

House Bill 216

By: Representatives Smith of the 12<sup>th</sup>, Royal of the 164<sup>th</sup>, Buck of the 135<sup>th</sup>, Sims of the 167<sup>th</sup>, Jamieson of the 22<sup>nd</sup> and others

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  
3 sales of eligible food and beverages dispensed by or through vending machines; to provide  
4 for conditions and limitations; to provide an effective date; to repeal conflicting laws; and  
5 for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from  
9 state sales and use tax, is amended by striking paragraph (57) and inserting in its place a new  
10 paragraph (57), to read as follows:

11 "(57)(A) The sale for off-premises human consumption or use of eligible foods and  
12 beverages, including food or drink dispensed by or through vending machines or related  
13 operations, to the extent provided in subparagraph (B) of this paragraph.

14 (B) A transaction described in subparagraph (A) of this paragraph shall be exempt  
15 from sales and use tax only if occurring on or after October 1, 1996, and only to the  
16 extent set forth in divisions (i) through (iii) of this subparagraph as follows:

17 (i) For a transaction occurring during the period from October 1, 1996, through  
18 September 30, 1997, to the extent of 50 percent of that amount on which, but for this  
19 paragraph, sales and use tax would be levied or imposed;

20 (ii) For a transaction occurring during the period from October 1, 1997, through  
21 September 30, 1998, to the extent of 75 percent of that amount on which, but for this  
22 paragraph, sales and use tax would be levied or imposed; and

23 (iii) For a transaction occurring on or after October 1, 1998, to the extent of 100  
24 percent of that amount on which, but for this paragraph, sales and use tax would be  
25 levied or imposed.

1 (C) For the purposes of this paragraph, 'eligible food and beverages' means any food  
 2 as defined in Section 3 of the federal Food Stamp Act of 1977 (P.L. 95-113), as  
 3 amended, 7 U.S.C.A. 2012(g), as such Act existed on January 1, 1996, except that  
 4 eligible food and beverages shall not include seeds or plants to grow food ~~and shall not~~  
 5 ~~include food or drink dispensed by or through vending machines or related operations.~~

6 (D)(i) The exemption provided for in this paragraph shall not apply to any local sales  
 7 and use tax levied or imposed at any time by or pursuant to Article 3 of this chapter.

8 (ii) Except as otherwise provided in division (i) of this subparagraph, the exemption  
 9 provided for in this paragraph shall not apply to any local sales and use tax which is  
 10 effective before October 1, 1996, notwithstanding any provisions to the contrary in  
 11 the law authorizing or imposing such tax.

12 (iii) Except as otherwise provided in divisions (i) and (iv) of this subparagraph, the  
 13 exemption provided for in this paragraph shall apply with respect to any local sales  
 14 and use tax which becomes effective on or after October 1, 1996, but such exemption  
 15 shall apply only as to transactions occurring on or after October 1, 1998,  
 16 notwithstanding any provision to the contrary in the law authorizing or imposing such  
 17 tax.

18 (iv) The exemption provided for in this paragraph shall apply to any local sales and  
 19 use tax levied or imposed at any time by or pursuant to Article 2A of this chapter.

20 (v) For the purposes of this subparagraph, the term 'local sales and use tax' shall mean  
 21 any sales tax, use tax, or local sales and use tax which is levied and imposed in an  
 22 area consisting of less than the entire state, however authorized, including, but not  
 23 limited to, such taxes authorized by or pursuant to constitutional amendment; by or  
 24 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as  
 25 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or  
 26 pursuant to Article 2 of this chapter; by or pursuant to Article 2A of this chapter; or  
 27 by or pursuant to Article 3 of this chapter.

28 (E) The commissioner shall adopt rules and regulations to carry out the provisions of  
 29 this paragraph;".

### 30 SECTION 2.

31 This Act shall become effective on January 1, 2002.

### 32 SECTION 3.

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