

House Bill 93 (AS PASSED HOUSE AND SENATE)

By: Representatives Buck of the 112<sup>th</sup> and Royal of the 140<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-13-5 of the Official Code of Georgia Annotated, relating to  
2 definitions relative to occupation taxes and regulatory fees, so as to revise the definition of  
3 gross receipts to exclude interorganizational sales or transfers between or among certain  
4 parent corporations, their wholly owned subsidiaries, and certain corporations partially  
5 owned by such parents or subsidiaries; to provide an effective date; to repeal conflicting  
6 laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 48-13-5 of the Official Code of Georgia Annotated, relating to definitions  
10 relative to occupation taxes and regulatory fees, is amended by striking paragraph (2) and  
11 inserting in lieu thereof the following:

12 "(2)(A) 'Gross receipts' means total revenue of the business or practitioner for the  
13 period, including without being limited to the following:

- 14 (i) Total income without deduction for the cost of goods sold or expenses incurred;  
15 (ii) Gain from trading in stocks, bonds, capital assets, or instruments of indebtedness;  
16 (iii) Proceeds from commissions on the sale of property, goods, or services;  
17 (iv) Proceeds from fees charged for services rendered; and  
18 (v) Proceeds from rent, interest, royalty, or dividend income.

19 (B) Gross receipts shall not include the following:

- 20 (i) Sales, use, or excise taxes;  
21 (ii) Sales returns, allowances, and discounts;  
22 (iii) Interorganizational sales or transfers between or among the units of a  
23 parent-subsidiary controlled group of corporations, as defined by 26 U.S.C. Section  
24 1563(a)(1), between or among the units of a brother-sister controlled group of  
25 corporations, as defined by 26 U.S.C. Section 1563(a)(2), between or among a parent  
26 corporation, wholly owned subsidiaries of such parent corporation, and any

1 corporation in which such parent corporation or one or more of its wholly owned  
2 subsidiaries owns stock possessing at least 30 percent of the total value of shares of  
3 all classes of stock of such partially owned corporation, or between or among wholly  
4 owned partnerships or other wholly owned entities;

5 (iv) Payments made to a subcontractor or an independent agent for services which  
6 contributed to the gross receipts in issue;

7 (v) Governmental and foundation grants, charitable contributions, or the interest  
8 income derived from such funds, received by a nonprofit organization which employs  
9 salaried practitioners otherwise covered by this chapter, if such funds constitute 80  
10 percent or more of the organization's receipts; and

11 (vi) Proceeds from sales of goods or services which are delivered to or received by  
12 customers who are outside the state at the time of delivery or receipt."

13 **SECTION 2.**

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

16 **SECTION 3.**

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