

## SENATE 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 that the distribution of contact  
3 lenses by a manufacturer as free samples to licensed dispensers shall not be subject to the  
4 sales and use tax; to provide for an exemption with respect to the sale of certain school  
5 supplies, clothing, footwear, computers, and computer related accessories for a limited period  
6 of time; to provide for an exemption with respect to sales of certain tangible personal  
7 property to, or used in the construction of, certain aquariums; to provide for conditions and  
8 limitations; to provide an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**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 in its entirety paragraph (47) and inserting in  
12 lieu thereof the following:

13 “(47) Sales of drugs dispensed by prescription and prescription eyeglasses and contact  
14 lenses including, without limitation, prescription contact lenses distributed by the  
15 manufacturer to licensed dispensers as free samples not intended for resale and labeled as  
16 such;”  
17

**SECTION 2.**

18 Said Code section is further amended by striking paragraph (75) and inserting in its place a  
19 new paragraph (75), to read as follows:

20 “(75)(A) The sale of any covered item. The exemption provided by this paragraph  
21 shall apply only to sales occurring during a period commencing at 12:01 A.M. on  
22 ~~March 29, 2002, and concluding at 12:00 Midnight on March 30, 2002, and to a period~~  
23 ~~commencing at 12:01 A.M. on August 2, 2002, and concluding at 12:00 Midnight on~~  
24 ~~August 3, 2002~~ July 31, 2003, and concluding at 12:00 Midnight on August 3, 2003.  
25

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

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

6 (ii) ~~The first \$1,500.00 of the sales price of a~~ A single purchase, with a sales price  
7 \$1,500.00 or less, of personal computers and personal computer related accessories  
8 purchased for noncommercial home or personal use, including personal computer  
9 base units and keyboards, personal digital assistants, handheld computers, monitors,  
10 other peripheral devices, modems for Internet and network access, and  
11 nonrecreational software, whether or not they are to be utilized in association with the  
12 personal computer base unit, ~~provided, however, that such exemption shall be~~  
13 ~~available only when such purchase includes the purchase of a personal computer base~~  
14 ~~unit. For purposes of this paragraph, personal digital assistant devices shall not be~~  
15 ~~considered personal computer base units but may be included in a single purchase~~  
16 ~~which also includes a personal computer base unit.~~ Computer and computer related  
17 accessories shall not include furniture and any systems, devices, software, or  
18 peripherals designed or intended primarily for recreational use; and

19 (iii) Noncommercial purchases of general school supplies to be utilized in the  
20 classroom or in classroom related activities, such as homework, up to a sales price of  
21 \$20.00 per item including pens, pencils, notebooks, paper, book bags, calculators,  
22 dictionaries, ~~and thesauruses,~~ and children's books and books listed on approved  
23 school reading lists for pre-kindergarten through twelfth grade.

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

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

### 30 SECTION 3.

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

35 "(76) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from the  
36 effective date of this paragraph until January 1, 2007, sales of tangible personal property

1 to, or used in the construction of, an aquarium owned or operated by an organization  
2 which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code."

3 **SECTION 4.**

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

6 **SECTION 5.**

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