

The House Committee on Ways and Means offers the following substitute to HB 186:

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 tax, so as to provide for a five-year exemption regarding the  
3 sale of tangible personal property to, or used in or for the construction of, a new alternative  
4 fuel facility dedicated exclusively to the processing and production of ethanol, biodiesel, and  
5 butanol; to provide for definitions; to provide for powers, duties, and authority of the state  
6 revenue commissioner with respect to the foregoing; to provide an effective date; to repeal  
7 conflicting laws; and for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from  
11 sales and use tax, is amended by adding a new paragraph as follows:

12 "(34.4)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary,  
13 sales of tangible personal property to, or used in or for the construction of, a new  
14 alternative fuel facility dedicated exclusively to the production and processing of  
15 ethanol, biodiesel, and butanol, when such fuels are derived from biomass materials  
16 such as agricultural products, or from animal fats, or the wastes of such products or fats  
17 that are intended to be produced in this state.

18 (B) As used in this paragraph, the term:

19 (i) 'Alternative fuel facility' means any new facility located in this state which is  
20 dedicated exclusively to the production and processing of ethanol, biodiesel, and  
21 butanol for sale where construction has begun on or after the effective date of this  
22 paragraph.

23 (ii) 'Used in or for the construction' means any tangible personal property  
24 incorporated into a new alternative fuel facility that loses its character of tangible  
25 personal property. Such term does not mean tangible personal property that is

1 temporary in nature, leased or rented, tools, or other items not incorporated into the  
2 facility.

3 (C) Any person making a sale of tangible personal property for the purpose specified  
4 in this paragraph shall collect the tax imposed on this sale unless the purchaser  
5 furnishes an exemption certificate issued by the commissioner certifying that the  
6 purchaser is entitled to purchase the tangible personal property without payment of  
7 tax.

8 (D) Any corporation, partnership, limited liability company, or any other entity or  
9 person that qualifies for this exemption must conduct at least a majority of its business  
10 with entities or persons with which it has no affiliation.

11 (E) The exemption provided for under subparagraph (A) of this paragraph shall not  
12 apply to sales of tangible personal property that occur after the production and  
13 processing of biodiesel, ethanol, or butanol has begun at the alternative fuel facility.

14 (F) The exemption provided for under subparagraph (A) of this paragraph shall apply  
15 only to sales occurring during the period July 1, 2007 through June 30, 2009.

16 (G) The commissioner shall promulgate any rules and regulations necessary to  
17 implement and administer this paragraph."

18 **SECTION 2.**

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

21 **SECTION 3.**

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