

The House Committee on Ways and Means offers the following substitute to HB 272:

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 partial exemption for a limited  
3 period of time from state sales and use tax only with respect to the sale or use of natural or  
4 artificial gas, No. 2 fuel oil, No. 6 fuel oil, propane, and coal used directly or indirectly in the  
5 manufacture or processing, in a manufacturing plant located in this state, of tangible personal  
6 property primarily for resale, and the fuel cost recovery component of retail electric rates  
7 used directly or indirectly in the manufacture or processing of tangible personal property  
8 primarily for resale; to provide an effective date; to repeal conflicting laws; and for other  
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

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

14 "(70.1)(A) For the period commencing July 1, 2008, and concluding on December 31,  
15 2010, the sale of natural or artificial gas, No. 2 fuel oil, No. 6 fuel oil, propane, and coal  
16 used directly or indirectly in the manufacture or processing, in a manufacturing plant  
17 located in this state, of tangible personal property primarily for resale, and the fuel cost  
18 recovery component of retail electric rates used directly or indirectly in the manufacture  
19 or processing, in a manufacturing plant located in this state, of tangible personal  
20 property primarily for resale.

21 (B) The exemption provided for in subparagraph (A) of this paragraph shall not apply  
22 to the first \$7.60 per decatherm of the sales price or cost price of natural or artificial  
23 gas, the first \$2.48 per gallon of the sales price or cost price of No. 2 fuel oil, the first  
24 \$1.72 per gallon of the sales price or cost price of No. 6 fuel oil, the first \$1.44 per  
25 gallon of the sales price or cost price of propane, the first \$57.90 per ton of coal, or the  
26 first 3.44¢ per kilowatt hour of the fuel cost recovery component of retail electricity

H. B. 272 (SUB)

1 rates whether such fuel recovery charges are charged separately or are embedded in  
2 such electric rates. Dealers with such embedded rates may exempt from the electricity  
3 sales upon which the sales tax is calculated no more than the amount, if any, by which  
4 the fuel cost recovery charge approved by the Georgia Public Service Commission for  
5 transmission customers of electric utilities regulated by the Georgia Public Service  
6 Commission exceeds 3.44¢ per kilowatt hour.

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

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

16 (D) Any person making a sale of items qualifying for exemption under  
17 subparagraph (A) of this paragraph shall be relieved of the burden of proving such  
18 qualification if the person receives in good faith a certificate from the purchaser  
19 certifying that the purchase is exempt under this paragraph.

20 (E) Any person who qualifies for this exemption shall notify and certify to the person  
21 making the qualified sale that this exemption is applicable to the sale;"

## 22 SECTION 2.

23 This Act shall become effective on July 1, 2008.

## 24 SECTION 3.

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