

Senate Bill 557

By: Senators Price of the 56th, Cagle of the 49th, Mullis of the 53rd, Hamrick of the 30th and Smith of the 52nd

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
3 sales for certain biotechnology research, product development, or manufacturing; to provide
4 for a definition; to provide for conditions and limitations; 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 **SECTION 1.**

8 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
9 state sales and use tax, is amended by adding a new paragraph immediately following
10 paragraph (37), to be designated paragraph (37.1), to read as follows:

11 "(37.1)(A)(i) Sale of any machinery, equipment, tools, materials, supplies, or fuel to
12 be installed, consumed, or utilized for research, product development, or
13 manufacturing for biotechnology in the state.

14 (ii) For the purposes of this paragraph, 'biotechnology' means:

15 (I) The application of technologies, such as recombinant DNA techniques,
16 biochemistry, molecular and cellular biology, genetics and genetic engineering,
17 biological cell fusion techniques, and new bioprocesses, using living organisms or
18 parts of organisms to produce or modify products to improve plants or animals, to
19 develop microorganisms for specific uses, to identify targets for small molecule
20 pharmaceutical development, or to transform biological systems into useful
21 processes and products; or

22 (II) A business which is classified under the North American Industry
23 Classification System code 3254, 3251, 3391, 54171, or 6215.

24 (B) Any person making a sale of machinery, equipment, tools, materials, supplies, or
25 fuel for the purpose specified in subparagraph (A) of this paragraph shall collect the tax
26 imposed on the sale by this article unless the purchaser furnishes such person with a

1 certificate issued by the commissioner certifying that the purchaser is entitled to
2 purchase the machinery, equipment, tools, materials, supplies, or fuel without paying
3 the tax. As a condition precedent to the issuance of the certificate, the commissioner,
4 at the commissioner's discretion, may require a good and valid bond with a surety
5 company authorized to do business in this state as surety or may require legal securities,
6 in an amount fixed by the commissioner, conditioned upon payment by the purchaser
7 of all taxes under this article in the event it should be determined that the sale fails to
8 meet the requirements of this paragraph;".

9 **SECTION 2.**

10 This Act shall become effective on July 1, 2004.

11 **SECTION 3.**

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