

## **Good News from the IRS and the DOR:**

***A possible response to your constituents (and their CPAs) who express reluctance to participate due to the change in federal tax treatment of contributions to state income tax credit programs, like Georgia HEART***

- The Final IRS Regulations, announced on June 11, 2019, provide good news because they eliminate the possibility of any negative federal income tax impact for contributors to this program.
- Keep in mind that the purpose of this tax credit is to provide Georgia taxpayers with an opportunity to make an important philanthropic impact within our state – at no cost to them. In essence, taxpayers may pay their Georgia income taxes – an expenditure that they are required to make anyway – through contributing to qualified rural hospitals.
- It was never anticipated that these taxpayers would be able to ‘make money’ at the federal level, even though we experienced that outcome for a portion of 2018.
- Another positive development associated with this tax credit is that the Georgia Department of Revenue has agreed to eliminate the taxpayer reporting requirement and to allow Georgia HEART to take care of this administrative burden on behalf of each donor. Therefore, this is now a very simple, streamlined process for participating taxpayers.
- So, the really good news is that Georgia taxpayers may act on their altruistic motivations to improve access to quality healthcare in our state, with very little effort and at no cost! There just are not many opportunities as impactful and as positive as this one.