

**RULES
OF
DEPARTMENT OF REVENUE**

**CHAPTER 560-7
INCOME TAX DIVISION**

**SUBJECT 567-7-8
RETURNS AND COLLECTIONS**

TABLE OF CONTENTS

560-7-8-.20 Rural Physician Credit
560-7-8-.36 Job Tax Credit, Description and Definitions
560-7-8-.37 Manufacturer's and Telecommunications Investment Tax Credit
560-7-8-.40 Optional Investment Tax Credit
560-7-8-.42 Tax Credit for Qualified Research Expenses
560-7-8-.45 Film Tax Credit
560-7-8-.48 Wood Residuals Credit
560-7-8-.49 Seed-Capital Fund Tax Credits
560-7-8-.50 Conservation Tax Credit
560-7-8-.51 Quality Jobs Tax Credit
560-7-8-.52 Qualified Investor Tax Credit
560-7-8-.56 Historic Rehabilitation Tax Credit
560-7-8-.57 Qualified Rural Hospital Organization Expense Tax Credit
560-7-8-.59 Postproduction Film Tax Credit
560-7-8-.60 Qualified Education Donation Tax Credit
560-7-8-.61 Musical Tax Credit
560-7-8-.62 Rural Zone Tax Credits
560-7-8-.64 Railroad Track Maintenance Tax Credit
560-7-8-.66 Personal Protective Equipment Manufacturer Jobs Tax Credit
560-7-8-.67 Life Sciences Manufacturing Job Tax Credit
560-7-8-.68 Qualified Foster Child Donation Credit
560-7-8-.69 Qualified Law Enforcement Donation Credit
560-7-8-.70 Rural Health Care Professional Credit

except as allowed by paragraph (7) of this regulation.

(10) **Effective Date.** This regulation shall be applicable to certified rehabilitations completed on or after January 1, 2017, regardless of when the certified rehabilitation was started.

Authority: O.C.G.A. §§ 48-2-12, 48-7-29.8.

560-7-8-.57 Qualified Rural Hospital Organization Expense Tax Credit

(1) **Purpose.** The purpose of this regulation is to provide guidance concerning the administration of the tax credit under O.C.G.A. § 48-7-29.20.

(2) **Coordination of Agencies.** The Georgia Department of Community Health is the state agency responsible for approving rural hospital organizations and administering O.C.G.A. § 31-8-9.1. The Department of Community Health shall maintain a current list of approved rural hospital organizations on its website.

(3) **Definitions.** As used in this regulation, the terms "qualified rural hospital organization expense" and "rural hospital organization" shall have the same meaning as in O.C.G.A. § 48-7-29.20.

(4) **Credit Amount.** From January 1 to June 30 of each calendar year of the credit, the amount of qualified rural hospital organization expense tax credit allowed a taxpayer shall be as follows:

(a) For an individual taxpayer, the credit amount shall not exceed the actual amount expended or \$5,000, whichever is less.

(b) For an individual taxpayer filing married filing separate, the credit amount shall not exceed the actual amount expended or \$5,000, whichever is less.

(c) For individual taxpayers filing married filing joint, the credit amount shall not exceed the actual amount expended or \$10,000, whichever is less.

1. Example: Taxpayers, married couple filing joint, request preapproval for the qualified rural

hospital organization expense tax credit for calendar year 2025 by electronically submitting Form IT-QRHOE-TP1 through the Georgia Tax Center on May 31, 2025. On Form IT-QRHOE-TP1 Taxpayers' intended contribution for 2025 is \$7,100, therefore the Department preapproves Taxpayers for \$7,100. Taxpayers make a \$3,000 donation to the rural hospital organization within 180 days of receiving preapproval from the Department and before October 31, 2025 (this is the only amount contributed by taxpayers to an approved rural hospital organization in 2025). When taxpayers file their 2025 Georgia income tax return, Taxpayers can only claim \$3,000 qualified rural hospital organization expense tax credit (which is the actual amount contributed), and the extra \$4,100 that was preapproved but not contributed cannot be claimed by Taxpayers and cannot be carried forward. Any amount of the \$3,000 qualified rural hospital organization expense tax credit claimed but not used on the taxpayers' 2025 Georgia income tax return shall be allowed to be carried forward to apply to the taxpayer's succeeding five years' tax liability.

(d) For an individual taxpayer who is a member of a limited liability company duly formed under state law (including a member who owns a single member limited liability company that is disregarded for income tax purposes), a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, the credit is limited to the lesser of the actual amount expended or \$25,000 per tax year, whichever is less; provided, however, that the tax credits shall only be allowed for the Georgia income on which such tax was actually paid by such member of a limited liability company, shareholder of a Subchapter 'S' corporation, or partner in a partnership. In determining such Georgia income, the shareholder, partner, or member shall exclude any income that was subtracted on their Georgia return because the entity paid tax at the pass-through entity level in Georgia as provided in Regulation 560-7-3-.03. If the individual taxpayer is a member, partner, or shareholder in more than one pass-through entity, the total credit allowed cannot exceed \$25,000; the individual taxpayer decides which pass-through entities to include when computing Georgia income for purposes of the qualified rural hospital organization expense tax credit. All Georgia income, loss, and expense from the taxpayer selected pass-through entities will be combined to determine Georgia income for purposes of the qualified rural hospital organization expense tax credit. Such combined Georgia income shall be multiplied by the applicable marginal tax rate to determine the tax that was actually paid. If the taxpayer is filing a joint return, the taxpayer's spouse may also claim a credit for their ownership interests and shall separately be eligible for a credit as provided in this subparagraph. If the taxpayer is preapproved for an amount that exceeds the amount that is calculated as allowed when the return is filed, the excess amount cannot be

claimed by the taxpayer and cannot be carried forward.

1. Example: Taxpayer, an individual taxpayer, is the sole shareholder of A, Inc, an S corporation, Taxpayer is also a 50% partner, in BC Company, a partnership, and Taxpayer is also a 20% member of a limited liability company, XYZ Company, which is taxed as a partnership. Taxpayer requests preapproval for the qualified rural hospital organization expense tax credit for calendar year 2025 by submitting Form IT-QRHOE-TP1 on May 31, 2025. On Form IT-QRHOE-TP1, Taxpayer estimates that the taxpayer's Georgia income from A, Inc. is \$300,000, and that Taxpayer's share of Georgia income from BC Company is \$200,000, Taxpayer chooses not to include any income from XYZ Company when estimating Georgia income for purposes of the qualified rural hospital organization expense tax credit; therefore the Department preapproves Taxpayer for \$25,000 qualified rural hospital organization expense tax credit (since \$25,000 is less than \$25,950 (5.19% of \$500,000)), the applicable marginal tax rate for 2025 is 5.19%. Taxpayer makes a \$25,000 donation to the rural hospital organization within 180 days of receiving preapproval from the Department and before October 31, 2025. When Taxpayer files Taxpayer's 2025 Georgia income tax return, Taxpayer received a salary from A, Inc. of \$50,000 and A, Inc's actual Georgia income is \$60,000; Taxpayer's actual share of Georgia income from BC Company is \$20,000 and Taxpayer received a guaranteed payment from BC Company of \$15,000; Taxpayer's actual share of Georgia income from XYZ Company is \$5,000 (the Taxpayer can choose to include this company even though it was not considered at the time of preapproval), Taxpayer can only claim \$7,785 qualified rural hospital organization expense tax credit (which is 5.19% of the \$150,000 actual income from Taxpayer's selected pass-through entities), and the extra \$17,215 cannot be claimed by Taxpayer and cannot be carried forward. Any amount of the \$7,785 qualified rural hospital organization expense tax credit claimed but not used on the taxpayer's 2025 Georgia income tax return shall be allowed to be carried forward to apply to the taxpayer's succeeding five years' tax liability.

(e) For a corporation taxpayer, fiduciary taxpayer, an S corporation that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-21, or a partnership that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-23, the credit amount shall not exceed the actual amount expended or 75 percent of the corporation's, fiduciary's, electing S corporation's, or electing partnership's income tax liability, whichever is less. S corporations and partnerships that elect to pay taxes at the entity level cannot pass the credit through to their members, partners, or shareholders. Fiduciary entities cannot pass the credit through to their beneficiaries.

1. Example: Taxpayer, a corporation, requests preapproval for the qualified rural hospital organization expense tax credit for calendar year 2025 by electronically submitting Form IT-QRHOE-TP1 through the Georgia Tax Center on May 31, 2025. On Form IT-QRHOE-TP1 Taxpayer's intended contribution for 2025 is \$100,000; and Taxpayer's estimated income tax liability for the 2025 tax year is \$150,000; therefore, the Department preapproves Taxpayer for \$100,000 qualified rural hospital organization expense tax credit for calendar year 2025. Taxpayer makes a \$100,000 donation to the rural hospital organization within 180 days of receiving preapproval from the Department and before October 31, 2025. When Taxpayer files its 2025 Georgia income tax return, Taxpayer's income tax liability for tax year 2025 is \$80,000, Taxpayer can only claim \$60,000 of qualified rural hospital organization expense tax credit (\$60,000 is 75% of its actual Georgia income tax liability for tax year 2025, which is less than \$100,000), and the extra \$40,000 cannot be claimed by Taxpayer and cannot be carried forward. Any amount of the \$60,000 qualified rural hospital organization expense tax credit claimed but not used on the taxpayer's 2025 Georgia income tax return shall be allowed to be carried forward to apply to the taxpayer's succeeding five years' tax liability.

2. Example: Taxpayer, a S corporation electing to pay tax at the entity level, requests preapproval for the qualified rural hospital organization expense tax credit for calendar year 2025 by electronically submitting Form IT-QRHOE-TP1 through the Georgia Tax Center on May 31, 2025. On Form IT-QRHOE-TP1 Taxpayer's intended contribution for 2025 is \$100,000; and Taxpayer's estimated income tax liability for the 2025 tax year is \$150,000; therefore, the Department preapproves Taxpayer for \$100,000 qualified rural hospital organization expense tax credit for calendar year 2025. Taxpayer makes a \$100,000 donation to the rural hospital organization within 180 days of receiving preapproval from the Department and before October 31, 2025. When Taxpayer files its 2025 Georgia income tax return, Taxpayer's income tax liability for tax year 2025 is \$80,000. Taxpayer can only claim \$60,000 of qualified rural hospital organization expense tax credit (\$60,000 is 75% of its actual Georgia income tax liability for tax year 2025, which is less than \$100,000), and the extra \$40,000 cannot be claimed by Taxpayer and cannot be carried forward. Any amount of the \$60,000 qualified rural hospital organization expense tax credit claimed but not used on the taxpayer's 2025 Georgia income tax return shall be allowed to be carried forward to apply to the taxpayer's succeeding five years' tax liability but shall not be allowed to be passed through to and used by the shareholders.

(f) Except as provided in subparagraph (4)(e) of this regulation, when the taxpayer is a pass-through entity which has no income tax liability of its own, the tax credits will be considered earned by its members, shareholders, or partners based on their profit/loss percentage at the end of the year and the limitations of subparagraph (4)(d) of this regulation. The expenditure is made by the pass-through entity but all credit forms (preapproval, claiming, and reporting) will be filed in the name of its members, shareholders, or partners and the credit can only be applied against the shareholders', members', or partners' tax liability on their income tax returns. The pass-through entity shall provide all necessary information to the rural hospital organization so that the preapproval, claiming and reporting forms can be filed in the name of its members, shareholders, or partners.

(g) From July 1 to December 31 of each calendar year of the credit, the amount of qualified rural hospital organization expense tax credit allowed a taxpayer shall be as follows:

1. For an individual taxpayer, the credit amount shall not exceed the actual amount expended.
2. For an individual taxpayer filing married filing separate, the credit amount shall not exceed the actual amount expended.
3. For individual taxpayers filing married filing joint, the credit amount shall not exceed the actual amount expended.
4. For an individual taxpayer who is a member of a limited liability company duly formed under state law (including a member who owns a single member limited liability company that is disregarded for income tax purposes), a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, the credit is limited to the actual amount expended per tax year; provided, however, that the tax credits shall only be allowed for the Georgia income on which such tax was actually paid by such member of a limited liability company, shareholder of a Subchapter 'S' corporation, or partner in a partnership. In determining such Georgia income, the shareholder, partner, or member shall exclude any income that was subtracted on their Georgia return because the entity paid tax at the pass-through entity level in Georgia as provided in Regulation 560-7-3-.03. From July 1 to December 31, the option to indicate pass-through entity ownership is not available on the Georgia Tax Center, since the credit is not limited for individual taxpayers during this time period. Regardless, such members may choose to apply the pass-through entity provisions when claiming the credit or such provisions are applied if subparagraph (4)(g)6. of this regulation

applies.

5. For a corporation taxpayer, fiduciary taxpayer, an S corporation that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-21, or a partnership that makes the election to pay tax at the entity level under O.C.G.A. § 48-7-23, the credit amount shall not exceed the actual amount expended or 75 percent of the corporation's, fiduciary's, electing S corporation's, or electing partnership's income tax liability, whichever is less. S corporations and partnerships that elect to pay taxes at the entity level cannot pass the credit through to their members, partners, or shareholders. Fiduciary entities cannot pass the credit through to their beneficiaries. See examples in subparagraph (4)(e) of this regulation.

6. Except as provided in subparagraph (4)(g)5. of this regulation, when the taxpayer is a pass-through entity which has no income tax liability of its own, the tax credits will be considered earned by its members, shareholders, or partners based on their profit/loss percentage at the end of the year and the limitations of subparagraph (4)(g)4. of this regulation. The expenditure is made by the pass-through entity but all credit forms (preapproval, claiming, and reporting) will be filed in the name of its members, shareholders, or partners and the credit can only be applied against the shareholders', members', or partners' tax liability on their income tax returns. The pass-through entity shall provide all necessary information to the rural hospital organization so that the preapproval, claiming, and reporting forms can be filed in the name of its members, shareholders, or partners.

(h) A taxpayer may apply to make a donation to multiple rural hospital organizations or may apply to make multiple donations to the same rural hospital organization or may apply to make a donation both before and after July 1; provided, however, each donation must be applied for separately.

(i) Unspecified or undesignated contributions will be treated as provided in O.C.G.A. § 48-7-29.20.

(5) **Credit Cap.** In no event shall the aggregate amount of tax credits allowed under O.C.G.A. § 48-7-29.20 exceed \$75 million for calendar years ending on or before December 31, 2024. For calendar years beginning on or after January 1, 2025, the aggregate amount of tax credits allowed

shall not exceed \$100 million.

(6) Per Individual Rural Hospital Organization Limitation. For each calendar year of the credit, no more than \$4 million of credit shall be preapproved for any individual rural hospital organization. On the day and time any Form IT-QRHOE-TP1 is received for a calendar year that causes the per individual rural hospital organization limitation in this paragraph to be reached, then any subsequent applicants for such individual rural hospital organization shall be denied. There shall be no proration based on the date an application is received. The Department shall notify such individual rural hospital organization if the \$4 million limitation is reached. Such rural hospital organization shall within 15 days of the date of such notification, notify the Georgia Department of Community Health that the \$4 million limitation was reached.

(a) If a taxpayer submits a Form IT-QRHOE-TP1 that causes the per individual rural hospital organization limitation in paragraph (6) of this regulation to be reached, the Department shall preapprove the proportional amount of the desired donation up to the selected rural hospital organization's per individual rural hospital organization limitation and any remainder of the desired donation shall be preapproved and attributed to a rural hospital organization from the Department of Community Health's list of approved rural hospital organizations with the highest financial need that has not reached the per individual rural hospital organization limitation.

(7) Individual Rural Hospital Organization Per Tax Type Preapproval Limitations. Subject to the aggregate limit in paragraph (5) of this regulation and the per individual rural hospital organization limitation in paragraph (6) of this regulation, the Department shall only preapprove contributions for this tax credit in the following manner:

(a) From January 1st to June 30th of each calendar year of the credit, the Department shall only preapprove credits for each rural hospital organization from individual taxpayers in an aggregate amount not to exceed \$2 million, and from corporate, fiduciary, electing S corporation, and electing partnership taxpayers in an aggregate amount not to exceed \$2 million. The Department shall notify such individual rural hospital organization if either \$2 million limit is reached; and

(b) On the day and time any Form IT-QRHOE-TP1 is received for a calendar year that causes the per tax type preapproval limit in paragraph (7)(a) of this regulation to be reached, then any subsequent applicants for such tax type for such individual rural hospital organization shall be denied. There shall be no proration based on the date an application is received.

(c) If an individual taxpayer, or corporate, fiduciary, electing S corporation, or electing partnership taxpayer is denied preapproval for the tax credit between January 1st and June 30th of a calendar year, due to the limitation in paragraph (7)(a) of this regulation, then the taxpayer may reapply for preapproval on or after July 1st of that calendar year for such individual rural hospital organization but will not be given any priority over other applicants. Such taxpayer may alternatively reapply for preapproval for a different individual rural hospital organization. For purposes of priority in case the credit cap is reached, the taxpayer's date of re-application will govern.

(d) From July 1st to December 31st of each calendar year of the credit, the Department shall preapprove contributions from individual taxpayers and corporate, fiduciary, electing S corporation, and electing partnership taxpayers until the annual credit cap is reached.

(e) For all preapprovals requested for each calendar year of the credit, the Department shall review the reports required by paragraphs (14) and (15) of this regulation. In the event preapproved contributions are not contributed by the contribution deadlines set forth in O.C.G.A. § 48-7-29.20 or the rural hospital organization fails to timely file the report required by paragraph (14) of this regulation or the taxpayer fails to timely file the report required by paragraph (15) of this regulation for the period for which a paragraph (15) report was required, the Department shall add any such uncontributed or not timely reported amount to the amount available for each respective calendar year of the credit and adjust any used individual rural hospital organization limitation and adjust any used individual rural hospital organization per tax type preapproval limitation. Such uncontributed amount shall be added within a reasonable time of the Department's determination and until the end of the calendar year; and such amount shall be added directly to the total tax credit amount available for preapproval on the Georgia Tax Center and to the respective individual rural hospital's Georgia Tax Center available amount for preapproval. The Department shall notify the individual rural hospital organization of such adjusted limits. If such rural hospital organization had previously met the \$4 million limitation, they shall within 15 days of the date of such notification, notify the Georgia Department of Community Health of the additional rural hospital limitation amount. Any taxpayer previously denied preapproval of the credit because the annual credit cap had previously been reached, must reapply as provided in subparagraph (7)(c) of this regulation and will not be given any priority over other applicants.

(8) **Mandatory Electronic Preapproval Application.** The preapproval process allocates the credit caps. A taxpayer seeking preapproval to claim the tax credits under paragraph (4) of this regulation must electronically submit Form IT-QRHOE-TP1 through the Georgia Tax Center. The Department will not preapprove any qualified rural hospital organization expense tax credit where Form IT-QRHOE-TP1 is submitted or filed in any other manner. Each rural hospital organization shall be registered with the Department to facilitate the web-based preapproval process for Form IT-QRHOE-TP1.

(a) The taxpayer should not file Form IT-QRHOE-TP1 with the Department of Revenue until the taxpayer's recipient rural hospital organization is listed on the Department of Community Health's website. If the taxpayer's recipient rural hospital organization is not listed on the Department of Community Health's website at the time that the Department of Revenue attempts to verify the rural hospital organization's listing, the Department of Revenue shall deny the preapproval request. If at a later date the taxpayer's recipient rural hospital organization becomes listed, the taxpayer will have to submit a new Form IT-QRHOE-TP1 to the Department of Revenue.

(b) The qualified rural hospital organization expense tax credit shall be allowed on a first-come, first-served basis. The date and time the Form IT-QRHOE-TP1 is electronically submitted shall be used to determine such first-come, first-served basis. There shall be no proration based on the date an application is received.

(c) The Department will notify each taxpayer and the taxpayer's selected rural hospital organization of the contribution amount, the tax credit certificate number, and the tax credits preapproved and allocated to such taxpayer within thirty days from the date the Form IT-QRHOE-TP1 was received. If the taxpayer's contribution was attributed to multiple rural hospital organizations, then the Department will notify such taxpayer of the contribution amounts attributed to each rural hospital organization, the tax credit certificate number, and the tax credits preapproved and allocated to such taxpayer within thirty days from the date the Form IT-QRHOE-TP1 was received. The Department will also notify each rural hospital organization only the contribution amounts attributed to it, the tax credit certificate number, and the tax credits preapproved and allocated to such taxpayer within thirty days from the date the Form IT-QRHOE-TP1 was received.

Chapter 560-7-8

Returns and Collections

(d) If a taxpayer was preapproved for tax credits before September 30th of the year, the contribution must be made by the taxpayer within 180 days of the date of the preapproval notice received from the Department but not later than October 31st of the year. If a taxpayer was preapproved for tax credits after September 30th, the contribution must be made by the taxpayer on or before December 31st.

(e) In the event it is determined that the contributor has not met all the requirements of O.C.G.A. § 48-7-29.20 and this regulation, then the amount of the qualified rural hospital organization expense tax credit shall not be preapproved or, if already claimed, the preapproved qualified rural hospital organization expense tax credit shall be disallowed. With respect to such disallowed credit, tax and interest shall be due.

(f) Notwithstanding any laws to the contrary, the Department shall not disallow donors' credits for contributions 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 O.C.G.A. § 31-8-9.1, and all such donations shall remain as preapproved tax credits subject only to the donor's compliance with O.C.G.A. § 48-7-29.20(e)(3) and this regulation.

(g) Once the calendar year limit is reached for a calendar year, taxpayers shall no longer be eligible for a credit pursuant to O.C.G.A. § 48-7-29.20, for such calendar year unless subsequently uncontributed amounts result in the calendar year limit not being reached. If any Form IT-QRHOE-TP1 is received after the calendar year limit has been reached, then it shall be denied and not be reconsidered for preapproval at any later date even in the event that the calendar year limit is subsequently not reached due to uncontributed amounts.

(9) **Letter of Confirmation.** Form IT-QRHOE-RHO1 shall be provided by the rural hospital organization to the taxpayer to confirm the contribution within 30 days of the contribution.

(10) **Claiming the Credit.** A taxpayer claiming the qualified rural hospital organization expense tax credit, unless indicated otherwise by the Commissioner, must submit Form IT-QRHOE-TP2 with the taxpayer's Georgia tax return when the qualified rural hospital organization expense tax credit is claimed. An electronically filed Georgia income tax return that includes the

software's electronic Form IT-QRHOE-TP2 satisfies this requirement.

(11) **Carryforward.** Any credit which is claimed but not used in a taxable year shall be allowed to be carried forward to apply to the taxpayer's succeeding five years' tax liability. However, any amount in excess of the credit amount limits in paragraph (4) of this regulation shall not be eligible for carry forward to the taxpayer's succeeding years' tax liability nor shall such excess amount be claimed by or reallocated to any other taxpayer.

(12) **Taxpayer Must Add Back Portion of Federal Deduction on State Return if Taxpayer Takes State Credit.** O.C.G.A. § 48-7-29.20(g) provides that no qualified rural hospital organization expense tax credit shall be allowed under O.C.G.A. § 48-7-29.20, with respect to any amount deducted from taxable net income by the taxpayer as a charitable contribution to a bona fide charitable organization qualified under Section 501(c)(3) of the Internal Revenue Code. If the taxpayer is allowed the state income tax deduction in place of the charitable contribution deduction as allowed by the Internal Revenue Service, for purposes of this paragraph such deduction shall be considered a charitable contribution to the extent such deduction is allowed federally. Accordingly, the taxpayer must add back to Georgia taxable income that part of any federal deduction taken on a federal return for which a Georgia qualified rural hospital organization expense tax credit is allowed under O.C.G.A. § 48-7-29.20.

(a) If a taxpayer's itemized deductions are limited federally (and therefore for Georgia purposes) because their Federal Adjusted Gross Income exceeds a certain amount, the taxpayer is only required to add back to Georgia taxable income that portion of the federal charitable deduction that was actually deducted pursuant to the following formula. The federal charitable deduction that must be added back to Georgia taxable income shall be the amount of the federal charitable contribution relating to the qualified rural hospital organization expense tax credit multiplied by the following ratio. The numerator is the amount of the itemized deductions subject to limitation and allowed as itemized deductions after the limitation is applied. The denominator is the total itemized deductions that are subject to limitation before the limitation is applied.

1. For example. A taxpayer has a \$2,500 charitable contribution relating to the qualified rural hospital organization expense tax credit (credit amount is \$2,500) and has property taxes of \$1,500 both of which are subject to limitation. The taxpayer also has investment interest expense of \$10,000 (which is not limited). Accordingly, the taxpayer's total itemized deductions before limitation are \$14,000. After applying the federal limitation, the taxpayer is allowed \$13,000 in

itemized deductions. As such only \$3,000 (\$13,000 less the \$10,000 investment interest expense which is not limited) of the original \$4,000 charitable deduction and property taxes are allowed to be deducted. Applying the ratio from the subparagraph above, the taxpayer must add back \$1,875 of the charitable contribution to their Georgia taxable income $(\$2,500) \times (\$3,000 / \$4,000)$.

(13) **Designation of Contributions.** The tax credit shall not be allowed if the taxpayer directly or indirectly designates the taxpayer's qualified rural hospital organization expense tax credit for the direct benefit of any particular individual, whether or not such individual is a dependent of the taxpayer.

(14) **Reports by Rural Hospital Organization.** Rural hospital organizations must submit a monthly Form IT-QRHOE-RHO2 to the Department of Revenue. The report shall be due within 90 days of the end of each respective month. The report shall be submitted electronically through the Georgia Tax Center. The report shall be prepared on a monthly basis regardless of the fiscal year of the rural hospital organization. If the rural hospital organization fails to timely file the report, the donor taxpayer shall not be allowed the credit. The taxpayer may again request preapproval for such denied donation subject to the credit caps. The report shall include the following for each respective month:

- (a) The month and year that is being reported;
- (b) The total number and dollar value of individual contributions and qualified rural hospital organization expense tax credits preapproved. Individual contributions include contributions made by those filing income tax returns as single, head of household, married filing separate, and married filing joint;
- (c) The total number and dollar value of corporate, fiduciary, S corporation, and partnership contributions and qualified rural hospital organization expense tax credits preapproved;
- (d) A list of donors (which includes the donor's name, address, and identification number), including the dollar value of each donation, the dollar value of each preapproved qualified rural hospital organization expense tax credit, and each Department issued tax credit certificate number; and

(e) Any other information required by the Commissioner.

(15) **Report by Donor.** Until the time the Department changed the Georgia Tax Center on June 26, 2019, each taxpayer that received preapproval of the qualified rural hospital organization expense tax credit had to report to the Department the amount of the contribution and the Department issued tax credit certificate number and had to provide a copy of the Form IT-QRHOE-RHO1 to the Department. Such information had to be submitted within 30 days of the date of the contribution and had to be submitted electronically through the Georgia Tax Center. If the taxpayer failed to timely file the report, the taxpayer shall not be allowed the credit. The taxpayer may again request preapproval for such denied donation subject to the credit caps.

(16) **Confirmation of Donations.** Upon the rural hospital organization's confirmation to the Department, as required by paragraph (14) of this regulation, of the receipt of donations that have been preapproved by the Department, any taxpayer preapproved by the Department shall receive the full benefit of the qualified rural hospital organization expense tax credit even though the rural hospital organization to which the taxpayer made a donation does not properly comply with the reports or filings required by O.C.G.A. § 48-7-29.20.

(17) **Website posting.** The Department shall post the following in a prominent location on the Department's website:

(a) All pertinent timelines relating to the tax credit, including but not limited to:

1. Beginning date when contributions can be submitted for preapproval by donors for the January 1 to June 30 period;

2. Ending date when contributions can be submitted for preapproval by donors for the January 1 to June 30 period;

3. Beginning date when contributions can be submitted for preapproval by donors for the July 1 to December 31 period;

4. Ending date when contributions can be submitted for preapproval by donors for the July 1 to December 31 period; and

5. Date by which preapproved contributions are required to be sent to the rural hospital organization;

(b) The list and ranking order of rural hospital organizations eligible to receive contributions under O.C.G.A. § 31-8-9.1(b)(1).

(c) A monthly progress report including:

1. Total preapproved contributions to date by rural hospital organizations;
2. Total contributions received to date by rural hospital organizations;
3. Total aggregate amount of preapproved contributions made to date; and
4. Aggregate amount of tax credits available; and

(d) A list of all preapproved contributions that were made to an unspecified or undesignated rural hospital organization and the rural hospital organizations that received such contributions.

(18) Preapproval Periods.

(a) Beginning of an Approval or Preapproval Period. Pursuant to O.C.G.A. § 48-2-39, when the approval or preapproval period (January 1 through December 31) for the qualified rural hospital organization expense tax credit begin on a Saturday, Sunday, legal holiday, or day on which the Federal Reserve Bank is closed, such beginning dates shall be postponed until the first day following which is not a Saturday, Sunday, legal holiday, or day on which the Federal Reserve Bank is closed. Preapprovals, which must be requested through the Department's Georgia Tax Center, may be submitted beginning at 8:00AM on such following day.

(b) First-Come, First-Served Basis. Any application submitted on a Saturday, Sunday, legal holiday, or day on which the Federal Reserve Bank is closed, shall be considered to have been submitted on such date and time and shall not be prorated based on the date the application is received. This paragraph shall only apply to an application submitted on a day following the beginning date of the approval or preapproval period as provided by subparagraph (18)(a) of this regulation.

(19) **Sunset Date.** O.C.G.A. § 48-7-29.20, the qualified rural hospital organization expense tax credit, shall be repealed on December 31, 2029.

(20) **Effective Date.** This regulation shall be applicable to years beginning on or after January 1, 2025. Years beginning before January 1, 2025 will be governed by the regulations of Chapter 560-7 as they existed before January 1, 2025 in the same manner as if the amendments thereto set forth in this regulation had not been promulgated.

Authority: O.C.G.A. §§ 48-2-12, 48-7-29.20.

560-7-8-.59 Postproduction Film Tax Credit

(1) **Purpose.** This regulation provides guidance concerning the implementation and administration of the postproduction film tax credit under O.C.G.A. § 48-7-40.26A.

(2) **Definitions.** As used in this regulation, the terms “affiliates”, “multimarket commercial distribution”, “qualified postproduction activities”, “qualified production”, and “total aggregate