

Senate Bill 180

By: Senators Burke of the 11th, Black of the 8th, Brass of the 28th, Anderson of the 24th and Wilkinson of the 50th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated,
2 relating to hospital care for the indigent generally, so as to provide for an additional reporting
3 requirement for rural hospitals; to amend Article 2 of Chapter 7 of Title 48 of the Official
4 Code of Georgia Annotated, relating to the imposition, rate, computation, and exemptions
5 from income taxes, so as to change certain amounts and entities eligible for the credit; to
6 amend Code Section 50-18-72 of the Official Code of Georgia Annotated, relating to when
7 public disclosure not required, so that the identities of individual and corporate donors to
8 rural hospital organizations are exempt from public disclosure; to provide for related matters;
9 to provide for an effective date; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to
13 hospital care for the indigent generally, is amended by revising subsection (c) of Code
14 Section 31-8-9.1, relating to tax credits for donations to certain rural hospitals, as follows:

15 "(c)(1) A rural hospital organization that receives donations pursuant to Code Section
16 48-7-29.20 shall:

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

20 (B) Report on a form provided by the department:

21 (i) All contributions received from individual and corporate donors pursuant to
22 Code Section 48-7-29.20 ~~and show~~ detailing the manner ~~or purpose~~ in which the
23 contributions received were expended by the rural hospital organization; and

24 (ii) Any payments made to a third party to solicit, administer, or manage the
25 donations received by the rural hospital organization pursuant to this Code section or
26 Code Section 48-7-29.20.

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

30

SECTION 2.

31 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
 32 imposition, rate, computation, and exemptions from income taxes, is amended by revising
 33 subsections (b), (c), and (e) of Code Section 48-7-29.20, relating to tax credits for
 34 contributions to rural hospital organizations, as follows:

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

37 (1) In the case of a single individual or a head of household, ~~70~~ 90 percent of the actual
 38 amount expended or ~~\$2,500.00~~ \$5,000.00 per tax year, whichever is less; or

39 (2) In the case of a married couple filing a joint return, ~~70~~ 90 percent of the actual
 40 amount expended or ~~\$5,000.00~~ \$10,000.00 per tax year, whichever is less; or

41 (3) Anything to the contrary contained in paragraph (1) or (2) of this subsection
 42 notwithstanding, in the case of an individual who is a member of a limited liability
 43 company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or
 44 a partner in a partnership, 70 percent of the actual amount expended or \$10,000.00 per
 45 tax year, whichever is less; provided, however, that tax credits pursuant to this paragraph
 46 shall only be allowed for the portion of the income on which such tax was actually paid
 47 by such member of the limited liability company, shareholder of a Subchapter 'S'
 48 corporation, or partner in a partnership.

49 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this
 50 chapter for qualified rural hospital organization expenses in an amount not to exceed ~~70~~ 90
 51 percent of the actual amount expended or 75 percent of the corporation's income tax
 52 liability, whichever is less."

53 "(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
 54 section exceed ~~\$50~~ \$60 million in 2017, \$60 million in 2018, and ~~\$70~~ \$60 million in
 55 2019.

56 (2)(A) No more than \$4 million of the aggregate limit established by paragraph (1) of
 57 this subsection shall be contributed to any individual rural hospital organization in any
 58 taxable year. From January 1 to June 30 each taxable year, the commissioner shall only
 59 preapprove contributions submitted by individual taxpayers in an amount not to exceed
 60 \$2 million, and from corporate donors in an amount not to exceed \$2 million. From
 61 July 1 to December 31 each taxable year, subject to the aggregate limit in paragraph (1)
 62 of this subsection and the individual rural hospital organization limit in this paragraph,

63 the commissioner shall approve contributions submitted by individual taxpayers and
64 corporations or other entities.

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

71 (3) For purposes of paragraphs (1) and (2) of this subsection, a rural hospital
72 organization shall notify a potential donor of the requirements of this Code section.
73 Before making a contribution to a rural hospital organization, the taxpayer shall
74 electronically notify the department, in a manner specified by the department, of the total
75 amount of contribution that the taxpayer intends to make to the rural hospital
76 organization. The commissioner shall preapprove or deny the requested amount ~~with~~
77 within 30 days after receiving the request from the taxpayer and shall provide written
78 notice to the taxpayer and rural hospital organization of such preapproval or denial which
79 shall not require any signed release or notarized approval by the taxpayer. In order to
80 receive a tax credit under this Code section, the taxpayer shall make the contribution to
81 the rural hospital organization within 60 days after receiving notice from the department
82 that the requested amount was preapproved. If the taxpayer does not comply with this
83 paragraph, the commissioner shall not include this preapproved contribution amount
84 when calculating the limits prescribed in paragraphs (1) and (2) of this subsection.

85 (4)(A) Preapproval of contributions by the commissioner shall be based solely on the
86 availability of tax credits subject to the aggregate total limit established under
87 paragraph (1) of this subsection and the individual rural hospital organization limit
88 established under paragraph (2) of this subsection.

89 (B) Any taxpayer preapproved by the department pursuant to subsection (e) of this
90 Code section shall retain their approval in the event the credit percentage in
91 subsection (b) of this Code section is modified for the year in which the taxpayer was
92 preapproved.

93 (C) Any taxpayer preapproved by the department pursuant to subsection (c) of this
94 Code section shall receive the full benefit of the income tax credit established by this
95 Code section even though the rural hospital organization to which the taxpayer made
96 a donation does not properly comply with the reports or filings required by this Code
97 section.

98 (5) Notwithstanding any laws to the contrary, the department shall not take any adverse
99 action against donors to rural hospital organizations if the commissioner preapproved a

100 donation for a tax credit prior to the date the rural hospital organization is removed from
101 the Department of Community Health list pursuant to Code Section 31-8-9.1, and all such
102 donations shall remain as preapproved tax credits subject only to the donor's compliance
103 with paragraph (3) of this subsection."

104 **SECTION 3.**

105 Code Section 50-18-72 of the Official Code of Georgia Annotated, relating to when public
106 disclosure not required, is amended in subsection (a) by deleting "or" at the end of paragraph
107 (49), by deleting the period and adding "; or" at the end of paragraph (50), and by adding a
108 new paragraph to read as follows:

109 "(51) Records related to Code Section 31-8-9.1 containing the identity of any individual
110 or corporate donor that made or applied to make a contribution to a rural hospital
111 organization pursuant to Code Section 48-7-29.20, unless the identity of such individual
112 or corporate donor is redacted prior to public disclosure."

113 **SECTION 4.**

114 This Act shall become effective upon its approval by the Governor or upon its becoming law
115 without such approval.

116 **SECTION 5.**

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