

House Bill 610 (AS PASSED HOUSE AND SENATE)

By: Representatives Jamieson of the 22nd and Graves of the 125th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to
2 exemptions from state sales and use tax, so as to provide for an exemption with respect to the
3 sale or use of certain film production equipment or services; to provide for an exemption
4 with respect to the sale or use of certain digital broadcast equipment; to provide for
5 definitions; to provide for procedures, conditions, and limitations; to provide for powers,
6 dates, and authority of the state revenue commissioner; to provide effective dates; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
11 state sales and use tax, is amended by striking "or" at the end of paragraph (71), by striking
12 the period at the end of paragraph (72) and inserting in its place "; or", and by adding a new
13 paragraph immediately following paragraph (72), to be designated paragraph (73), to read
14 as follows:

15 "(73)(A) The sale or lease of production equipment or production services for use in
16 this state by a certified film producer or certified film production company for qualified
17 production activities.

18 (B) As used in this paragraph, the term;

19 (i) 'Film producer' means any person engaged in the business of organizing and
20 supervising qualified production activities.

21 (ii) 'Film production company' means any company that employs one or more film
22 producers and whose goal is to engage in film production activity.

23 (iii) 'Qualified production activities' means the production or post production of film
24 or video projects such as feature films, series, pilots, movies for television,
25 commercials, music videos, or sound recordings used in feature films, series, pilots,

1 or movies for television, for which the film producer or film production company will
2 be compensated and which are intended for nation-wide commercial distribution.

3 (iv) 'Production equipment' means items purchased or leased for use exclusively in
4 qualified production activities in Georgia, including, but not limited to, cameras,
5 camera supplies, camera accessories, lighting equipment, cables, wires, generators,
6 motion picture film and videotape stock, cranes, booms, dollies, and teleprompters.

7 (v) 'Production services' means services purchased for use exclusively in qualified
8 production activities in Georgia, including, but not limited to, digital or tape editing,
9 film processing, transfers of film to tape or digital format, sound mixing, computer
10 graphics services, special effects services, animation services, and script production.

11 (C) Any person making a sale of production equipment or production services to a film
12 producer or film production company as specified in this paragraph shall collect the tax
13 imposed on the sale by this article unless the purchaser furnishes such seller with a
14 certificate issued by the commissioner certifying that the purchaser is entitled to
15 purchase the production equipment or production services without paying the tax. As
16 a condition precedent to the issuance of the certificate, film producers and film
17 production companies shall submit an application to the commissioner for designation
18 as a certified film producer or certified film production company. Such application shall
19 not be valid without prior written approval by the Georgia Film and Videotape Office
20 of the Department of Industry, Trade, and Tourism."

21 SECTION 2.

22 Said Code section is further amended by adding a new paragraph immediately following
23 paragraph (73), to be designated paragraph (74), to read as follows:

24 "(74)(A)(i) Except as otherwise provided in divisions (ii) and (iii) of this
25 subparagraph, the sale or use of digital broadcast equipment sold to, leased to, or used
26 by a federally licensed commercial or public radio or television broadcast station, a
27 cable network, or a cable distributor that enables a radio or television station, cable
28 network, or cable distributor to originate and broadcast or transmit or to receive and
29 broadcast or transmit digital signals, including, but not limited to, digital broadcast
30 equipment required by the Federal Communications Commission.

31 (ii) For commercial or public television broadcasters and cable distributors, such
32 equipment shall be limited to antennas, transmission lines, towers, digital transmitters,
33 studio to transmitter links, digital routing switchers, character generators, Advanced
34 Television Systems Committee video encoders and multi-plexers, monitoring
35 facilities, cameras, terminal equipment, tape recorders, and file servers.

1 (iii) For radio broadcasters, such equipment shall be limited to transmitters, digital
2 audio processors, and diskettes.

3 (B) As used in this paragraph, the term:

4 (i) 'Digital broadcast equipment' means equipment purchased, leased, or used for the
5 origination or integration of program materials for broadcast over the airwaves or
6 transmission by cable, satellite, or fiber optic line which uses or produces an
7 electronic signal where the signal carries data generated, stored, and processed as
8 strings of binary data. Data transmitted or stored as digital data consists of strings of
9 positive or nonpositive elements of a transmission expressed in strings of 0's and 1's
10 which a computer or processor can reconstruct as an electronic signal.

11 (ii) 'Federally licensed commercial or public radio or television broadcast station'
12 means any entity or enterprise, either commercial or noncommercial, which operates
13 under a license granted by the Federal Communications Commission for the purpose
14 of free distribution of audio and video services when the distribution occurs by means
15 of transmission over the public airwaves.

16 (C) The exemption provided under this paragraph shall not apply to any of the
17 following:

18 (i) Repair or replacement parts purchased for the equipment described in this
19 paragraph;

20 (ii) Equipment purchased to replace equipment for which an exemption was
21 previously claimed and taken under this paragraph;

22 (iii) Any equipment purchased after a television station, cable network, or cable
23 distributor has ceased analog broadcasting, or purchased after November 1, 2004,
24 whichever occurs first; or

25 (iv) Any equipment purchased after a radio station has ceased analog broadcasting,
26 or purchased after November 1, 2008, whichever occurs first.

27 (D) Any person making a sale of digital broadcasting equipment to a federally licensed
28 commercial or public radio or television broadcast station, cable network, or cable
29 distributor shall collect the tax imposed on the sale by this article unless the purchaser
30 furnishes a certificate issued by the commissioner certifying that the purchaser is
31 entitled to purchase the equipment without paying the tax."

32 SECTION 3.

33 (a) Except as otherwise provided in subsection (b) of this section, this Act shall become
34 effective on July 1, 2001.

35 (b) Section 1 of this Act shall become effective on January 1, 2002.

1

SECTION 4.

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