

The Senate Finance Committee offered the following substitute to HB 43:

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 of certain school supplies, clothing, footwear, computers, and computer related  
4 accessories for a limited period of time; to provide for an exemption with respect to sales of  
5 certain tangible personal property to, or used in the construction of, certain aquariums; to  
6 provide for conditions and limitations; to provide an effective date; to repeal conflicting  
7 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 paragraph (75) and inserting in its place a new  
12 paragraph (75), to read as follows:

13 "(75)(A) The sale of any covered item. The exemption provided by this paragraph  
14 shall apply only to sales occurring during a period commencing at 12:01 A.M. on  
15 ~~March 29, 2002, and concluding at 12:00 Midnight on March 30, 2002, and to a period~~  
16 ~~commencing at 12:01 A.M. on August 2, 2002, and concluding at 12:00 Midnight on~~  
17 ~~August 3, 2002~~ July 31, 2003, and concluding at 12:00 Midnight on August 3, 2003.

18 (B) As used in this paragraph, the term 'covered item' shall mean:

19 (i) Articles of clothing and footwear with a sales price of \$100.00 or less per article  
20 of clothing or pair of footwear, excluding accessories such as jewelry, handbags,  
21 umbrellas, ~~items intended primarily for use as athletic or sporting gear~~, eyewear,  
22 watches, and watchbands;

23 (ii) ~~The first \$1,500.00 of the sales price of a~~ A single purchase, with a sales price  
24 \$1,500.00 or less, of personal computers and personal computer related accessories  
25 purchased for noncommercial home or personal use, including personal computer  
26 base units and keyboards, personal digital assistants, handheld computers, monitors,

1 other peripheral devices, modems for Internet and network access, and  
 2 nonrecreational software, whether or not they are to be utilized in association with the  
 3 personal computer base unit; ~~provided, however, that such exemption shall be~~  
 4 ~~available only when such purchase includes the purchase of a personal computer base~~  
 5 ~~unit. For purposes of this paragraph, personal digital assistant devices shall not be~~  
 6 ~~considered personal computer base units but may be included in a single purchase~~  
 7 ~~which also includes a personal computer base unit.~~ Computer and computer related  
 8 accessories shall not include furniture and any systems, devices, software, or  
 9 peripherals designed or intended primarily for recreational use; and

10 (iii) Noncommercial purchases of general school supplies to be utilized in the  
 11 classroom or in classroom related activities, such as homework, up to a sales price of  
 12 \$20.00 per item including pens, pencils, notebooks, paper, book bags, calculators,  
 13 dictionaries, ~~and~~ thesauruses, and children's books and books listed on approved  
 14 school reading lists for pre-kindergarten through twelfth grade.

15 (C) The exemption provided by this paragraph shall not apply to rentals, sales in a  
 16 theme park, entertainment complex, public lodging establishment, restaurant, or airport  
 17 or to purchases for trade, business, or resale.

18 (D) The commissioner shall promulgate any rules and regulations necessary to  
 19 implement and administer this paragraph including but not be limited to a list of those  
 20 articles and items qualifying for the exemption pursuant to this paragraph."

## 21 SECTION 2.

22 Said Code section is further amended by striking "or" at the end of paragraph (74), by  
 23 striking the period at the end of paragraph (75) and inserting in its place "; or", and by adding  
 24 a new paragraph immediately following paragraph (75) to be designated paragraph (76) to  
 25 read as follows:

26 "(76) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from the  
 27 effective date of this paragraph until January 1, 2007, sales of tangible personal property  
 28 to, or used in the construction of, an aquarium owned or operated by an organization  
 29 which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code."

## 30 SECTION 3.

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

## 33 SECTION 4.

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