

House Bill 1008

By: Representatives Peake of the 137th, Williams of the 4th, Meadows of the 5th, Smith of the 131st, Martin of the 47th, 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 continue 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, petroleum coke, and coal used directly
5 or indirectly in the manufacture or processing, in a manufacturing plant located in this state,
6 of tangible personal property primarily for resale, and the fuel cost recovery component of
7 retail electric rates used directly or indirectly in the manufacture or processing of tangible
8 personal property primarily for resale; to provide an effective date; to repeal conflicting laws;
9 and for other 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 revising paragraph (70.1) as follows:

14 "(70.1)(A) For the period commencing ~~July 1, 2008~~ January 1, 2011, and concluding
15 on December 31, ~~2010~~ 2012, the sale of natural or artificial gas, No. 2 fuel oil, No. 6
16 fuel oil, propane, petroleum coke, and coal used directly or indirectly in the
17 manufacture or processing, in a manufacturing plant located in this state, of tangible
18 personal property primarily for resale, and the fuel cost recovery component of retail
19 electric rates used directly or indirectly in the manufacture or processing, in a
20 manufacturing plant located in this state, of tangible personal property primarily for
21 resale.

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

27 coke, the first \$57.90 per ton of coal, or the first 3.44¢ per kilowatt hour of the fuel cost
28 recovery component of retail electricity rates whether such fuel recovery charges are
29 charged separately or are embedded in such electric rates. Dealers with such embedded
30 rates may exempt from the electricity sales upon which the sales tax is calculated no
31 more than the amount, if any, by which the fuel cost recovery charge approved by the
32 Georgia Public Service Commission for transmission customers of electric utilities
33 regulated by the Georgia Public Service Commission exceeds 3.44¢ per kilowatt hour.

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

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

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

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

49 **SECTION 2.**

50 This Act shall become effective on July 1, 2010.

51 **SECTION 3.**

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