section with respect to any amount 226 deducted from taxable net income by the taxpayer as a charitable contribution to a bona 227 fide charitable organization qualified under Section 501(c)(3) of the Internal Revenue
- 228 <u>Code.</u>
- 229 (h) The commissioner shall be authorized to promulgate any rules and regulations
- 230 necessary to implement and administer the provisions of this Code section.
- 231 (i) This Code section shall stand automatically repealed on December 31, 2020."
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### **SECTION 8.**

- Sections 1 and 7 of this Act shall be applicable to all taxable years beginning on or afterJanuary 1, 2017.
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# **SECTION 9.**

- 236 This Act shall become effective upon its approval by the Governor or upon its becoming law
- 237 without such approval.

# **SECTION 10.**

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