

The House Committee on Ways and Means offers the following substitute to HB 54:

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 eligible for the credit; to provide for
6 related matters; to provide for an effective date; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

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

13 "(c)(1) A rural hospital organization that receives donations pursuant to Code Section
14 48-7-29.20 shall:

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

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

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

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

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

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SECTION 2.

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

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

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

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

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

43 "(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code
 44 section exceed ~~\$50~~ \$60 million in 2017, \$60 million in 2018, and ~~\$70~~ \$60 million in
 45 2019.

46 (2)(A) No more than \$4 million of the aggregate limit established by paragraph (1) of
 47 this subsection shall be contributed to any individual rural hospital organization in any
 48 taxable year. From January 1 to June 30 each taxable year, the commissioner shall only
 49 preapprove contributions submitted by individual taxpayers in an amount not to exceed
 50 \$2 million, and from corporate donors in an amount not to exceed \$2 million. From
 51 July 1 to December 31 each taxable year, subject to the aggregate limit in paragraph (1)
 52 of this subsection and the individual rural hospital organization limit in this paragraph,
 53 the commissioner shall approve contributions submitted by individual taxpayers and
 54 corporations or other entities.

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

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

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

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

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

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

94 **SECTION 3.**

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

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SECTION 4.

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