

The Senate Committee on Finance offered the following substitute to HB 196:

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 rural hospital
6 income tax credit; to amend Code Section 50-18-72 of the Official Code of Georgia
7 Annotated, relating to when public disclosure not required, so as to provide that the identities
8 of individual and corporate donors to rural hospital organizations are exempt from public
9 disclosure; to provide for related matters; to provide for an effective date and applicability;
10 to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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) ~~at~~ 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

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

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

31 SECTION 2.

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

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

38 (1) In the case of a single individual or a head of household, ~~70~~ 80 percent of the actual
 39 amount expended or ~~\$2,500.00~~ \$5,000.00 per tax year, whichever is less; ~~or~~

40 (2) In the case of a married couple filing a joint return, ~~70~~ 80 percent of the actual
 41 amount expended or ~~\$5,000.00~~ \$10,000.00 per tax year, whichever is less; or

42 (3) Anything to the contrary contained in paragraph (1) or (2) of this subsection
 43 notwithstanding, in the case of an individual who is a member of a limited liability
 44 company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or
 45 a partner in a partnership, 80 percent of the actual amount expended or \$10,000.00 per
 46 tax year, whichever is less; provided, however, that tax credits pursuant to this paragraph
 47 shall only be allowed for the portion of the income on which such tax was actually paid
 48 by such member of the limited liability company, shareholder of a Subchapter 'S'
 49 corporation, or partner in a partnership.

50 (c) A corporation or other entity shall be allowed a credit against the tax imposed by this
 51 chapter for qualified rural hospital organization expenses in an amount not to exceed ~~70~~ 80
 52 percent of the actual amount expended or 75 percent of the corporation's income tax
 53 liability, whichever is less."

54 "(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
 55 section exceed ~~\$50~~ \$60 million in 2017, \$60 million in 2018, and ~~\$70~~ \$60 million in
 56 2019.

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

61 \$2 million, and from corporate donors in an amount not to exceed \$2 million. From
62 July 1 to December 31 each taxable year, subject to the aggregate limit in paragraph (1)
63 of this subsection and the individual rural hospital organization limit in this paragraph,
64 the commissioner shall approve contributions submitted by individual taxpayers and
65 corporations or other entities.

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

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

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

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

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

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

103 **SECTION 3.**

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

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

112 **SECTION 4.**

113 This Act shall become effective upon its approval by the Governor or upon its becoming law
114 without such approval and shall be applicable to all taxable years beginning on or after
115 January 1, 2018.

116 **SECTION 5.**

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