

House Bill 1173

By: Representative Ashe of the 56th

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 a limited period of time for a
3 sales and use tax exemption under certain circumstances of jet fuel sold to or used by certain
4 qualifying airlines; to provide for early termination under certain circumstances; to provide
5 for related matters; to provide for an effective date; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
10 sales and use taxation, is amended by amending paragraph (33.1) and inserting in its place
11 a new paragraph (33.1) to read as follows:

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

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

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

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

1 ~~(D) Each qualifying airline purchasing jet fuel on which state sales and use tax is~~
 2 ~~reasonably expected to exceed \$15 million shall report and pay directly to the~~
 3 ~~Department of Revenue the tax applicable to the purchase of jet fuel under procedures~~
 4 ~~required by the commissioner.~~

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

12 ~~(F)~~(B) The exemption provided for in this paragraph shall apply only as to transactions
 13 ~~occurring on or after July 1, 2005, and prior to July 1, 2007~~ which occur during the
 14 two-year period commencing on the effective date of this paragraph and concluding on
 15 the last day of such two-year period; provided, however, that such period may be
 16 terminated by executive order of the Governor prior to the regular expiration of such
 17 period upon a determination by the Governor that appropriate exigent circumstances
 18 exist to warrant such early termination.

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

24 ~~(H)~~(D) The commissioner shall adopt rules and regulations to carry out the provisions
 25 of this paragraph:

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

27 SECTION 2.

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

30 SECTION 3.

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