

**ADOPTED**

Senator Burke of the 11th offered the following amendment:

1 *Amend the House substitute to SB 180 (LC 34 5234S) by deleting all matter from line 1*  
 2 *through the end and substituting in lieu thereof the following:*

3 To amend Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated,  
 4 relating to hospital care for the indigent generally, so as to provide for a definition; to provide  
 5 for an additional reporting requirement for rural hospitals; to amend Article 2 of Chapter 7  
 6 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate,  
 7 computation, and exemptions from income taxes, so as to provide for procedures, conditions,  
 8 and limitations; to provide for definitions; to change certain amounts eligible for the rural  
 9 hospital organization income tax credit; to provide for related matters; to provide for  
 10 effective dates and applicability; to repeal conflicting laws; and for other purposes.

11 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

12 **SECTION 1.**

13 Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to  
 14 hospital care for the indigent generally, is amended by repealing Code Section 31-8-9.1,  
 15 relating to tax credits for donations to certain rural hospitals, and enacting a new Code  
 16 Section 31-8-9.1 to read as follows:

17 "31-8-9.1.

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

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

23 (2) 'Rural county' means a county having a population of less than 50,000 according to  
 24 the United States decennial census of 2010 or any future such census; provided, however,  
 25 that for counties which contain a military base or installation, the military personnel and  
 26 their dependents living in such county shall be excluded from the total population of such  
 27 county for purposes of this definition.

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

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

- 32 (B) Participates in both Medicaid and medicare and accepts both Medicaid and  
33 medicare patients;
- 34 (C) Provides health care services to indigent patients;
- 35 (D) Has at least 10 percent of its annual net revenue categorized as indigent care,  
36 charity care, or bad debt;
- 37 (E) Annually files IRS Form 990, Return of Organization Exempt From Income Tax,  
38 with the department, or for any hospital not required to file IRS Form 990, the  
39 department will provide a form that collects the same information to be submitted to the  
40 department on an annual basis;
- 41 (F) Is operated by a county or municipal authority pursuant to Article 4 of Chapter 7  
42 of this title or is designated as a tax-exempt organization under Section 501(c)(3) of the  
43 Internal Revenue Code; and
- 44 (G) Is current with all audits and reports required by law.
- 45 (b)(1) By December 1 of each year, the department shall approve a list of rural hospital  
46 organizations eligible to receive contributions from the tax credit provided pursuant to  
47 Code Section 48-7-29.20 and transmit such list to the Department of Revenue.
- 48 (2) Before any rural hospital organization is included on the list as eligible to receive  
49 contributions from the tax credit provided pursuant to Code Section 48-7-29.20, it shall  
50 submit to the department a five-year plan detailing the financial viability and stability of  
51 the rural hospital organization. The criteria to be included in the five-year plan shall be  
52 established by the department.
- 53 (c)(1) A rural hospital organization that receives donations pursuant to Code  
54 Section 48-7-29.20 shall:
- 55 (A) Utilize such donations for the provision of health care related services for residents  
56 of a rural county or for residents of the area served by a critical access hospital; and
- 57 (B) Report on a form provided by the department:
- 58 (i) All contributions received from individual and corporate donors pursuant to Code  
59 Section 48-7-29.20 detailing the manner in which the contributions received were  
60 expended by the rural hospital organization; and
- 61 (ii) Any payments made to a third party to solicit, administer, or manage the  
62 donations received by the rural hospital organization pursuant to this Code section or  
63 Code Section 48-7-29.20. In no event shall payments made to a third party to solicit,  
64 administer, or manage the donations received pursuant to this Code section exceed  
65 3 percent of the total amount of the donations.
- 66 (2) The department shall annually prepare a report compiling the information received  
67 pursuant to paragraph (1) of this subsection for the chairpersons of the House Committee  
68 on Ways and Means and the Senate Health and Human Services Committee."

**SECTION 2.**

Said article is further amended by revising subsections (b), (c), and (e) of Code Section 48-7-29.20, relating to tax credits for contributions to rural hospital organizations, as follows:

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

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

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

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

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

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

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

(3) For purposes of paragraphs (1) and (2) of this subsection, a rural hospital organization shall notify a potential donor of the requirements of this Code section. Before making a contribution to a rural hospital organization, the taxpayer shall electronically notify the department, in a manner specified by the department, of the total amount of contribution that the taxpayer intends to make to the rural hospital organization. The commissioner shall preapprove or deny the requested amount with

106 within 30 days after receiving the request from the taxpayer and shall provide written  
 107 notice to the taxpayer and rural hospital organization of such preapproval or denial which  
 108 shall not require any signed release or notarized approval by the taxpayer. In order to  
 109 receive a tax credit under this Code section, the taxpayer shall make the contribution to  
 110 the rural hospital organization within 60 days after receiving notice from the department  
 111 that the requested amount was preapproved. If the taxpayer does not comply with this  
 112 paragraph, the commissioner shall not include this preapproved contribution amount  
 113 when calculating the limits prescribed in paragraphs (1) and (2) of this subsection.

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

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

122 (C) Upon the rural hospital organization's confirmation of receipt of donations that  
 123 have been preapproved by the department, any taxpayer preapproved by the department  
 124 pursuant to subsection (c) of this Code section shall receive the full benefit of the  
 125 income tax credit established by this Code section even though the rural hospital  
 126 organization to which the taxpayer made a donation does not properly comply with the  
 127 reports or filings required by this Code section.

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

### 134 **SECTION 3.**

135 This Act shall become effective upon its approval by the Governor or upon its becoming law  
 136 without such approval and shall be applicable to all taxable years beginning on or after  
 137 January 1, 2017; provided, however, that paragraph (2) of subsection (a) of Code  
 138 Section 31-8-9.1, relating to tax credits for donations to certain rural hospitals, shall become  
 139 effective on January 1, 2018.

140 **SECTION 4.**  
141 All laws and parts of laws in conflict with this Act are repealed.