

House Bill 1295 (AM)

By: Representatives Smith of the 13th, Post 2, Skipper of the 116th, Barnes of the 84th, Post 2, Wix of the 33rd, Post 1, Stoner of the 34th, Post 1, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 32 of the Official Code of Georgia Annotated, relating to highways, bridges,
2 and ferries, Title 48 of the Official Code of Georgia Annotated, relating to revenue and
3 taxation, so as to change certain provisions regarding collections, expenditures, and
4 exemptions with respect to certain revenue regarding roads; to change certain provisions
5 regarding priority of expenditures from the State Public Transportation Fund; to change
6 certain provisions regarding allocation of state and federal road funds; to change certain
7 provisions regarding applicability of sales and use tax to motor fuel sales; to change certain
8 provisions regarding the second motor fuel tax; to provide for related matters; to provide an
9 effective date; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

12 Title 32 of the Official Code of Georgia Annotated, relating to highways, bridges, and ferries,
13 is amended by striking Code Section 32-5-21, relating to the priority of expenditures from
14 the State Public Transportation Fund, and inserting in its place a new Code Section 32-5-21
15 to read as follows:

16 "32-5-21.

17 Subject to the restrictions on expenditures imposed by Code Section 32-5-23, the State
18 Public Transportation Fund shall be expended by the department in the following order;
19 provided, however, that 25 percent of the total amount of taxes collected at the rate of 4
20 percent under paragraph (1) of subsection (b) of Code Section 48-9-14 shall be expended
21 in accordance with paragraph (6) of this Code section:

- 22 (1) To pay the rentals on lease contracts entered into pursuant to the authority of the
23 Constitution of Georgia;
- 24 (2) To pay into the State of Georgia Guaranteed Revenue Debt Common Reserve Fund
25 the amount of the highest annual debt service requirements for an issue of guaranteed
26 revenue debt for public road projects initiated pursuant to Code Section 32-10-67, upon

1 its issuance, when the guarantee of the specific issue has been authorized by an
 2 appropriation of moneys governed by Article III, Section IX, Paragraph VI(b) of the
 3 Constitution and the appropriation meets the requirements for such debt as provided by
 4 Article VII, Section IV, Paragraph III(b) of the Constitution;

5 (3) To pay the costs of operating the department and for any emergencies or unusual
 6 situations;

7 (4) To pay the costs necessary to comply with the conditions of federal-aid
 8 apportionments to the state for the planning, surveying, constructing, paving, and
 9 improving of the public roads in Georgia;

10 (5) Next, a sum equal to at least 15 percent of the State Public Transportation Fund, said
 11 sum to be used as follows:

12 (A) One-third to pay all or part of the costs of the planning, surveying, constructing,
 13 improving, paving, and completing public roads not on the state highway system;

14 (B) One-third to pay all or part of the costs of planning, surveying, constructing,
 15 improving, and paving public roads on the state highway system; and

16 (C) The remaining one-third to pay all or part of the costs of planning, surveying,
 17 constructing, reconstructing, paving, and improving the public roads of Georgia
 18 determined by the department to be most in need of such work; ~~and~~

19 (6) A sum equal to 25 percent of the total amount of taxes collected at the rate of 4
 20 percent under paragraph (1) of subsection (b) of Code Section 48-9-14 shall be used as
 21 follows:

22 (A) Seventy-five percent of such amount shall be expended on the costs of planning,
 23 surveying, constructing, reconstructing, paving, and improving the public roads of
 24 Georgia as determined by the department to be eligible under the department's Local
 25 Assistance Road Program; and

26 (B) Twenty-five percent of such amount shall be expended on the costs of planning,
 27 surveying, constructing, reconstructing, paving, and improving the public roads of
 28 Georgia not on the state highway system or as determined by the department to be most
 29 in need of such work; and

30 ~~(6)~~(7) After the requirements set out in the foregoing provisions of this Code section
 31 have been met, the remainder of the State Public Transportation Fund to be expended to
 32 pay the costs of maintaining, improving, constructing, and reconstructing the public roads
 33 of the state highway system, for maintaining roads within and leading to state parks, and
 34 for constructing public roads by department forces."

1 taxes levied or imposed by this article unless otherwise specifically exempted by this
 2 article.
 3 (c) It is specifically declared to be the intent of the General Assembly that taxation
 4 imposed on sales of motor fuel ~~wholly or partially~~ subject to taxation under subsection (b)
 5 of this Code section shall not constitute motor fuel taxes for purposes of any provision of
 6 the Constitution providing for the automatic or mandatory appropriation of any amount of
 7 funds equal to funds derived from motor fuel taxes."

8 **SECTION 4.**

9 Said title is further amended by striking Code Section 48-9-14, relating to the second motor
 10 fuel tax, and inserting in its place a new Code Section 48-9-14 to read as follows:

11 "48-9-14.

12 (a) In addition to the motor fuel tax imposed by Code Section 48-9-3, there is imposed a
 13 second motor fuel tax.

14 (b)(1) The motor fuel tax imposed by this Code section is levied at the rate of ~~3~~ 4 percent
 15 of the retail sale price less the tax imposed by Code Section 48-9-3 upon the sale, use, or
 16 consumption, as defined in Code Section 48-8-2, of motor fuel in this state. This tax shall
 17 be subject only to the exemptions provided in Code Section 48-9-3.

18 (2)(A) As used in this paragraph, the term 'prepaid state tax' shall have the same
 19 meaning as provided in paragraph (5.1) of Code Section 48-8-2.

20 (B) At the time the tax imposed by Code Section 48-9-3 attaches to a sale or transfer
 21 of motor fuels, a prepaid state tax shall be collected. The same person remitting the tax
 22 imposed under Code Section 48-9-3, but on a separate schedule, shall remit the prepaid
 23 state tax to the state. The tax shall be separately invoiced throughout the chain of
 24 distribution until it reaches the dealer who makes the retail sale. The commissioner
 25 shall issue the rate of prepaid state tax on a semiannual basis, rounded to the nearest
 26 \$.001 per gallon for use in the following semiannual period. The rate shall be
 27 calculated at 4 percent of the state-wide average retail price by motor fuel type as
 28 compiled by the Energy Information Agency of the United States Department of
 29 Energy, the Oil Pricing Information Service, or a similar reliable published index less
 30 taxes imposed under Code Section 48-9-3, this subsection, and all local sales and use
 31 taxes. In the event that the retail price changes by 25 percent or more within a
 32 semiannual period, the commissioner shall issue a revised prepaid state tax rate for the
 33 remainder of that period.

34 (c)(1) Except as otherwise provided in paragraph (2) of this subsection, in all other
 35 respects, the tax imposed by this Code section shall be administered and collected and

1 penalties and interest shall be imposed in the same manner as the sales and use tax
2 collected pursuant to Article 1 of Chapter 8 of this title.

3 (2) Dealers shall be allowed a percentage of the amount of the tax due and accounted for
4 and shall be reimbursed in the form of a deduction in submitting, reporting, and paying
5 the amount due. The deduction shall be at the rate and subject to the requirements
6 specified under subsections (b) through (f) of Code Section 48-8-50."

7 **SECTION 5.**

8 This Act shall become effective on July 1, 2005.

9 **SECTION 6.**

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