# FISCAL NOTE
## Senate Bill 223

Committee: Finance and Taxation Education     Sponsor: Senator April Weaver

Analyst: Tiffany Weaver     Date: 04/09/2024

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**Senate Bill 223** as introduced could decrease income tax receipts to the Education Trust Fund and financial institutions excise tax receipts to the State General Fund, counties, and municipalities by a cumulative maximum of $38 million for fiscal year 2026, $60 million for fiscal year 2027, and $80 million for fiscal year 2028 and each year thereafter by allowing taxpayers to claim a non-refundable, non-transferrable tax credit, beginning in tax year 2025, up to the annual amounts listed below, for donations to certain rural hospitals (under the Rural Hospital Investment Program established by this bill) to be used for certain allowable expenditures. This bill would allow the credit to be carried forward up to 3-years and would limit the amount of credit contributed to a single hospital to $2 million annually.

| Taxpayer | Maximum Annual Tax Credit Amount |
|---|---|
| Single, Head of Household, Married Filing Separately | $15,000 |
| Married Filing Jointly | $30,000 |
| Pass-Through Entity, Limited Liability Corporation, Professional Corporation | $450,000 |
| Subchapter C corporation | Lessor of $500,000 or corporation's tax liability |

Further, this bill would create the seven-member Rural Hospital Investment Program Board in the State Treasurer's Office to administer the Rural Hospital Investment Program, determine the eligibility of hospitals to qualify for donations under this bill, and report on the donations and credits claimed under the program. This bill would increase the obligations of the State Treasurer's Office by an estimated $1,200 annually for per diem and travel expenses.

In addition, this bill would increase the administrative obligations of the Department of Revenue to: (1) annually publish a list of rural hospitals eligible for the program; (2) pre-approve donations pursuant to this program; and (3) to enact rules to implement and administer the provisions of this bill.