

House Bill 481

By: Representatives Channell of the 77th, Graves of the 106th, Royal of the 140th and Day of the 126th

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 a phased-in exemption with
3 respect to sales of eligible food and beverages dispensed by or through vending machines;
4 to provide for conditions and limitations; to provide an effective date; to repeal conflicting
5 laws; and 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, to the extent provided in subparagraph (B) of this paragraph including food
13 and drink dispensed by or through vending machines or related operations to the extent
14 provided for in subparagraph (B.1) of this paragraph.

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

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

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

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

1 (B.1) A vending machine or related operation transaction described in
 2 subparagraph (A) of this paragraph shall be exempt from sales and use tax as follows:

3 (i) For a transaction occurring during the period from July 1, 2004, through June 30,
 4 2005, to the extent of 25 percent of that amount on which, but for this paragraph, sales
 5 and use tax would be levied or imposed;

6 (ii) For a transaction occurring during the period from July 1, 2005, through June 30,
 7 2006, to the extent of 50 percent of that amount on which, but for this paragraph, sales
 8 and use tax would be levied or imposed;

9 (iii) For a transaction occurring during the period from July 1, 2006, through June
 10 30, 2007, to the extent of 75 percent of that amount on which, but for this paragraph,
 11 sales and use tax would be levied or imposed; and

12 (iv) For a transaction occurring on or after July 1, 2007, to the extent of 100 percent
 13 of that amount on which, but for this paragraph, sales and use tax would be levied or
 14 imposed.

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

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

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

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

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

35 (v) For the purposes of this subparagraph, the term 'local sales and use tax' shall mean
 36 any sales tax, use tax, or local sales and use tax which is levied and imposed in an
 37 area consisting of less than the entire state, however authorized, including, but not

1 limited to, such taxes authorized by or pursuant to constitutional amendment; by or
2 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as
3 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or
4 pursuant to Article 2 of this chapter; by or pursuant to Article 2A of this chapter; or
5 by or pursuant to Article 3 of this chapter.

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

8 **SECTION 2.**

9 This Act shall become effective on July 1, 2004.

10 **SECTION 3.**

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