

House Bill 1040 (AS PASSED HOUSE AND SENATE)

By: Representatives Williams of the 4th, Dickson of the 6th, and Forster of the 3rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-39 of the Official Code of Georgia Annotated, relating to the
2 effect of use other than retention, demonstration, or display by the giver of certain
3 certification or by the processor, manufacturer, or converter of tangible personal property,
4 so as to define the total raw material cost of carpet samples for certain fair market valuation
5 purposes; to provide for an effective date; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-8-39 of the Official Code of Georgia Annotated, relating to the effect of use
9 other than retention, demonstration, or display by the giver of certain certification or by the
10 processor, manufacturer, or converter of tangible personal property, is amended by striking
11 subparagraph (b)(1)(B) and inserting in its place a new subparagraph (b)(1)(B) to read as
12 follows:

13 "(B)(i) As used in this subparagraph, the term 'total raw material cost' means the
14 manufactured cost of carpet samples; supplies used in the manufacturing of carpet
15 samples such as binding, grommets, and similar items; carpet sample display devices
16 such as racks, binders, and similar items; and inbound freight charges. Such term does
17 not mean or include labor or overhead for assembling or producing samples from
18 finished carpet and does not mean or include outbound freight charges which may be
19 charged to the expense account for carpet samples.

20 (ii) For purposes of subparagraph (A) of this paragraph, the fair market value of any
21 carpet sample shall be equal to 21.9 percent of the total raw material cost of the
22 sample, except that the fair market value of a sample of carpet that is manufactured
23 exclusively for commercial use shall be equal to 1 percent of the total raw material
24 cost of the sample."

1 **SECTION 2.**

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

4 **SECTION 3.**

5 All laws and parts of laws in conflict with this Act are repealed.