

House Bill 552

By: Representatives Cooper of the 43rd, England of the 116th, Kelley of the 16th, Burns of the 159th, and Williamson of the 115th

A BILL TO BE ENTITLED
AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to change a definition regarding health care sharing ministries; to amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, and computation of and exemptions from income taxes, so as to provide that a taxpayer may deduct the full amount paid for shares as a member of a health care sharing organization from Georgia taxable income; to provide a definition; to disallow related deductions; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by revising Code Section 33-1-20, related to health care sharing ministry, as follows:

"33-1-20.

(a) As used in this Code section, the term 'health care sharing ~~ministry~~ organization' means a ~~faith-based~~, nonprofit organization that is tax exempt under the Internal Revenue Code of 1986 which:

(1) Is defined in 26 U.S.C. Section 5000A(d)(2)(B);

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(1)(2) Limits its participants to those who ~~are of a similar faith~~ share a common set of ethical beliefs;

(2)(3) Acts as a facilitator among participants who have financial or medical needs and matches those participants with other participants with the present ability to assist those with financial or medical needs in accordance with criteria established by the health care sharing ~~ministry~~ organization;

(3)(4) Provides for the financial or medical needs of a ~~participant through contributions from one participant to another~~ member through contributions from other members or through payments directly from one member to another member;

(4)(5) Provides amounts that ~~participants~~ members may contribute with no assumption of risk or promise to pay among the ~~participants~~ members and no assumption of risk or promise to pay by ~~the health care sharing ministry~~ such organization to the ~~participants~~ members;

(5)(6) Provides a written monthly statement to all ~~participants~~ members that lists the total dollar amount of qualified needs submitted to ~~the health care sharing ministry~~, as well as ~~the amount actually published or assigned to participants for their contribution; and such organization and the total dollar amount of qualified needs actually shared in the previous month in accordance with criteria established by the health care sharing organization~~;

(7) Conducts an annual audit that is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting on the organization's website; and

(6)(8) Provides a in substance the following written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the organization that reads, ~~in substance~~: 'Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be

totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payment for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.'

(b) A health care sharing ~~ministry~~ organization which has entered into a health care cost-sharing arrangement with its ~~participants~~ members shall not be considered an insurance company, health maintenance organization, or health benefit plan of any class, kind, or character and shall not be subject to any laws respecting insurance companies, health maintenance organizations, or health benefit plans of any class, kind, or character in this state or subject to regulation under such laws, including, but not limited to, the provisions of this title, and shall not be subject to the jurisdiction of the Commissioner of Insurance."

SECTION 2.

Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, and computation of and exemptions from income taxes, is amended in subsection (a) of Code Section 48-7-27, relating to computation of taxable net income, by deleting "and" at the end of paragraph (14), by replacing the period with "; and" at the end of paragraph (15), and by adding a new paragraph to read as follows:

"(16)(A) For all taxable years beginning on or after January 1, 2021, an amount equal to the amount which the taxpayer has paid during the taxable year as a member of a health care sharing organization, which shall only be deductible to the extent that such amount is not deducted on the taxpayer's federal income tax return in determining the taxpayer's federal taxable income for that taxable year.

71 **SECTION 3.**
72 This Act shall become effective upon its approval by the Governor or upon its becoming law
73 without such approval.

75 All laws and parts of laws in conflict with this Act are repealed.