

COMMITTEES OF CONFERENCE 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
 4 approve rural hospital organizations which provide health care services to underserved areas
 5 in this state to receive contributions; to provide for definitions; to provide for tax credits for
 6 contributions to rural hospital organizations; to clarify the definition of disabled veteran; to
 7 change certain provisions regarding the changing values established by certain appeal or
 8 agreement; to provide that the assessed value of property for a taxable year may be lowered
 9 by the deciding body based upon the evidence before such body but shall not be increased
 10 beyond the assessment value established by the board of tax assessors; to provide an
 11 exception; to provide for the amount, nature, limits, and procedures for new tax credits for
 12 contributions to rural hospital organizations; to provide for related matters; to provide for
 13 automatic repeal, an effective date, and applicability; to repeal conflicting laws; and for other
 14 purposes.

15 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 follows:
 19

20 "31-8-9.1.

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

22 (1) 'Critical access hospital' means a hospital that meets the requirements of the federal
 23 Centers for Medicare and Medicaid Services to be designated as a critical access hospital
 24 and that is recognized by the department as a critical access hospital for purposes of
 25 Medicaid.

26 (2) 'Rural county' means a county having a population of less than 35,000 according to
 27 the United States decennial census of 2010 or any future such census; provided, however,
 28 that for counties which contain a military base or installation, the military personnel and
 29 their dependents living in such county shall be excluded from the total population of such
 30 county for purposes of this definition.

31 (3) 'Rural hospital organization' means an acute care hospital licensed by the department
 32 pursuant to Article 1 of Chapter 7 of this title that:

33 (A) Provides inpatient hospital services at a facility located in a rural county or is a
 34 critical access hospital;

35 (B) Participates in both Medicaid and medicare and accepts both Medicaid and
 36 medicare patients;

37 (C) Provides health care services to indigent patients;

38 (D) Has at least 10 percent of its annual net revenue categorized as indigent care,
 39 charity care, or bad debt;

40 (E) Annually files IRS Form 990, Return of Organization Exempt From Income Tax,
 41 with the department, or for any hospital not required to file IRS Form 990, the
 42 department will provide a form that collects the same information to be submitted to the
 43 department on an annual basis;

44 (F) Is operated by a county or municipal authority pursuant to Article 4 of Chapter 7
 45 of this title or is designated as a tax-exempt organization under Section 501(c)(3) of the
 46 Internal Revenue Code; and

47 (G) Is current with all audits and reports required by law.

48 (b)(1) By December 1 of each year, the department shall approve a list of rural hospital
 49 organizations eligible to receive contributions from the tax credit provided pursuant to
 50 Code Section 48-7-29.20 and transmit such list to the Department of Revenue.

51 (2) Before any rural hospital organization is included on the list as eligible to receive
 52 contributions from the tax credit provided pursuant to Code Section 48-7-29.20, it shall
 53 submit to the department a five-year plan detailing the financial viability and stability of
 54 the rural hospital organization. The criteria to be included in the five-year plan shall be
 55 established by the department.

56 (c)(1) A rural hospital organization that receives donations pursuant to Code Section
 57 48-7-29.20 shall:

58 (A) Utilize such donations for the provision of health care-related services for residents
 59 of a rural county or for residents of the area served by a critical access hospital; and

60 (B) Report on a form provided by the department all contributions received from
 61 individual and corporate donors pursuant to Code Section 48-7-29.20 and show the

62 manner or purpose in which the contributions received were expended by the rural
 63 hospital organization.

64 (2) The department shall annually prepare a report compiling the information received
 65 pursuant to paragraph (1) of this subsection for the chairpersons of the House Committee
 66 on Ways and Means and the Senate Health and Human Services Committee."

67 **SECTION 2.**

68 Chapter 2 of Title 40 of the Official Code of Georgia Annotated, relating to registration and
 69 licensing of motor vehicles, is amended by revising subsection (a) of Code Section 40-2-69,
 70 relating to free license plates and revalidation decals for disabled veterans, as follows:

71 "(a) Any disabled veteran who is a citizen and resident of this state shall, upon application
 72 therefor, be issued a free motor vehicle license plate. As used in this Code section, the
 73 term 'disabled veteran' ~~means any veteran who was discharged under honorable conditions~~
 74 ~~and who has been adjudicated by the United States Department of Veterans Affairs as~~
 75 ~~being 100 percent totally disabled or as being less than 100 percent totally disabled but is~~
 76 ~~compensated at the 100 percent level due to individual unemployability and is entitled to~~
 77 ~~receive a statutory award from the United States Department of Veterans Affairs for:~~

78 ~~(1) Loss or permanent loss of use of one or both feet;~~

79 ~~(2) Loss or permanent loss of use of one or both hands;~~

80 ~~(3) Loss of sight in one or both eyes; or~~

81 ~~(4) Permanent impairment of vision of both eyes of the following status: central visual~~
 82 ~~acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity~~
 83 ~~of more than 20/200 if there is a field defect in which the peripheral field has contracted~~
 84 ~~to such an extent that the widest diameter of visual field subtends on angular distance no~~
 85 ~~greater than 20 degrees in the better eye shall have the same meaning as that term is~~
 86 ~~defined in paragraph (1) of subsection (a) of Code Section 48-5-48."~~

87 **SECTION 3.**

88 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
 89 amended by revising paragraph (1) of subsection (a) of Code Section 48-5-48, relating to the
 90 homestead exemption for disabled veterans, as follows:

91 "(a) As used in this Code section, the term 'disabled veteran' means:

92 (1) Any veteran who is a citizen and a resident of this state who was discharged under
 93 honorable conditions and who has been adjudicated by the United States Department of
 94 Veterans Affairs as having a service related disability that renders such veteran as being
 95 100 percent totally disabled or as being less than 100 percent totally disabled but is

96 compensated at the 100 percent level due to individual unemployability ~~and~~ or is entitled
 97 to receive a statutory award from the United States Department of Veterans Affairs for:

98 (A) Loss or permanent loss of use of one or both feet;

99 (B) Loss or permanent loss of use of one or both hands;

100 (C) Loss of sight in one or both eyes; or

101 (D) Permanent impairment of vision of both eyes of the following status: central visual
 102 acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity
 103 of more than 20/200 if there is a field defect in which the peripheral field has contracted
 104 to such an extent that the widest diameter of visual field subtends an angular distance
 105 no greater than 20 degrees in the better eye;"

106 SECTION 4.

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

110 "(c) When the value of real property is reduced or is unchanged from the value on the
 111 initial annual notice of assessment or a corrected annual notice of assessment issued by the
 112 board of tax assessors and such valuation ~~is~~ has been established as the result of ~~either~~ an
 113 appeal decision rendered by the board of equalization, hearing officer, arbitrator, or
 114 superior court pursuant to Code Section 48-5-311 or stipulated by written agreement ~~of the~~
 115 ~~parties to such an appeal that this subsection shall apply in any year~~ signed by the board
 116 of tax assessors and taxpayer or taxpayer's authorized representative, the new valuation so
 117 established by appeal decision or agreement may not be increased by the board of tax
 118 assessors during the next two successive years, unless otherwise agreed in writing by both
 119 parties, subject to the following exceptions:

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

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

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

132 (4) The board of tax assessors may increase or decrease the value of the real property if,
 133 after a visual on-site inspection of the property, it is found that there have been substantial
 134 additions, deletions, or improvements to such property or that there are errors in the board
 135 of tax assessors' records as to the description or characterization of the property, or the
 136 board of tax assessors finds an occurrence of other material factors that substantially
 137 affect the current fair market value of such property."

138 **SECTION 5.**

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

142 "(9) Notwithstanding any other provision of law to the contrary, on any real property tax
 143 appeal made under this Code section on and after January 1, 2016, the assessed value
 144 being appealed may be lowered by the deciding body based upon the evidence presented
 145 but cannot be increased from the amount assessed by the county board of tax assessors.
 146 This subsection shall not apply to any appeal where the taxpayer files an appeal during
 147 a time when subsection (c) of Code Section 48-5-299 is in effect for the assessment being
 148 appealed."

149 **SECTION 6.**

150 Said title is further amended by revising subsection (a) of Code Section 48-5-478, relating
 151 to the exemption from ad valorem taxation for motor vehicles owned or leased by a disabled
 152 veteran, as follows:

153 "(a) A motor vehicle owned by or leased to a disabled veteran who is a citizen and resident
 154 of this state and on which such disabled veteran actually places the free disabled veteran
 155 motor vehicle license plate he or she receives pursuant to Code Section 40-2-69 is hereby
 156 exempted from all ad valorem taxes for state, county, municipal, and school purposes. As
 157 used in this Code section, the term 'disabled veteran' ~~means any veteran who was~~
 158 ~~discharged under honorable conditions and who has been adjudicated by the United States~~
 159 ~~Department of Veterans Affairs as being 100 percent totally disabled or as being less than~~
 160 ~~100 percent totally disabled but is being compensated at the 100 percent level due to~~
 161 ~~individual unemployability and is entitled to receive service connected benefits and any~~
 162 ~~veteran who is receiving or who is entitled to receive a statutory award from the United~~
 163 ~~States Department of Veterans Affairs for:~~

- 164 (1) ~~Loss or permanent loss of use of one or both feet;~~
 165 (2) ~~Loss or permanent loss of use of one or both hands;~~
 166 (3) ~~Loss of sight in one or both eyes; or~~

167 ~~(4) Permanent impairment of vision of both eyes of the following status: central visual~~
 168 ~~acuity of 20/200 or less in the better eye, with corrective glasses, or central visual acuity~~
 169 ~~of more than 20/200 if there is a field defect in which the peripheral field has contracted~~
 170 ~~to such an extent that the widest diameter of visual field subtends on angular distance no~~
 171 ~~greater than 20 degrees in the better eye shall have the same meaning as that term is~~
 172 ~~defined in paragraph (1) of subsection (a) of Code Section 48-5-48."~~

173 SECTION 7.

174 Said title is further amended by adding a new Code section to Article 2 of Chapter 7, relating
 175 to imposition, rate, and computation of income taxes and exemptions, to read as follows:

176 "48-7-29.20.

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

178 (1) 'Qualified rural hospital organization expense' means the contribution of funds by an
 179 individual or corporate taxpayer to a rural hospital organization for the direct benefit of
 180 such organization during the tax year for which a credit under this Code section is
 181 claimed.

182 (2) 'Rural hospital organization' means an organization that is approved by the
 183 Department of Community Health pursuant to Code Section 31-8-9.1.

184 (b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter
 185 for qualified rural hospital organization expenses as follows:

186 (1) In the case of a single individual or a head of household, 70 percent of the actual
 187 amount expended or \$2,500.00 per tax year, whichever is less; or

188 (2) In the case of a married couple filing a joint return, 70 percent of the actual amount
 189 expended or \$5,000.00 per tax year, whichever is less.

190 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this
 191 chapter for qualified rural hospital organization expenses in an amount not to exceed 70
 192 percent of the actual amount expended or 75 percent of the corporation's income tax
 193 liability, whichever is less.

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

198 (e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
 199 section exceed \$50 million in 2017, \$60 million in 2018, and \$70 million in 2019.

200 (2)(A) No more than \$4 million of the aggregate limit established by paragraph (1) of
 201 this subsection shall be contributed to any individual rural hospital organization in any
 202 taxable year. From January 1 to June 30 each taxable year, the commissioner shall only

203 preapprove contributions submitted by individual taxpayers in an amount not to exceed
204 \$2 million, and from corporate donors in an amount not to exceed \$2 million. From
205 July 1 to December 31 each taxable year, subject to the aggregate limit in paragraph (1)
206 of this subsection and the individual rural hospital organization limit in this paragraph,
207 the commissioner shall approve contributions submitted by individual taxpayers and
208 corporations or other entities.

209 (B) In the event an individual or corporate donor desires to make a contribution to an
210 individual rural hospital organization that has received the maximum amount of
211 contributions for that taxable year, the Department of Community Health shall provide
212 the individual or corporate donor with a list, ranked in order of financial need, as
213 determined by the Department of Community Health, of rural hospital organizations
214 still eligible to receive contributions for the taxable year.

215 (3) For purposes of paragraphs (1) and (2) of this subsection, a rural hospital
216 organization shall notify a potential donor of the requirements of this Code section.
217 Before making a contribution to a rural hospital organization, the taxpayer shall
218 electronically notify the department, in a manner specified by the department, of the total
219 amount of contribution that the taxpayer intends to make to the rural hospital
220 organization. The commissioner shall preapprove or deny the requested amount with 30
221 days after receiving the request from the taxpayer and shall provide written notice to the
222 taxpayer and rural hospital organization of such preapproval or denial which shall not
223 require any signed release or notarized approval by the taxpayer. In order to receive a tax
224 credit under this Code section, the taxpayer shall make the contribution to the rural
225 hospital organization within 60 days after receiving notice from the department that the
226 requested amount was preapproved. If the taxpayer does not comply with this paragraph,
227 the commissioner shall not include this preapproved contribution amount when
228 calculating the limits prescribed in paragraphs (1) and (2) of this subsection.

229 (4) Preapproval of contributions by the commissioner shall be based solely on the
230 availability of tax credits subject to the aggregate total limit established under paragraph
231 (1) of this subsection and the individual rural hospital organization limit established under
232 paragraph (2) of this subsection.

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

- 239 (f) In order for the taxpayer to claim the tax credit under this Code section, a letter of
 240 confirmation of donation issued by the rural hospital organization to which the contribution
 241 was made shall be attached to the taxpayer's tax return. However, in the event the taxpayer
 242 files an electronic return, such confirmation shall only be required to be electronically
 243 attached to the return if the Internal Revenue Service allows such attachments when the
 244 return is transmitted to the department. In the event the taxpayer files an electronic return
 245 and such confirmation is not attached because the Internal Revenue Service does not, at the
 246 time of such electronic filing, allow electronic attachments to the Georgia return, such
 247 confirmation shall be maintained by the taxpayer and made available upon request by the
 248 commissioner. The letter of confirmation of donation shall contain the taxpayer's name,
 249 address, tax identification number, the amount of the contribution, the date of the
 250 contribution, and the amount of the credit.
- 251 (g) No credit shall be allowed under this Code section with respect to any amount
 252 deducted from taxable net income by the taxpayer as a charitable contribution to a bona
 253 fide charitable organization qualified under Section 501(c)(3) of the Internal Revenue
 254 Code.
- 255 (h) The commissioner shall be authorized to promulgate any rules and regulations
 256 necessary to implement and administer the provisions of this Code section.
- 257 (i) This Code section shall stand automatically repealed on December 31, 2019."

258 **SECTION 8.**

- 259 (a) This Act shall become effective upon its approval by the Governor or upon its becoming
 260 law without such approval.
- 261 (b) Sections 1 and 7 of this Act shall be applicable to all taxable years beginning on or after
 262 January 1, 2017.

263 **SECTION 9.**

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