

The House Committee on Ways and Means offers the following substitute to HB 1393:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-6 of the Official Code of Georgia Annotated, relating to
2 limitations upon the authority of local governments to levy sales and use taxes and other
3 similar taxes, so as to provide for an exemption to the total local sales and use tax cap
4 otherwise applicable; to provide such exemption for a certain tax levied for purposes of a
5 metropolitan area system of public transportation which is first levied after January 1, 2010;
6 to provide for nonapplicability of such certain tax; to provide for related matters; to provide
7 for an effective date; to repeal conflicting laws; and for other purposes.

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

9 **SECTION 1.**

10 Code Section 48-8-6 of the Official Code of Georgia Annotated, relating to limitations upon
11 the authority of local governments to levy sales and use taxes and other similar taxes, is
12 amended by revising subsection (b) as follows:

13 "(b) There shall not be imposed in any jurisdiction in this state or on any transaction in this
14 state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.
15 For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and
16 use tax which is levied in an area consisting of less than the entire state, however
17 authorized, including such taxes authorized by or pursuant to constitutional amendment,
18 except that the following taxes shall not count toward or be subject to such 2 percent
19 limitation:

20 (1) A sales and use tax for educational purposes exempted from such limitation under
21 Article VIII, Section VI, Paragraph IV of the Constitution;

22 (2) Any tax levied for purposes of a metropolitan area system of public transportation,
23 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page
24 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)
25 of the Constitution; and the laws enacted pursuant to such constitutional amendment;
26 provided, however, that the exception provided for under this paragraph shall only apply
27 in:

28 (A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code
 29 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital
 30 outlay project or projects, a sewer capital outlay project or projects, a water and sewer
 31 capital outlay project or projects, water and sewer projects and costs as defined under
 32 paragraph ~~(3)~~(4) of Code Section 48-8-200, or any combination thereof and with
 33 respect to which the county has entered into an intergovernmental contract with a
 34 municipality, in which the average waste-water system flow of such municipality is not
 35 less than 85 million gallons per day, allocating proceeds to such municipality to be used
 36 solely for water and sewer projects and costs as defined under paragraph ~~(3)~~(4) of Code
 37 Section 48-8-200. The exception provided for under this ~~paragraph~~ subparagraph shall
 38 apply only during the period the tax under said subparagraph (a)(1)(D) is in effect. The
 39 exception provided for under this ~~paragraph~~ subparagraph shall not apply in any county
 40 in which a tax is being imposed under Article 2A of this chapter; or

41 (B) In a county in which the tax levied for purposes of a metropolitan area system of
 42 public transportation is first levied after January 1, 2010. Such tax shall not apply to
 43 the following:

44 (i) The sale or use of jet fuel to or by a qualify airline at a qualifying airport. For
 45 purposes of this division, a 'qualifying airline' means any person which is authorized
 46 by the Federal Aviation Administration or appropriate agency of the United States to
 47 operate as an air carrier under an air carrier operating certificate and which provides
 48 regularly scheduled flights for the transportation of passengers or cargo for hire. For
 49 purposes of this division, a 'qualifying airport' means any airport in the state that has
 50 had more than 750,000 takeoffs and landings during a calendar year; and

51 (ii) The sale of motor vehicles;

52 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the
 53 amount in excess of the initial 1 percent sales and use tax and in the event of a newly
 54 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent
 55 sales and use tax; and

56 (4) A sales and use tax levied under Article 4 of this chapter.

57 If the imposition of any otherwise authorized local sales tax, local use tax, or local sales
 58 and use tax would result in a tax rate in excess of that authorized by this subsection, then
 59 such otherwise authorized tax may not be imposed."

60 **SECTION 2.**

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

63

SECTION 3.

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