



FISCAL NOTE

House Bill 86

Committee: Ways and Means Education

Sponsor: Representative Terri Collins

Analyst: Riley Aaron

Date: 04/02/2025

House Bill 86 as reported by the Committee on Ways and Means Education could decrease income tax and utility tax receipts to the Education Trust Fund, insurance premium tax receipts to the State General Fund, and financial institutions excise tax receipts to the State General Fund, counties, and municipalities by a cumulative maximum of \$20 million for fiscal year 2027, \$25 million for fiscal year 2028, and \$30 million for fiscal year 2029 by allowing taxpayers to claim a non-refundable, non-transferable tax credit, beginning in tax year 2026, up to the annual amounts listed below, for donations for certain rural hospitals to be used for certain allowable expenditures. This bill would allow this credit to be carried forward up to 3-years and limit the amount of credit contributed to a single hospital to \$750,000 in tax year 2026, \$1 million in tax year 2027, and \$1.25 million in tax year 2028.

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 Rural Hospital Investment Program, administered by a nine-member board in the State Treasurer's Office, to determine the eligibility of hospitals to qualify for donations under this bill and report on the donations made pursuant to this program. This bill would increase the obligations of the State Treasurer's Office by a minimum of \$939 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 all tax credits claimed and approved pursuant to this program; (2) pre-approve donations pursuant to this program; and (3) to enact rules to implement and administer the provisions of this bill.

This bill could also increase the administrative obligations of the office of the State Treasurer to adopt rules to implement the responsibilities of the board created in this bill.