

Senate Bill 471

By: Senator Reed of the 35th

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 sales and use taxation, so as to provide for an additional, limited period of  
3 time for a sales and use tax exemption under certain circumstances of jet fuel sold to or used  
4 by certain qualifying airlines; to provide for related matters; to provide for an effective date;  
5 to 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 sales and use taxation, is amended by amending paragraph (33.1) and inserting in its place  
10 a new paragraph (33.1) to read as follows:

11 "(33.1)(A) The sale or use of jet fuel to or by a qualifying airline, to the extent provided  
12 in subparagraphs (B) and (C) of this paragraph.

13 (B)(i) For each fiscal year beginning after June 30, 2005, each qualifying airline shall  
14 pay the first ~~\$15~~ \$10 million of state sales and use tax, plus applicable local sales and  
15 use tax, levied or imposed by this chapter on the purchase or use of jet fuel.  
16 Thereafter, the purchase of jet fuel by a qualifying airline during the fiscal year shall  
17 be exempt from state and local sales and use tax except as provided in division (ii) of  
18 this subparagraph.

19 (ii) The exemption provided in division (i) of this subparagraph shall not apply to any  
20 local option sales tax for educational purposes authorized pursuant to the authority of  
21 Article VIII, Section VI, Paragraph IV of the Constitution of Georgia and which is  
22 effective before July 1, 2005.

23 (C) The sale or use of jet fuel to or by a qualifying airline shall not be subject to any  
24 local sales and use tax which becomes effective on or after July 1, 2005.

25 (D) Each qualifying airline purchasing jet fuel on which state sales and use tax is  
26 reasonably expected to exceed ~~\$15~~ \$10 million shall report and pay directly to the

1 Department of Revenue the tax applicable to the purchase of jet fuel under procedures  
2 required by the commissioner.

3 (E) For the purposes of this subparagraph, the term 'local sales and use tax' shall mean  
4 any sales tax, use tax, or local sales and use tax which is levied and imposed in an area  
5 consisting of less than the entire state, however authorized, including, but not limited  
6 to, such taxes authorized by or pursuant to constitutional amendment; by or pursuant  
7 to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended,  
8 the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; or by or pursuant to  
9 Article 2, 2A, 3, or 4 of this chapter.

10 (F) The exemption provided for in this paragraph shall apply only as to transactions  
11 occurring on or after July 1, 2005, and prior to July 1, ~~2007~~ 2009.

12 (G) For purposes of this paragraph, a 'qualifying airline' shall mean any person which  
13 is authorized by the Federal Aviation Administration or appropriate agency of the  
14 United States to operate as an air carrier under an air carrier operating certificate and  
15 which provides regularly scheduled flights for the transportation of passengers or cargo  
16 for hire.

17 (H) The commissioner shall adopt rules and regulations to carry out the provisions of  
18 this paragraph.

19 (I) This paragraph shall stand repealed in its entirety on July 1, ~~2007~~ 2009;"

20 **SECTION 2.**

21 This Act shall become effective upon its approval by the Governor or upon its becoming law  
22 without such approval.

23 **SECTION 3.**

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