

The House Committee on Ways and Means offers the following substitute to SB 180:

A BILL TO BE ENTITLED
AN ACT

To amend Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to hospital care for the indigent generally, so as to provide for a definition; to provide for an additional reporting requirement for rural hospitals; to amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the imposition, rate, computation, and exemptions from income taxes, so as delete an income tax deduction for certain physicians serving as community based faculty physicians; to create a new income tax credit for taxpayers who are licensed physicians, advanced practice registered nurses, or physician assistants who provide uncompensated preceptorship training to medical students, advanced practice registered nurse students, or physician assistant students for certain periods of time; to provide for procedures, conditions, and limitations; to provide for definitions; to change certain amounts eligible for the credit; to provide for related matters; to provide for an effective date and applicability; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 1 of Chapter 8 of Title 31 of the Official Code of Georgia Annotated, relating to hospital care for the indigent generally, is amended by revising paragraph (2) of subsection (a) and subsection (c) of Code Section 31-8-9.1, relating to tax credits for donations to certain rural hospitals, as follows:

"(2) 'Rural county' means a county having a population of less than ~~35,000~~ 50,000 according to the United States decennial census of 2010 or any future such census; provided, however, that for counties which contain a military base or installation, the military personnel and their dependents living in such county shall be excluded from the total population of such county for purposes of this definition."

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

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

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

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

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

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

SECTION 2.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, and exemptions from income taxes, is amended by revising paragraph (13.2) of subsection (a) of Code Section 48-7-27, relating to computation of taxable net income, as follows:

~~"(13.2)(A) An amount equal to \$1,000.00 for any physician who served as the community based faculty physician for a medical core clerkship provided by community based faculty.~~

~~(B) An amount equal to \$1,000.00 for any physician who served as the community based faculty physician for a physician assistant core clerkship provided by community based faculty.~~

~~(C) An amount equal to \$1,000.00 for any physician who served as the community based faculty physician for a nurse practitioner core clerkship provided by community based faculty.~~

~~(D) As used in this paragraph, the term:~~

(i) ~~'Community based faculty physician' means a noncompensated physician who provides a minimum of three and a maximum of ten clerkships within a calendar year.~~

(ii) ~~'Medical core clerkship,' 'physician assistant core clerkship,' or 'nurse practitioner core clerkship' means a clerkship for a student who is enrolled in a Georgia medical school, a Georgia physician assistant school, or a Georgia nurse practitioner school and who completes a minimum of 160 hours of community based instruction in family medicine, internal medicine, pediatrics, obstetrics and gynecology, emergency~~

medicine, psychiatry, or general surgery under the guidance of a community based faculty physician.

~~(E) The state-wide Area Health Education Centers Program Office at Georgia Regents University shall administer the program and certify rotations for the department.~~

~~(F) This paragraph shall apply to all taxable years beginning on or after January 1, 2014."~~

SECTION 3.

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

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

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

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

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

SECTION 4.

Said article is further amended by adding a new Code section to read as follows:

"48-7-29.21.

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

(1) 'Advanced practice registered nurse student' means an individual participating in a training program in this state that is accredited by a nationally recognized accrediting body for advanced practice registered nursing programs for the training of individuals to become advanced practice registered nurses as defined in paragraph (1.1) of Code Section 43-26-3.

(2) 'Community based faculty preceptor' means an individual who is a physician as defined in paragraph (2) of Code Section 43-34-21, an advanced practice registered nurse as defined in paragraph (1.1) of Code Section 43-26-3, or a physician assistant as defined in paragraph (7) of Code Section 43-34-102.

(3) 'Medical student' means an individual participating in his or her third or fourth year of a program in this state that is approved by the Georgia Composite Medical Board for the training of doctors of medicine or doctors of osteopathic medicine.

(4) 'Physician assistant student' means an individual participating in a training program in this state that is approved by the Georgia Composite Medical Board for the training of individuals to become physician assistants as defined in paragraph (7) of Code Section 43-34-102.

(5) 'Preceptorship rotation' means a period of preceptorship training of one or more medical students, physician assistant students, or advanced practice registered nurse students that in aggregate totals 160 hours.

(6) 'Preceptorship training' means uncompensated community based training of a medical student, advanced practice registered nurse student, or physician assistant student in Georgia.

(b)(1) A community based faculty preceptor shall be allowed a credit against the tax imposed by Code Section 48-7-20 if he or she conducts a preceptorship rotation.

(2) Such credit shall be accrued on a per preceptorship rotation basis in the amount of \$500.00 for the first, second, or third preceptorship rotation and \$1,000.00 for the fourth, fifth, sixth, seventh, eighth, ninth, or tenth preceptorship rotation completed in one calendar year by a community based faculty preceptor who is a physician as defined in paragraph (2) of Code Section 43-34-21 and \$375.00 for the first, second, or third preceptorship rotation and \$750.00 for the fourth, fifth, sixth, seventh, eighth, ninth, or tenth preceptorship rotation completed in one calendar year by a community based faculty preceptor who is an advanced practice registered nurse as defined in paragraph

(1.1) of Code Section 43-26-3 or a physician assistant as defined in paragraph (7) of Code Section 43-34-102.

(3) An individual shall not accrue credit for more than ten preceptorship rotations in one calendar year.

(c)(1) A community based faculty preceptor shall not be eligible to earn hours credited toward preceptorship training if he or she has not registered with the state-wide Area Health Education Centers (AHEC) Program Office at Augusta University.

(2) The AHEC Program Office at Augusta University shall administer the program and certify preceptorship rotations for the department.

(d) To receive the credit allowed by this Code section, a community based faculty preceptor shall claim such credit on his or her return for the tax year in which he or she completed the preceptorship rotation, shall certify that he or she did not receive payment during such tax year from any source for the training of a medical student, advanced practice registered nurse student, or physician assistant student and shall submit supporting documentation as prescribed by the commissioner.

(e) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. No such tax credit shall be allowed the taxpayer against prior or succeeding years' tax liability.

(f)(1) On August 1, 2018, and annually thereafter, the commissioner shall issue a report to the Governor, the chairperson of the Senate Finance Committee, and the chairperson of the House Committee on Ways and Means concerning the tax credit created by this Code section.

(2) Such report shall include, for the prior calendar year, the:

(A) Number of individuals claiming a credit pursuant to this Code section; and

(B) Total value of all credits claimed pursuant to this Code section.

(g) The commissioner shall be authorized to promulgate any rules and regulations necessary to implement and administer the provisions of this Code section."

SECTION 5.

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

SECTION 6.

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