

House Bill 136

By: Representatives Sims of the 169th, Smith of the 168th, and Jamieson of the 28th

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 **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 2005;

24 (ii) Two percent of the rental charges for the period beginning January 1, 2006, and
25 ending December 31, 2006; and

1 (iii) One percent of the rental charges for the period beginning January 1, 2007, and
2 ending December 31, 2007.

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, 2008.

27 SECTION 4.

28 All laws and parts of laws in conflict with this Act are repealed.