Qualified Rural Hospital Organization
Expense Tax Credit

Application and Reporting
Outline

• Credit Information
• How to Apply for Pre-Approval
  – Taxpayer
  – RHO on behalf of Taxpayer
• How to Report Donations
  – Taxpayer
  – RHO
• Q&A
QRHEO Credit Information
Electronic Mandate

• This credit is administered and managed electronically through the Georgia Tax Center (GTC) at [https://gtc.dor.ga.gov/](https://gtc.dor.ga.gov/)

• All applications and required reporting must be completed electronically

• Donors and RHO’s have to be registered with DOR and have a GTC logon

• Donors who have not filed a return in GA will need to contact DOR at 1-877-423-6711 to get registered and receive a GTC logon
QRHEO Credit Information

• Opening day is January 3rd, 2017 @ 8:00 a.m.
• Applications are processed on a first come, first served basis
• Taxpayers must notify DOR of the amount that they intend to contribute to RHO via GTC before making a contribution
  – The RHO can submit on behalf of their contributor
  – No separate access to GTC is available for a third party to perform actions of the RHO; however, a third party can submit the application if they are acting as if they are the RHO
QRHEO Credit Information

• Taxpayers will be notified of the status of their application within 30 days
  – Approval or denial letters will be mailed to both the donor and the RHO

• Donor must submit contributions within 60 days of the date on their approval letter and within the calendar year it was pre-approved

• Within 30 days of the contribution, the donor must report the actual amount of the contribution, the DOR issued tax credit certificate number, and a copy of the Form IT-QRHOE-RHO1
  – The RHO provides the donor with Form IT-QRHOE-RHO1
QRHEO Credit Information

• Within 90 days of the credit pre-approval, the RHO must report the actual amount of the contribution for each donor

• Both the donor and the RHO must complete the required reporting
  – The donor will not see the credit as available until both the donor and the RHO have done the required reporting
  – Failure of either to report within the specified timeframe will result in the credit being disallowed
QRHEO Credit Information

• Credit is capped:
  – 2017: $50 million
  – 2018: $60 million
  – 2019: $70 million

• For each calendar year of the credit, no more than $4 million of the aggregate credit limit shall be contributed to any individual RHO

• Pass-through entities are not allowed for this credit
Credit Amounts & Limits

• Individual Taxpayers
  – Single, Head of Household, Married Filing Separate: the credit amount shall not exceed 70% of the actual amount donated or $2,500, whichever is less
  – Married Filing Joint: the credit amount shall not exceed 70% of the actual amount donated or $5,000, whichever is less
  – The tax credit may not exceed the taxpayer’s income tax liability. However, any remaining credit can be used against the next succeeding five years’ tax liability
Credit Amounts & Limits

• Corporate & Fiduciary Taxpayers
  – Credit amount shall not exceed 70% of the actual amount expended or 75% of the corporation’s or fiduciary’s income tax liability, whichever is less
  – Any preapproved amount that exceeds 75% of the actual income tax liability cannot be used or carried forward
  – A fiduciary cannot pass the credit through to its beneficiaries
Credit Amounts & Limits

- For each calendar year of the credit, the Department shall only preapprove contributions for this tax credit in the following manner for each individual RHO:
  - From January 1st to June 30th of each calendar year of the credit, the Department shall only preapprove contributions submitted by individual taxpayers in an amount not to exceed $2 million, and from corporate and fiduciary donors in an amount not to exceed $2 million, and
  - From July 1st to December 31st of each calendar year of the credit, the Department shall preapprove contributions from individual, corporate, and fiduciary taxpayers subject to the remaining cap
Additional Information

- **DOR Rule 560-7-8-.57 “Qualified Rural Hospital Organization Expense Tax Credit”**
How to Apply for Pre-Approval

Taxpayer
How to Apply for Pre-Approval

• Log into GTC and click the applicable Account ID hyperlink (Individual, Corporate, or Fiduciary)
How to Apply for Pre-Approval

• Go to the Credits Tab → I Want To Sub-tab and select the Request Credit Pre-Approval hyperlink.
How to Apply for Pre-Approval

• Step 1: Choose “136 – Qualified Rural Hospital Organization Credit” as the Credit Type
How to Apply for Pre-Approval

• Step 2: Select the Fund Year

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Use This Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-2017</td>
<td>31-Dec-2017</td>
<td></td>
</tr>
</tbody>
</table>

1. Credit Type 2. Fund

Cancel Previous Next
How to Apply for Pre-Approval

• Step 3: Click the link to review the instructions and definitions for the tax credit
How to Apply for Pre-Approval

• Step 4: Enter the required **Taxpayer, Address, and Contact Information**
  – “Contact Person” and “Contact Title” are required for Corporate and Fiduciary taxpayers

<table>
<thead>
<tr>
<th>Taxpayer Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxpayer Information</strong></td>
</tr>
<tr>
<td>Id Type</td>
</tr>
<tr>
<td>Id</td>
</tr>
<tr>
<td><strong>Address Information</strong></td>
</tr>
<tr>
<td>Street</td>
</tr>
<tr>
<td>City</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Zip Code</td>
</tr>
</tbody>
</table>
How to Apply for Pre-Approval

• Step 5: Enter the **Contributor Type** and **Contributor Filing Period** (Individual)
How to Apply for Pre-Approval

• Step 5: Enter the Contributor Filing Period (Corp & Fid)
How to Apply for Pre-Approval

- Step 6: Select the RHO from the drop-down menu; Enter the Intended Contribution Amount (Individual)

INDIVIDUAL CONTRIBUTION AMOUNT

- For an individual taxpayer, the credit amount shall not exceed 70% of the actual amount expended or $2,500, whichever is less.
- For an individual taxpayer filing a married filing separate return, the credit amount shall not exceed 70% of the actual amount expended or $2,500, whichever is less.
- For an individual taxpayer filing married filing joint, the credit amount shall not exceed 70% of the actual amount expended or $5,000, whichever is less.

For an individual taxpayer the tax credit is further limited and may not exceed the taxpayer’s income tax liability. The amount of the tax credit (70% of the actual amount expended or the credit limits described above, whichever is less) that exceeds the taxpayer’s income tax liability can be used against the next succeeding five years’ tax liability.
How to Apply for Pre-Approval

- Step 6: Select the RHO from the drop-down menu; Enter the Intended Contribution Amount and the Estimated Income Tax Liability (Corp & Fid)

**Contribution**

The contribution must be preapproved by the end of the calendar year. Also the donation must be made within 60 days of the date of the preapproval notice or by the end of the calendar year in which it was preapproved, whichever is earlier.

The taxpayer must add back to Georgia Taxable income the amount of any federal charitable contribution deduction taken on a federal return for which a Georgia qualified rural hospital organization expense tax credit is allowed.

The tax credit shall not be allowed if the taxpayer designates the taxpayer’s qualified rural hospital organization expense for a particular individual.

The rural hospital organization must be on the Department of Community Health’s website before this form is filed.

**Calendar Year in which Contribution will be made**

<table>
<thead>
<tr>
<th>Name of rural hospital organization</th>
<th>Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayer Id of rural hospital organization</td>
<td>Required</td>
</tr>
</tbody>
</table>

**CORPORATE OR FIDUCIARY CONTRIBUTION AMOUNT**

For a corporation or fiduciary taxpayer, the credit amount shall not exceed 70 percent of the actual amount expended or 75 percent of the corporation’s or fiduciary’s income tax liability, whichever is less.

Any lesser amount (70% of the amount expended or 75% of the corporation’s or fiduciary’s income tax liability, whichever is less) that is not used can be against the succeeding five years’ income tax liability.

A fiduciary cannot pass-through the credit to its beneficiaries.

1. Intended Contribution Amount
2. Credit Percentage Allowed 70.00
3. Credit Allowed - Line 1 x Line 2 0.00
4. Estimated Income Tax Liability
5. Credit Percentage Allowed 75.00
6. Maximum Credit allowed - Line 4 x Line 5 0.00
7. Credit Amount - Lesser of Lines 3 and 6 Required
How to Apply for Pre-Approval

• Step 7: Use the **Add Attachment** tab to include any applicable supporting documentation. (Optional)
**How to Apply for Pre-Approval**

- Step 8: Review the **Summary** information; **Certify** the application; **Submit** the request

### Summary

#### CREDIT INFORMATION

<table>
<thead>
<tr>
<th>Credit Type</th>
<th>136 - Qualified Rural Hospital Organization Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Date End</td>
<td>31-Dec-2017</td>
</tr>
<tr>
<td>Credit Amount Requested</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Application Date</td>
<td>03-Jan-2017</td>
</tr>
</tbody>
</table>

#### CERTIFICATIONS BY APPLICANT

Applicant certifies that all information contained above is true to his/her best knowledge and belief and is submitted for the purpose of obtaining preapproval from the Commissioner.

<table>
<thead>
<tr>
<th>Name of Contributor</th>
<th>Required</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Buttons: Cancel, Previous, Submit]
How to Apply for Pre-Approval

• A Confirmation Page will appear

**Request Information**

<table>
<thead>
<tr>
<th>Logon</th>
<th>ginnybaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>Pending</td>
</tr>
<tr>
<td>Confirmation Number</td>
<td>0-414-449-920</td>
</tr>
<tr>
<td>Taxpayer Name</td>
<td>GINNY BAKER</td>
</tr>
<tr>
<td>Social Security #</td>
<td>*<strong>-</strong>-6123</td>
</tr>
<tr>
<td>Request Title</td>
<td>Credit Pre-Approval</td>
</tr>
<tr>
<td>Submitted</td>
<td>03-Jan-2017</td>
</tr>
</tbody>
</table>

Your confirmation number is **0-414-449-920**.

Your request has been submitted and will be processed in the order that it was received.

If you have any questions, please contact us at 1-877-GADOR11 (1-877-423-6711).
How to Apply for Pre-Approval

RHO on behalf of Taxpayer
How to Apply for Pre-Approval

• At the Taxpayer Level, go to the Credits Tab → I Want To Sub-tab and select the Request RHO Pre-Approval hyperlink.
How to Apply for Pre-Approval

• Step 1: “136 – Qualified Rural Hospital Organization Credit” is defaulted as the Credit Type
How to Apply for Pre-Approval

• Step 2: Select the Fund Year

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Use This Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-2017</td>
<td>31-Dec-2017</td>
<td></td>
</tr>
</tbody>
</table>

[Select Fund Year]
How to Apply for Pre-Approval

• Step 3: Click the link to review the instructions and definitions for the tax credit

Instructions

Click here to view instructions and definitions
How to Apply for Pre-Approval

• Step 4: Enter the required Taxpayer, Address, and Contact Information
  
  – This is the RHO’s information because they are the taxpayer logged into GTC

Taxpayer Information

Please enter the information for the Rural Hospital Organization

**TAXPAYER INFORMATION**

Name: CATHARINE ALEXANDRIA HOSPITAL

Id Type: Federal Employer ID #

Id: 59-9999999

**ADDRESS INFORMATION**

Street: 110 ROCKINGHAM RD

City: ALMA

State: GEORGIA

Zip Code: 31510-6739

**CONTACT INFORMATION**

Contact Person

Contact’s Title

Contact E-mail

Contact Phone No.
How to Apply for Pre-Approval

- **Step 5: Enter the Contributor Info’s (Individual - MFJ)**

1. Credit Type
2. Fund
3. Instructions
4. Taxpayer Information
5. Contributor Info

### Contributor Info

#### Contributor Type

- Individual filing single or head of household
- Individual filing a married separate return
- **Individual filing a married joint return**
- C Corporation or Fiduciary

#### Contributor Filing Period Information

- Tax Year End Date **Required**

#### Contributing Taxpayer Information

- **Contributor Id Type** **Required**
- **Contributor Id** **Required**
- **Contributor Street** **Required**
- **Contributor City** **Required**
- **Contributor State** **GEORGIA**
- **Contributor Zip** **Required**

**Joint Taxpayer Information**

- **Joint Id Type** Social Security # **Required**
- **Joint Id** **Required**
- **Joint First Name** **Required**
- **Joint Middle Name**
- **Joint Last Name** **Required**
How to Apply for Pre-Approval

- Step 5: Enter the **Contributor’s Information (Corp & Fid)**
How to Apply for Pre-Approval

• Step 6: Enter the Intended Contribution Amount (Individual)

**Contribution**

**CONTRIBUTION**

- The contribution must be preapproved by the end of the calendar year. Also the donation must be made within 60 days of the date of the preapproval notice or by the end of the calendar year in which it was preapproved, whichever is earlier.
- The taxpayer must add back to Georgia Taxable income the amount of any federal charitable contribution deduction taken on a federal return for which a Georgia qualified rural hospital organization expense tax credit is allowed.
- The tax credit shall not be allowed if the taxpayer designates the taxpayer's qualified rural hospital organization expense for a particular individual.
- The rural hospital organization must be on the Department of Community Health's website before this form is filed.

Calendar Year in which Contribution will be made

Name of rural hospital organization: CATHERINE ALEXANDRIA HOSPITAL

Taxpayer Id of rural hospital organization: 59-9999999

**INDIVIDUAL CONTRIBUTION AMOUNT**

- For an individual taxpayer, the credit amount shall not exceed 70% of the actual amount expended or $2,500, whichever is less.
- For an individual taxpayer filing a married filing separate return, the credit amount shall not exceed 70% of the actual amount expended or $2,500, whichever is less.
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1. Intended Contribution Amount
2. Credit Percentage Allowed
3. Credit Allowed - Line 1 x Line 2
4. Maximum Credit allowed
5. Credit Amount - Lesser of Lines 3 and 4

Required

Required

Required
How to Apply for Pre-Approval

- Step 6: Enter the **Intended Contribution Amount** and the **Estimated Income Tax Liability** *(Corp & Fid)*

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The contribution must be preapproved by the end of the calendar year. Also, the donation must be made within 60 days of the date of the preapproval notice or by the end of the calendar year in which it was preapproved, whichever is earlier.</td>
</tr>
<tr>
<td></td>
<td>The taxpayer must add back to Georgia Taxable income the amount of any federal charitable contribution deduction taken on a federal return for which a Georgia qualified rural hospital organization expense tax credit is allowed.</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>The rural hospital organization must be on the Department of Community Health’s website before this form is filed.</td>
</tr>
</tbody>
</table>

**Calendar Year in which Contribution will be made:** 2017

**Name of rural hospital organization:** CATHERINE ALEXANDRIA HOSPITAL

**Taxpayer Id of rural hospital organization:** 59-9999999

<table>
<thead>
<tr>
<th><strong>CORPORATE OR FIDUCIARY CONTRIBUTION AMOUNT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>For a corporation or fiduciary taxpayer, the credit amount shall not exceed 70 percent of the actual amount expended or 75 percent of the corporation’s or fiduciary’s income tax liability, whichever is less.</td>
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<tr>
<td>Any lesser amount (70% of the amount expended or 75% of the corporation’s or fiduciary’s income tax liability, whichever is less) that is not used can be used against the succeeding five years’ income tax liability.</td>
</tr>
<tr>
<td>A fiduciary cannot pass-through the credit to its beneficiaries.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Intended Contribution Amount</td>
<td><strong>Required</strong></td>
</tr>
<tr>
<td>2</td>
<td>Credit Percentage Allowed</td>
<td>70.00</td>
</tr>
<tr>
<td>3</td>
<td>Credit Allowed - Line 1 x Line 2</td>
<td>0.00</td>
</tr>
<tr>
<td>4</td>
<td>Estimated Income Tax Liability</td>
<td><strong>Required</strong></td>
</tr>
<tr>
<td>5</td>
<td>Credit Percentage Allowed</td>
<td>75.00</td>
</tr>
<tr>
<td>6</td>
<td>Maximum Credit allowed - Line 4 x Line 5</td>
<td>0.00</td>
</tr>
<tr>
<td>7</td>
<td>Credit Amount - Lesser of Lines 3 and 6</td>
<td><strong>Required</strong></td>
</tr>
</tbody>
</table>
How to Apply for Pre-Approval

- Step 7: Use the **Add Attachment** tab to include any supporting documentation (Optional)
How to Apply for Pre-Approval

• Step 8: Review the Summary information; Certify the application; Submit the request

Summary

CREDIT INFORMATION

<table>
<thead>
<tr>
<th>Credit Type</th>
<th>136 - Qualified Rural Hospital Organization Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Date End</td>
<td>31-Dec-2017</td>
</tr>
<tr>
<td>Credit Amount Requested</td>
<td>35,000.00</td>
</tr>
<tr>
<td>Application Date</td>
<td>03-Jan-2017</td>
</tr>
</tbody>
</table>

CERTIFICATIONS BY APPLICANT

Applicant certifies that all information contained above is true to his/her best knowledge and belief and is submitted for the purpose of obtaining preapproval from the Commissioner.

Name of authorized officer or fiduciary

Title of authorized officer or fiduciary

Phone Number of authorized officer or fiduciary

Required
How to Apply for Pre-Approval

• A Confirmation Page will appear

CONFIRMATION

Request Information
Logon: cathalex
Status: Pending
Confirmation Number: 1-778-840-064
Taxpayer Name: CATHERINE ALEXANDRIA HOSPITAL
Federal Employer ID #: 59-9999999
Request Title: Credit Pre-Approval
Submitted: 03-Jan-2017

Your confirmation number is 1-778-840-064.

Your request has been submitted and will be processed in the order that it was received.

If you have any questions, please contact us at 1-877-GADOR11 (1-877-423-6711).
How to Apply for Pre-Approval

Demonstration
How to Report Donations

Taxpayer
How to Report Donations

- At the Taxpayer Level, go to the Credits Tab → I Want To Sub-tab and click the Report Certificate Donations hyperlink

<table>
<thead>
<tr>
<th>GINNY BAKER</th>
<th>NAMES AND ADDRESSES</th>
<th>I WANT TO...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security #</td>
<td>Legal Name</td>
<td>Make Multiple Payments</td>
</tr>
<tr>
<td></td>
<td>GINNY BAKER</td>
<td>Register as a Sole Proprietor</td>
</tr>
<tr>
<td>My Balance</td>
<td>DBA Name</td>
<td>Register Permit Account</td>
</tr>
<tr>
<td></td>
<td>Add</td>
<td>Submit Documentation</td>
</tr>
<tr>
<td></td>
<td>ALIAS/AKA Name</td>
<td>Submit Power of Attorney</td>
</tr>
<tr>
<td></td>
<td>Add</td>
<td>Request Tax Clearance Letter</td>
</tr>
<tr>
<td></td>
<td>Business Location Address</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individual Location Address</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Residency Address</td>
<td>Request Payment Plan</td>
</tr>
<tr>
<td></td>
<td>Add</td>
<td></td>
</tr>
</tbody>
</table>

- Accounts
- Requests
- E-Messages
- Letters
- CREDITS
- Exemption

**BUSINESS CREDITS**

- Report Certificate Donations
- The donor or recipient would like to report the donations on their certificates.
- Transfer Tax Credit
- The taxpayer wants to transfer tax credit by filing form IT-TRANS electronically.
- Can't find request type?
- If you don't see the request type you're looking for, check the Credits tab under the account level.
How to Report Donations

• Select the **Credit Type** and **Calendar Year** for which you wish to view certificates

| 1. Information | 2. Certificates | 3. Attachments |

**Information**

**INFORMATION**

**Credit Type & Calendar Year**

Please select the credit type and calendar year for which you wish to view certificates. You may view previous years for informational purposes but may not make any updates to certificates that have already been reported on or disallowed.

- **Credit Type**: 136 - Qualified Rural Hospital Organization Credit
- **Calendar Year**: 2017

[Buttons: Cancel, Previous, Next]
How to Report Donations

• Complete **Step 2** by entering the information for certificates that have received a donation.
How to Report Donations

- Click the **Add Attachment** tab to add the required IT-QRHOE-RHO1
  - This form is provided by the RHO to the donor
- **Submit** the report
How to Report Donations
How to Report Donations

• At the Taxpayer Level, go to the Credits Tab → I Want To Sub-tab and click the Report Certificate Donations hyperlink (This is the IT-QRHOE-RHO2 report RHOs are required to submit).

<table>
<thead>
<tr>
<th>CATHERINE ALEXANDRIA HOSPITAL</th>
<th>NAMES AND ADDRESSES</th>
<th>I WANT TO...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Employer ID # 59-999999</td>
<td>CATHHERINE ALEXANDRIA HOSPITAL</td>
<td>Make Multiple Payments</td>
</tr>
<tr>
<td>My Balance $0.00</td>
<td>DBA Name Add</td>
<td>Submit Documentation</td>
</tr>
<tr>
<td></td>
<td>Business Location Address 110 ROCKINGHAM RD ALMA GA 31510-6739</td>
<td>Submit Power of Attorney</td>
</tr>
<tr>
<td></td>
<td>Mailing Address Add</td>
<td>Add Access to Another Account</td>
</tr>
</tbody>
</table>

ACCOUNTS2 REQUESTS E-MESSAGES0 LETTERS0 CREDITS EXEMPTION

BUSINESS CREDITS

Request RHO Pre-Approval

Report Certificate Donations

Transfer Tax Credit

Can't find request type?
How to Report Donations

- Select the **Credit Type** and **Calendar Year** for which you wish to view certificates.

Please select the credit type and calendar year for which you wish to view certificates. You may view previous years for informational purposes but may not make any updates to certificates that have already been reported on or disallowed.

- Credit Type: 136 - Qualified Rural Hospital Organization Credit
- Calendar Year: 2017
How to Report Donations

• Complete **Step 2** by entering the information for certificates that have received a donation.
How to Report Donations

• Click the **Add Attachment** if supporting documentation needs to be included (Optional for RHO)

• **Submit** the report

---

**Attachments**

Please attach the following items:

Form IT-QRHOE-RHO1: 0 of 0

**ATTACHMENTS**

<table>
<thead>
<tr>
<th>Type</th>
<th>Filename</th>
<th>Size</th>
<th>Description</th>
</tr>
</thead>
</table>

**Add Attachment**

[Cancel]

[Previous]

[Submit]
How to Report Donations

Demonstration
Thank You!