

House Bill 272

By: Representatives Lewis of the 15th, Stephens of the 164th, Martin of the 47th, Ralston of the 7th, Williams of the 4th, and others

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 taxes, so as to provide for a phased-in exemption with respect
3 to state sales and use tax for the sale of natural or artificial gas, electricity, or any other
4 energy used directly or indirectly in the manufacture or processing of tangible personal
5 property; 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 taxes, is amended by adding a new paragraph to read as follows:

10 "(70.1)(A)(i) The sale of natural or artificial gas, electricity, or any other energy used
11 directly or indirectly in the production or processing of tangible personal property as
12 specified in division (ii) of this subparagraph:

13 (ii)(I) At the rate of 25 percent of the total sale or use as described in division (i)
14 of this subparagraph for the calendar year beginning January 1, 2008;

15 (II) At the rate of 50 percent of the total sale or use as described in division (i) of
16 this subparagraph for the calendar year beginning January 1, 2009;

17 (III) At the rate of 75 percent of the total sale or use as described in division (i) of
18 this subparagraph for the calendar year beginning January 1, 2010; and

19 (IV) At the rate of 100 percent of the total sale or use as described in division (i)
20 of this subparagraph for the calendar year beginning January 1, 2011, and for each
21 calendar year thereafter.

22 (B) For the purposes of this paragraph, the term 'local sales and use tax' shall mean any
23 sales tax, use tax, or local sales and use tax which is levied and imposed in an area
24 consisting of less than the entire state, however authorized, including, but not limited
25 to, such taxes authorized by or pursuant to constitutional amendment; by or pursuant

1 to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended,
2 the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or pursuant to
3 Article 2, 2A, 3, or 4 of this chapter.

4 (C) The exemption provided for in subparagraph (A) of this paragraph shall not apply
5 to any local sales and use tax levied or imposed at any time.

6 (D) The commissioner shall adopt rules and regulations to carry out the provisions of
7 this paragraph;".

8 **SECTION 2.**

9 All laws and parts of laws in conflict with this Act are repealed.