

GEORGIA HEART
HOSPITAL PROGRAM
Helping Enhance Access to Rural Treatment

January 20, 2026

Dear 2025 HEART Contributor:

Thank you for your 2025 contribution to one of the rural hospitals participating in the Georgia HEART Hospital Program (“HEART”). In 2025, 5,061 Georgia taxpayers contributed \$79.1 million to the 50 rural hospitals eligible for this program, all of which are represented by Georgia HEART.

As you know, your HEART contribution entitles you to take the Georgia Qualified Rural Hospital Organization Expense Tax Credit on your 2025 Georgia Form 500 Individual Income Tax Return (“Form 500”). Although we cannot provide you with official tax advice regarding the credit, for your convenience, we are providing the following information regarding filing requirements for individual taxpayers:

Please note that you are required to file your return electronically to claim the Georgia Qualified Rural Hospital Organization Expense (QRHOE) Tax Credit. Before selecting your e-filing software for 2025, please review the most recent list of approved software vendors on the Georgia Department of Revenue website:

<https://dor.georgia.gov/approved-software-vendors>. The QRHOE credit code is 136. That code should be supported by the software vendor which you select. (Note that TurboTax is a product owned by the vendor “Intuit.”)

1. Form IT-QRHOE-RHO1 – HEART previously sent to you Form IT-QRHOE-RHO1 to acknowledge your contribution. It is advisable to keep a copy of Form IT-QRHOE-RHO1 with your tax records.
2. Form IT-QRHOE-TP2 – A copy of Georgia Form IT-QRHOE-TP2, Qualified Rural Hospital Organization Expense Tax Credit Computation, is available at <https://dor.georgia.gov/it-qrhoe-tp2>. The form needs to be completed by you and transmitted with an electronically filed return. A software program’s Form IT-QRHOE-TP2 that is electronically filed with the Georgia income tax return satisfies this requirement. Please note that this form calculates the credit amount allowed for owners of a pass-through entity (entities). The maximum amount that may be claimed as a credit by owners of pass-through entities is 5.19% of the Georgia taxable income for the pass-through entity (entities), not including any such income that is taxed at the pass-through entity level in Georgia. Any excess over this amount may not be claimed as a credit in the current year or carried forward to succeeding years.
3. Form 500 – Georgia Income Adjustment – If you itemized your deductions on your federal income tax return, in order to prevent “double dipping” you must add back to Georgia taxable income any portion of your contribution that is deducted as a state

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income tax payment on Schedule A of your federal income tax return and for which a Georgia qualified rural hospital organization expense credit is allowed. The amount of the increase to Georgia taxable income is reported on Form 500 Schedule 1 - Adjustments to Income, as "Other". "QRHOE Credit Adjustment" can be used for the description.

The add back is required only to the extent that a payment to a qualified rural hospital generates an actual deduction from federal taxable income. Therefore, the add back is not required when the \$40,000 SALT cap (\$20,000 if married filing separately) is already met before taking into account a payment to a qualified hospital.

Important Note regarding Federal Income Tax Repercussions: If your total SALT deductions are less than the limit of \$40,000 (\$20,000 if married filing separately), you may include the amount of your contribution to a qualified rural hospital – up to that \$40,000 (or \$20,000) limit – for federal income tax purposes. You will need to add back the federal deductible amount to your Georgia tax return.

4. Form 500 – Credit – The code number for the Qualified Rural Hospital Organization Expense Tax Credit is "136". This code number will need to be entered on Form 500 Schedule 2* - Georgia Tax Credit Usage and Carryover. Enter your "Credit Certificate #," your social security number, and credit amount to report the credit you are claiming for 2025.

The Qualified Rural Hospital Organization Expense Tax Credit is a "series 100" Georgia tax credit, and all Georgia tax credits (series 100) must be claimed on Schedule 2. Note that the amount of tax credits used from all Schedule 2s, from IND-CR, from other state(s) tax credit, and from the low-income housing credit may not be greater than the total amount of your tax obligation per the Form 500. If the total available credits exceed your tax, you must indicate which credits are being used in 2025 and report the amount to be carried forward. Amounts of the Qualified Rural Hospital Organization Expense Tax Credit in excess of the 2025 tax may be carried forward for up to five years.

**Note that the appropriate schedule to claim for "C" corporations is Schedule 10 and for fiduciaries is Schedule 5.*

Notes for pass-through entities:

When the HEART payment is made by a pass-through entity which is not electing to pay Georgia tax at the pass-through entity level, the entity must allocate the credit (on its pass-through return) to the owner(s) for the credit to be claimed by the individual pass-through owner(s) on their tax return(s).

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When the HEART payment is made by a pass-through entity electing to pay Georgia tax at the pass-through entity level:

- The credit will be claimed on the pass-through entity's return and reported on either Form 600S, Schedule 11 for an electing S corporation or Form 700, Schedule 10 for an electing partnership or limited liability company.
- The Form 600S or Form 700 must be filed electronically to claim the credit.
- Form IT-QRHOE-TP2 needs to be completed and transmitted with the electronically filed return, and a software program's Form IT-QRHOE-TP2 that is electronically filed with the Georgia return satisfies this requirement.
- The credit allowed is limited to 75% of the electing pass-through entity's Georgia income tax liability, and any excess cannot be claimed or carried forward. Any portion of the allowed credit that is not used in the current year may be carried forward to apply to the entity's succeeding five years' tax liability.
- The electing pass-through entity cannot claim a state income tax deduction for the credit claimed, and therefore must add back to Georgia taxable income any portion of the claimed credit for which a deduction is taken on the federal return.
- The credit will not pass through to the owner(s) of the pass-through entity.
- The owner(s) is not taxed on the income subject to Georgia taxation at the pass-through entity level. Therefore, the owner(s) of the electing pass-through entity subtracts their allocable share of the income taxed at the entity level on Form 500, Schedule 1, Line 12, using the description "PTEDED."

We recommend that you contact your tax advisor or return preparer regarding the utilization of the Qualified Rural Hospital Organization Expense Tax Credit. In addition to the adjustments to your federal and Georgia income tax returns discussed above, other adjustments may be required based on your particular tax situation.

Thank you for taking the time to contribute to a Georgia HEART rural hospital! Because of your support, our participating rural hospitals are able to *Help Enhance Access to Rural Treatment* (HEART).

With gratitude,



Ben Saylor
President & CEO
Georgia HEART Hospital Program