

House Bill 1283

By: Representatives Sims of the 130<sup>th</sup>, Royal of the 140<sup>th</sup>, Borders of the 142<sup>nd</sup>, and Jamieson of the 22<sup>nd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to  
2 specific, business, and occupation taxes, so as provide for the gradual elimination of the  
3 excise tax on rental motor vehicles; to provide for the specific repeal of Article 5 of said  
4 chapter, relating to the excise tax on rental motor vehicles; to provide an effective date; to  
5 repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

8 Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to specific,  
9 business, and occupation taxes, is amended by striking Code Section 48-13-93, relating to  
10 the levy and collection of the excise tax on rental motor vehicles, and inserting in its place  
11 a new Code Section 48-13-93 to read as follows:

12 "48-13-93.

13 (a)(1)(A) The governing authority of each municipality in this state may levy and  
14 collect an excise tax upon the rental charge collected by a rental motor vehicle concern  
15 when such charge constitutes a taxable event for purposes of sales and use tax under  
16 Article 1 of Chapter 8 of this title. Within the territorial limits of the special district  
17 located within the county, each county in this state may levy and collect an excise tax  
18 upon the rental charge collected by a rental motor vehicle concern when such charge  
19 constitutes a taxable event for purposes of sales and use tax under Article 1 of Chapter  
20 8 of this title.

21 (B) The tax levied pursuant to this article shall be levied or collected at the rate of:

22 (i) Three percent ~~3 percent~~ of the rental charges for the period ending December 31,  
23 2004;

24 (ii) Two percent of the rental charges for the period beginning January 1, 2005, and  
25 ending December 31, 2005; and

1           (iii) One percent of the rental charges for the period beginning January 1, 2006, and  
2           ending December 31, 2006.

3           The tax levied pursuant to this article shall be imposed only at the time when and place  
4           where a customer pays sales tax with respect to the rental charge. The customer who  
5           pays a rental charge that is subject to a tax levied as provided in this article shall be  
6           liable for the tax. The tax shall be paid by the customer to the rental motor vehicle  
7           concern. The tax shall be a debt of the customer to the rental motor vehicle concern  
8           until it is paid and shall be recoverable at law in the same manner as authorized for the  
9           recovery of other debts. The rental motor vehicle concern collecting the tax shall remit  
10          the tax to the governing authority imposing the tax, and the tax remitted shall be a credit  
11          against the tax imposed on the rental motor vehicle concern. Every rental motor vehicle  
12          concern subject to a tax levied as provided in this article shall be liable for the tax at the  
13          applicable rate on the charges actually collected or the amount of taxes collected from  
14          the customers whichever is greater.

15          (2) A county or municipality levying an excise tax as provided in paragraph (1) of this  
16          subsection shall only levy such tax by ordinance which shall specify with particularity  
17          the authorized projects or purposes, or both, for which proceeds of the tax are to be  
18          expended and shall apply in each fiscal year during which the tax is collected such tax  
19          proceeds for the purpose of:

20           (A) Promoting industry, trade, commerce, and tourism;

21           (B) Capital outlay projects consisting of the construction of convention, trade, sports,  
22           and recreational facilities, or public safety facilities, including the acquiring,  
23           constructing, renovating, improving, and equipping of parking facilities, pedestrian  
24           walkways, plazas, connections, and other public improvements associated with such  
25           convention, trade, sports, and recreational facilities or public safety facilities or the  
26           retirement of debt issued with respect to such capital outlay projects; and

27           (C) Maintenance and operation expenses or security and public safety expenses  
28           associated with capital outlay projects funded pursuant to subparagraph (B) of this  
29           paragraph.

30          (3) Amounts collected pursuant to this article may be expended pursuant to a contract  
31          or contracts with a county, municipality, development authority, downtown development  
32          authority, urban redevelopment authority, recreation authority, or any combination of two  
33          or more of such entities. Nothing in this article shall be construed to limit the formation  
34          of intergovernmental contracts pursuant to the authority granted by Article IX, Section  
35          III, Paragraph I of the Constitution of this state to accomplish the purposes described in  
36          paragraph (2) of this subsection including the construction and maintenance of facilities

1 located outside the special district within which the excise tax is levied and collected and  
2 which benefit the special district.

3 (4) Any tax levied pursuant to this article shall terminate not later than December 31,  
4 ~~2038~~ 2006. Following the termination of the tax, any county or municipality which has  
5 levied a tax pursuant to this article shall not thereafter be again authorized to levy a tax  
6 under this article.

7 (5) No tax shall be imposed under this article on the rental charge associated with the  
8 rental or lease of a rental motor vehicle if either:

9 (A) The customer picks up the rental motor vehicle outside this state and returns it in  
10 this state; or

11 (B) The customer picks up the rental motor vehicle in this state and returns it outside  
12 this state.

13 (6) Nothing in this Code section shall be construed to impair, or authorize or require the  
14 impairment of, any existing contract or contractual rights.

15 (7) Any action by a local governing authority to impose the tax authorized under this  
16 Code section shall become effective no sooner than the first day of the month following  
17 the month of its adoption by the local governing authority.

18 (b) No tax under this article may be levied or collected by a county outside the territorial  
19 limits of the special district located within the county."

## 20 **SECTION 2.**

21 Said chapter is further amended by repealing in its entirety Article 5 thereof, relating to the  
22 excise tax on rental motor vehicles.

## 23 **SECTION 3.**

24 (a) Except as provided in subsection (b) of this section, this Act shall become effective upon  
25 its approval by the Governor or upon its becoming law without such approval.

26 (b) Section 2 of this Act shall become effective January 1, 2007.

## 27 **SECTION 4.**

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