

Senate Bill 62

By: Senator Cagle of the 49th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales  
2 and use taxes, so as to change certain definitions regarding such taxes; to provide an effective  
3 date; to repeal conflicting laws; and for other purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 style="text-align:center">**SECTION 1.**

6 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use  
7 taxes, is amended by striking Code Section 48-8-2, relating to definitions regarding such  
8 taxes, and inserting in its place a new Code Section 48-8-2 to read as follows:

9 "48-8-2.

10 As used in this article, the term:

11 (1) 'Business' means any activity engaged in by any person or caused to be engaged in  
12 by any person with the object of direct or indirect gain, benefit, or advantage.

13 (2) 'Cost price' means the actual cost of articles of tangible personal property without any  
14 deductions for the cost of materials used, labor costs, service costs, transportation  
15 charges, or any other expenses of any kind.

16 (3) 'Dealer' means every person who:

17 (A) Has sold at retail, used, consumed, distributed, or stored for use or consumption  
18 in this state tangible personal property and who cannot prove that the tax levied by this  
19 article has been paid on the sale at retail or on the use, consumption, distribution, or  
20 storage of the tangible personal property;

21 (B) Imports or causes to be imported tangible personal property from any state or  
22 foreign country for sale at retail, or for use, consumption, distribution, or storage for use  
23 or consumption in this state;

24 (C) Is the lessee or renter of tangible personal property and who pays to the owner of  
25 the property a consideration for the use or possession of the property without acquiring  
26 title to the property;

1 (D) Leases or rents tangible personal property for a consideration, permitting the use  
2 or possession of the property without transferring title to the property;

3 (E) Maintains or has within this state, indirectly or by a subsidiary, an office,  
4 distributing house, salesroom, or house, warehouse, or other place of business;

5 (F) Manufactures or produces tangible personal property for sale at retail or for use,  
6 consumption, distribution, or storage for use or consumption in this state;

7 (G) Sells at retail, offers for sale at retail, or has in his possession for sale at retail, or  
8 for use, consumption, distribution, or storage for use or consumption in this state  
9 tangible personal property;

10 (H) Solicits business by representatives or engages in the regular or systematic  
11 solicitation of a consumer market in this state by the distribution of catalogs,  
12 periodicals, advertising fliers, or other advertising, or by means of print, radio, or  
13 television media, by telegraphy, telephone, computer data base, cable optic, microwave,  
14 or other communication system. Each dealer as defined in this subparagraph shall  
15 collect the tax imposed by this article from the purchaser, lessee, or renter, as  
16 applicable, and no action seeking either legal or equitable relief on a sale, lease, rental,  
17 or other transaction may be had in this state by the dealer unless it is affirmatively  
18 shown that this article has been fully complied with; or

19 (I) Notwithstanding any of the provisions contained in this paragraph, with respect to  
20 a person that is not a resident or domiciliary of Georgia, that does not engage in any  
21 other business or activity in Georgia, and that has contracted with a commercial printer  
22 for printing to be conducted in Georgia, such person shall not be deemed a 'dealer' in  
23 Georgia merely because such person:

24 (i) Owns tangible or intangible property which is located at the Georgia premises of  
25 a commercial printer for use by such printer in performing services for the owner;

26 (ii) Makes sales and distributions of printed material produced at and shipped or  
27 distributed from the Georgia premises of the commercial printer;

28 (iii) Performs activities of any kind at the Georgia premises of the commercial printer  
29 which are directly related to the services provided by the commercial printer; or

30 (iv) Has printing, including any printing related activities, and distribution related  
31 activities performed by the commercial printer in Georgia for or on its behalf,

32 nor shall such person, absent any contact with Georgia other than with or through the  
33 use of the commercial printer or the use of the United States Postal Service or a  
34 common carrier, have an obligation to collect sales or use tax from any of its customers  
35 located in Georgia based upon the activities described in divisions (i) through (iv) of  
36 this subparagraph. In no event described in this subparagraph shall such person be  
37 considered to have a fixed place of business in Georgia at either the commercial

1 printer's premises or at any place where the commercial printer performs services on  
2 behalf of that person.

3 (4) 'Gross sales' means the:

4 (A) Sum total of all retail sales of tangible personal property or services without any  
5 deduction of any kind other than as provided in this article; or

6 (B)(i) Charges, when applied to sales of telephone service, made for local exchange  
7 telephone service, except local messages which are paid for by inserting coins in coin  
8 operated telephones, but including the total amount of the guaranteed charge for  
9 semipublic coin box telephone services; except as otherwise provided in division (ii)  
10 of this subparagraph.

11 (ii)(I) If a telephone service is not subject to the tax levied by this chapter, and if  
12 the amount charged for such telephone service is aggregated with and not separately  
13 stated from the amount paid or charged for any service that is subject to such tax,  
14 then the nontaxable telephone service shall be treated as being subject to such tax  
15 unless the telephone service provider can reasonably identify the amount paid or  
16 charged for the telephone service not subject to such tax from its books and records  
17 kept in the regular course of business.

18 (II) If a telephone service is not subject to the tax levied by this chapter, a customer  
19 may not rely upon the nontaxability of such telephone service unless the telephone  
20 service provider separately states the amount charged for such nontaxable telephone  
21 service or the telephone service provider elects, after receiving a written request  
22 from the customer in the form required by the provider, to provide verifiable data  
23 based upon the provider's books and records that are kept in the regular course of  
24 business that reasonably identifies the amount charged for such nontaxable  
25 telephone service.

26 (5) 'Lease or rental' means the leasing or renting of tangible personal property and the  
27 possession or use of the property by the lessee or renter for a consideration without  
28 transfer of the title to the property.

29 (6) 'Retail sale' or a 'sale at retail' means:

30 (A) A sale to a consumer or to any person for any purpose other than for resale of  
31 tangible personal property or services taxable under this article including, but not  
32 limited to, any such transactions which the commissioner upon investigation finds to  
33 be in lieu of sales. Sales for resale must be made in strict compliance with the  
34 commissioner's rules and regulations. Any dealer making a sale for resale which is not  
35 in strict compliance with the commissioner's rules and regulations shall himself be  
36 liable for and shall pay the tax;

1 (B)(i) Except as otherwise provided in division (ii) of this subparagraph, the sale of  
2 natural or artificial gas, oil, electricity, solid fuel, transportation, local telephone  
3 services, beverages, and tobacco products, when made to any purchaser for purposes  
4 other than resale.

5 (ii) The sale of electricity used directly in the manufacture of a product shall not  
6 constitute a retail sale for purposes of this article if the direct cost of such electricity  
7 exceeds 50 percent of the cost of all materials, including electricity, used directly in  
8 the product and shall be exempt from taxation under this article. Such exemption shall  
9 be applied to manufacturers located in this state as follows:

10 (I) For calendar years beginning on or after January 1, 1995, and prior to January  
11 1, 1996, 20 percent of the direct cost of such electricity shall be exempt;

12 (II) For calendar years beginning on or after January 1, 1996, and prior to January  
13 1, 1997, 40 percent of the direct cost of such electricity shall be exempt;

14 (III) For calendar years beginning on or after January 1, 1997, and prior to January  
15 1, 1998, 60 percent of the direct cost of such electricity shall be exempt;

16 (IV) For calendar years beginning on or after January 1, 1998, and prior to January  
17 1, 1999, 80 percent of the direct cost of such electricity shall be exempt; and

18 (V) For calendar years beginning on or after January 1, 1999, 100 percent of the  
19 direct cost of such electricity shall be exempt;

20 (C) The sale or charges for any room, lodging, or accommodation furnished to  
21 transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which  
22 rooms, lodgings, or accommodations are regularly furnished to transients for a  
23 consideration. This tax shall not apply to rooms, lodgings, or accommodations supplied  
24 for a period of 90 continuous days or more;

25 (D) Sales of tickets, fees, or charges made for admission to, or voluntary contributions  
26 made to places of, amusement, sports, or entertainment including, but not limited to:

27 (i) Billiard and pool rooms;

28 (ii) Bowling alleys;

29 (iii) Amusement devices;

30 (iv) Musical devices;

31 (v) Theaters;

32 (vi) Opera houses;

33 (vii) Moving picture shows;

34 (viii) Vaudeville;

35 (ix) Amusement parks;

36 (x) Athletic contests including, but not limited to, wrestling matches, prize fights,  
37 boxing and wrestling exhibitions, football games, and baseball games;

- 1 (xi) Skating rinks;
- 2 (xii) Race tracks;
- 3 (xiii) Public bathing places;
- 4 (xiv) Public dance halls; and
- 5 (xv) Any other place at which any exhibition, display, amusement, or entertainment
- 6 is offered to the public or any other place where an admission fee is charged;

7 (E) Reserved;

8 (F) Charges made for participation in games and amusement activities; or

9 (G) Sales of tangible personal property to persons for resale when there is a likelihood  
10 that the state will lose tax funds due to the difficulty of policing the business operations  
11 because:

- 12 (i) Of the operation of the business;
- 13 (ii) Of the very nature of the business;
- 14 (iii) Of the turnover of so-called independent contractors;
- 15 (iv) Of the lack of a place of business in which to display a certificate of registration;
- 16 (v) Of the lack of a place of business in which to keep records;
- 17 (vi) Of the lack of adequate records;
- 18 (vii) The persons are minors or transients;
- 19 (viii) The persons are engaged in essentially service businesses; or
- 20 (ix) Of any other reasonable reason.

21 The commissioner may promulgate rules and regulations requiring vendors of persons  
22 described in this subparagraph to collect the tax imposed by this article on the retail  
23 price of the tangible personal property. The commissioner shall refuse to issue  
24 certificates of registration and may revoke certificates of registration issued in violation  
25 of his rules and regulations.

26 (7) 'Retailer' means every person making sales at retail or for distribution, use,  
27 consumption, or storage for use or consumption in this state.

28 (8) 'Sale' means any transfer of title or possession, transfer of title and possession,  
29 exchange, barter, lease, or rental, conditional or otherwise, in any manner or by any  
30 means of any kind of tangible personal property for a consideration and includes, but is  
31 not limited to:

32 (A) The fabrication of tangible personal property for consumers who directly or  
33 indirectly furnish the materials used in such fabrication;

34 (B) The furnishing, repairing, or serving for a consideration of any tangible personal  
35 property consumed on the premises of the person furnishing, repairing, or serving the  
36 tangible personal property; or

1 (C) A transaction by which the possession of property is transferred but the seller  
2 retains title as security for the payment of the price.

3 (9)(A) 'Sales price' means the total amount valued in money, whether paid in money  
4 or otherwise, for which tangible personal property or services are sold including, but  
5 not limited to, any services that are a part of the sale and any amount for which credit  
6 is given to the purchaser by the seller without any deduction from the total amount for  
7 the cost of the property sold, the cost of materials used, labor or service costs, losses,  
8 or any other expenses of any kind.

9 (B) 'Sales price' does not include:

10 (i) Cash discounts allowed and taken on sales;

11 (ii) The amount charged for labor or services rendered in installing, applying,  
12 remodeling, or repairing property sold; or

13 (iii) Finance charges, carrying charges, service charges, or interest from credit  
14 extended on sales of tangible personal property under conditional sale contracts or  
15 other conditional contracts providing for deferred payments of the purchase price.

16 (10) 'Storage' means any keeping or retention in this state of tangible personal property  
17 for use or consumption in this state or for any purpose other than sale at retail in the  
18 regular course of business.

19 (11) 'Tangible personal property' means personal property which may be seen, weighed,  
20 measured, felt, or touched or is in any other manner perceptible to the senses. 'Tangible  
21 personal property' does not mean stocks, bonds, notes, insurance, or other obligations or  
22 securities.

23 (12) 'Use' means the exercise of any right or power over tangible personal property  
24 incident to the ownership of the property including, but not limited to, the sale at retail  
25 of the property in the regular course of business.

26 (13) 'Use tax' includes the use, consumption, distribution, and storage of tangible  
27 personal property as defined in this article."

28 **SECTION 2.**

29 This Act shall become effective upon its approval by the Governor or upon its becoming law  
30 without such approval.

31 **SECTION 3.**

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