

House Bill 982

By: Representative Sims of the 169th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to revise substantially the sales and use tax exemption with respect to eligible
3 foods and beverages for off-premises consumption; to provide for the allocation of certain
4 revenue to fund relief from ad valorem property taxes for educational purposes, indigent
5 defense, mental health and mental retardation care, and PeachCare for children and adults;
6 to provide for a contingent effective date; to provide for applicability; to provide for
7 automatic repeal under certain circumstances; to repeal conflicting laws; and for other
8 purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
12 amended by striking paragraph (57) of Code Section 48-8-3, relating to sales and use tax
13 exemption, and inserting in its place a new paragraph (57) to read as follows:

14 "(57)(A) The sale for off-premises human consumption or use of eligible foods and
15 beverages, to the extent provided in subparagraph (B) of this paragraph.

16 (B) A transaction described in subparagraph (A) of this paragraph shall be exempt
17 from sales and use tax only if occurring on or after October 1, 1996, and only to the
18 extent set forth in divisions (i) through (iii) of this subparagraph as follows:

19 (i) For a transaction occurring during the period from October 1, 1996, through
20 September 30, 1997, to the extent of 50 percent of that amount on which, but for this
21 paragraph, sales and use tax would be levied or imposed;

22 (ii) For a transaction occurring during the period from October 1, 1997, through
23 September 30, 1998, to the extent of 75 percent of that amount on which, but for this
24 paragraph, sales and use tax would be levied or imposed; and

1 (iii) For a transaction occurring on or after October 1, 1998, to the extent of 100
 2 percent of that amount on which, but for this paragraph, sales and use tax would be
 3 levied or imposed.

4 (C) For the purposes of this paragraph, 'eligible food and beverages' means any food
 5 as defined in Section 3 of the federal Food Stamp Act of 1977 (P.L. 95-113), as
 6 amended, 7 U.S.C.A. 2012(g), as such Act existed on January 1, 1996, except that
 7 eligible food and beverages shall not include seeds or plants to grow food and shall not
 8 include food or drink dispensed by or through vending machines or related operations.

9 (D)(i) The exemption provided for in this paragraph shall not apply to any local sales
 10 and use tax levied or imposed at any time by or pursuant to Article 3 of this chapter.

11 (ii) Except as otherwise provided in division (i) of this subparagraph, the exemption
 12 provided for in this paragraph shall not apply to any local sales and use tax which is
 13 effective before October 1, 1996, notwithstanding any provisions to the contrary in
 14 the law authorizing or imposing such tax.

15 (iii) Except as otherwise provided in divisions (i) and (iv) of this subparagraph, the
 16 exemption provided for in this paragraph shall apply with respect to any local sales
 17 and use tax which becomes effective on or after October 1, 1996, but such exemption
 18 shall apply only as to transactions occurring on or after October 1, 1998,
 19 notwithstanding any provision to the contrary in the law authorizing or imposing such
 20 tax.

21 (iv) The exemption provided for in this paragraph shall apply to any local sales and
 22 use tax levied or imposed at any time by or pursuant to Article 2A of this chapter.

23 (v) For the purposes of this subparagraph, the term 'local sales and use tax' shall mean
 24 any sales tax, use tax, or local sales and use tax which is levied and imposed in an
 25 area consisting of less than the entire state, however authorized, including, but not
 26 limited to, such taxes authorized by or pursuant to constitutional amendment; by or
 27 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as
 28 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or
 29 pursuant to Article 2 of this chapter; by or pursuant to Article 2A of this chapter; or
 30 by or pursuant to Article 3 of this chapter.

31 (E) The exemption provided for under this paragraph shall apply only to the eligible
 32 food and beverage sales in the amount of \$100.00 or less, when purchased by a person
 33 who is 65 years of age or over who has a valid picture identification card showing that
 34 person's date of birth. The commissioner shall calculate annually an amount equal to
 35 the revenue attributable to state sales and use taxation of such items which do not
 36 qualify for the exemption, and such amount shall be deposited in the adjustment trust
 37 fund under Code Section 48-8-15.

