

House Bill 388

By: Representatives Channell of the 116<sup>th</sup> and O`Neal of the 146<sup>th</sup>

A BILL TO BE ENTITLED

AN ACT

1 To amend Titles 48, 2, 28, 33, 36, 46, and 50 of the Official Code of Georgia Annotated,  
2 relating respectively, to revenue and taxation, agriculture, the General Assembly, insurance,  
3 local government, public utilities, and state government, so as to provide for comprehensive  
4 revision of the revenue structure of the State of Georgia; to implement the recommendations  
5 of the 2010 Special Council on Tax Reform and Fairness for Georgians as provided for and  
6 required by Chapter 12 of the Title 28 of the Official Code of Georgia Annotated; to provide  
7 for comprehensive revision of personal income taxes; to redefine taxable net income; to  
8 provide for a flat rate tax structure; to eliminate adjustments to income except for personal  
9 exemptions and standard deductions and retirement income exclusions; to repeal certain  
10 income tax credits; to provide for procedures, conditions, and limitations; to provide for  
11 comprehensive revision of corporate income taxes; to reduce the rate of such income tax; to  
12 provide for procedures, conditions, and limitations; to revise and change certain adjustments  
13 to income; to repeal certain income tax credits; to provide for the comprehensive revision of  
14 exemptions from sales and use taxes; to provide for the repeal of certain exemptions at  
15 various points in time; to provide for the sales and use taxation of certain services and digital  
16 products; to provide for conforming amendments; to provide for an exemption for sales to,  
17 or use by, a qualified agriculture producer of agricultural production inputs, energy used in  
18 agriculture, and agricultural machinery and equipment; to provide for definitions; to provide  
19 for procedures, conditions, and limitations; to provide for powers, duties, and authority of  
20 the Commissioner of Agriculture; to provide for qualified agriculture producer annual license  
21 fees; to provide for a new exemption regarding the sale, use, storage, or consumption of  
22 machinery or equipment which is necessary and integral to the manufacture of tangible  
23 personal property and the sale, use, storage, or consumption of energy, industrial materials,  
24 or packaging supplies; to provide for definitions; to provide for procedures, conditions, and  
25 limitations; to provide that every purchaser of tangible personal property which is or which  
26 is required to be titled or registered by or in this state shall be liable for sales and use tax on  
27 the purchase; to provide for requirements, procedures, conditions, and limitations; to provide  
28 for a consolidated and simplified excise tax on communications services in lieu of any other

29 state or local taxes, charges, or fees on such services; to provide for legislative findings and  
 30 intent; to provide for a short title; to provide for comprehensive procedures, conditions, and  
 31 limitations; to provide for powers, duties, and authority of the Department of Revenue and  
 32 the state revenue commissioner; to provide for the comprehensive revision of motor fuel  
 33 taxation; to provide for the rate of such taxation; to provide for procedures, conditions, and  
 34 limitations; to repeal the second motor fuel tax; to provide for corresponding changes to sales  
 35 and use taxes and motor fuel taxes; to provide for powers, duties, and authority of the  
 36 commissioner; to change certain provisions regarding the excise tax on cigarettes; to provide  
 37 for annual adjustments with respect to such excise tax; to provide for powers, duties, and  
 38 authority of the commissioner; to reduce the rates of state and local insurance premium taxes;  
 39 to repeal Article 3 of Chapter 5 of Title 28, relating to fiscal bills generally; to provide for  
 40 the comprehensive regulation of fiscal impact standards for general bills or general  
 41 resolutions and for nonfiscal revenue bills enacting or amending tax exemptions or tax  
 42 credits; to provide for a short title; to provide for legislative purposes and intent; to provide  
 43 for definitions; to provide for procedures, conditions, and limitations; to provide for powers,  
 44 duties, and authority of the General Assembly and the state auditor; to provide for the  
 45 creation and operation of the Economic Development Trust Fund; to provide for voluntary  
 46 programs and contracts regarding collection of sales and use taxes; to amend certain titles of  
 47 the Official Code of Georgia Annotated so as to correct certain cross-references and make  
 48 conforming changes; to provide for effective dates and contingent effective dates; to provide  
 49 for automatic repeal of certain provisions of this Act under certain circumstances; to provide  
 50 for applicability; to provide that this Act shall not abate or affect prosecutions, punishments,  
 51 penalties, administrative proceedings or remedies, or civil actions related to certain  
 52 violations; to provide for related matters; to repeal conflicting laws; and for other purposes.

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

54 **PART I**  
 55 **SECTION 1-1.**

56 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 57 amended by revising Code Section 48-7-20, relating to individual tax rates and tables, as  
 58 follows:

59 "48-7-20.

60 (a) A tax is imposed upon every resident of this state with respect to the Georgia taxable  
 61 net income of the taxpayer as defined in Code Section 48-7-27. A tax is imposed upon  
 62 every nonresident with respect to such nonresident's Georgia taxable net income not

63 otherwise exempted which is received by the taxpayer from services performed, property  
 64 owned, proceeds of any lottery prize awarded by the Georgia Lottery Corporation, or from  
 65 business carried on in this state. Except as otherwise provided in this chapter, the tax  
 66 imposed by this subsection shall be levied, collected, and paid annually.

67 (b)(†) For taxable years prior to January 1, 2012:

68 (1) The tax imposed pursuant to subsection (a) of this Code section shall be computed  
 69 in accordance with the following tables:

70 SINGLE PERSON

| 71 | If Georgia Taxable                                | The Tax Is:                                   |
|----|---|---|
| 72 | Net Income Is:                                    |   |
| 73 | Not over \$750.00 . . . . .                       | 1%  |
| 74 | Over \$750.00 but not over \$2,250.00 . . . . .   | \$7.50 plus 2% of amount over \$750.00        |
| 75 | Over \$2,250.00 but not over \$3,750.00 . . . . . | \$37.50 plus 3% of amount over<br>\$2,250.00  |
| 76 | Over \$3,750.00 but not over \$5,250.00 . . . . . | \$82.50 plus 4% of amount over<br>\$3,750.00  |
| 77 | Over \$5,250.00 but not over \$7,000.00 . . . . . | \$142.50 plus 5% of amount over<br>\$5,250.00 |
| 78 | Over \$7,000.00 . . . . .                         | \$230.00 plus 6% of amount over<br>\$7,000.00 |

79 MARRIED PERSON FILING A SEPARATE RETURN

| 80 | If Georgia Taxable                                | The Tax Is:                                  |
|----|---|--|
| 81 | Net Income Is:                                    |  |
| 82 | Not over \$500.00 . . . . .                       | 1%   |
| 83 | Over \$500.00 but not over \$1,500.00 . . . . .   | \$5.00 plus 2% of amount over \$500.00       |
| 84 | Over \$1,500.00 but not over \$2,500.00 . . . . . | \$25.00 plus 3% of amount over<br>\$1,500.00 |
| 85 | Over \$2,500.00 but not over \$3,500.00 . . . . . | \$55.00 plus 4% of amount over<br>\$2,500.00 |
| 86 | Over \$3,500.00 but not over \$5,000.00 . . . . . | \$95.00 plus 5% of amount over<br>\$3,500.00 |

87 Over \$5,000.00 .....\$170.00 plus 6% of amount over  
 88 \$5,000.00

88 HEAD OF HOUSEHOLD AND MARRIED PERSONS  
 89 FILING A JOINT RETURN

90 If Georgia Taxable The Tax Is:  
 91 Net Income Is:

92 Not over \$1,000.00 ..... 1%  
 93 Over \$1,000.00 but not over \$3,000.00 .....\$10.00 plus 2% of amount over  
 94 \$1,000.00  
 95 Over \$3,000.00 but not over \$5,000.00 .....\$50.00 plus 3% of amount over  
 96 \$3,000.00  
 97 Over \$5,000.00 but not over \$7,000.00 .....\$110.00 plus 4% of amount over  
 98 \$5,000.00  
 99 Over \$7,000.00 but not over \$10,000.00 .....\$190.00 plus 5% of amount over  
 100 \$7,000.00  
 101 Over \$10,000.00 .....\$340.00 plus 6% of amount over  
 102 \$10,000.00

103 (2) To facilitate the computation of the tax by those taxpayers whose federal adjusted  
 104 gross income together with the adjustments set out in Code Section 48-7-27 for use in  
 105 arriving at Georgia taxable net income is less than \$10,000.00, the commissioner may  
 106 construct tax tables which may be used by the taxpayers at their option. The tax shown  
 107 to be due by the tables shall be computed on the bases of the standard deduction and the  
 108 tax rates specified in paragraph (1) of this subsection. Insofar as practicable, the tables  
 109 shall produce a tax approximately equivalent to the tax imposed by paragraph (1) of this  
 110 subsection.

111 (c)(1) For taxable years beginning on or after January 1, 2012, and prior to  
 112 January 1, 2013, the tax imposed pursuant to subsection (a) of this Code section shall be  
the amount determined by applying any exclusions or adjustments allowed pursuant to  
this chapter for that same taxable year to the adjusted gross income reported on that  
individual's federal income tax return for that taxable year and then multiplying that  
resulting amount by 5 percent and reducing that amount by any credit allowed pursuant  
to Chapter 7A of this title for that same taxable year.

113 (2) For taxable years beginning on or after January 1, 2013, and prior to January 1, 2014,  
 114 the tax imposed pursuant to subsection (a) of this Code section shall be the amount  
 115 determined by applying any exclusions or adjustments allowed pursuant to this chapter  
 116 for that same taxable year to the adjusted gross income reported on that individual's  
 117 federal income tax return for that taxable year and then multiplying that resulting amount  
 118 by 4.5 percent and reducing that amount by any credit allowed pursuant to Chapter 7A  
 119 of this title for that same taxable year.

120 (3) For all taxable years beginning on or after January 1, 2014, the tax imposed pursuant  
 121 to subsection (a) of this Code section shall be the amount determined by applying any  
 122 exclusions or adjustments allowed pursuant to this chapter for that same taxable year to  
 123 the adjusted gross income reported on that individual's federal income tax return for the  
 124 applicable taxable year and then multiplying that resulting amount by 4 percent and  
 125 reducing that amount by any credit allowed pursuant to Chapter 7A of this title for that  
 126 same taxable year.

127 ~~(c)~~(d) The amount deducted and withheld by an employer from the wages of an employee  
 128 pursuant to Article 5 of this chapter, relating to current income tax payments, shall be  
 129 allowed the employee as a credit against the tax imposed by this Code section. Amounts  
 130 paid by an individual as estimated tax under Article 5 of this chapter shall constitute  
 131 payments on account of the tax imposed by this Code section. The amount withheld or paid  
 132 during any calendar year shall be allowed as a credit or payment for the taxable year  
 133 beginning in the calendar year in which the amount is withheld or paid.

134 ~~(d)~~(e) The tax imposed by this Code section applies to the Georgia taxable net income of  
 135 estates and trusts, which shall be computed in the same manner as in the case of a single  
 136 individual. The tax shall be computed on the Georgia taxable net income and shall be paid  
 137 by the fiduciary."

138 **SECTION 1-2.**

139 Said Title 48 is further amended by revising Code Section 48-7-26, relating to personal  
 140 exemptions, as follows:

141 "48-7-26.

142 (a) As used in this Code section, the term 'dependent' shall have the same meaning as in  
 143 the Internal Revenue Code of 1986.

144 ~~(b)(1) An exemption of \$5,400.00 shall be allowed as a deduction in computing Georgia~~  
 145 ~~taxable income of a taxpayer and spouse, but only if a joint return is filed.~~

146 ~~(2) An exemption of \$2,700.00 shall be allowed as a deduction in computing Georgia~~  
 147 ~~taxable income for each taxpayer other than a taxpayer who files a joint return.~~

148 ~~(3)(A) For taxable years beginning on or after January 1, 1994, and prior to January 1,~~  
 149 ~~1995, an exemption of \$2,000.00 for each dependent of a taxpayer shall be allowed as~~  
 150 ~~a deduction in computing Georgia taxable income of the taxpayer.~~

151 ~~(B) For taxable years beginning on or after January 1, 1995, and prior to January 1,~~  
 152 ~~1998, an exemption of \$2,500.00 for each dependent of a taxpayer shall be allowed as~~  
 153 ~~a deduction in computing Georgia taxable income of the taxpayer.~~

154 ~~(C) For taxable years beginning on or after January 1, 1998, an exemption of \$2,700.00~~  
 155 ~~for each dependent of a taxpayer shall be allowed as a deduction in computing Georgia~~  
 156 ~~taxable income of the taxpayer.~~

157 ~~(4) Commencing with the taxable year beginning January 1, 2003; For taxable years~~  
 158 ~~beginning on or after January 1, 2012, an exemption of \$3,000.00 \$2,000.00 for each~~  
 159 ~~dependent of a taxpayer shall be allowed as a deduction in computing Georgia taxable~~  
 160 ~~income of the taxpayer.~~

161 (c) No exemption shall be allowed under this Code section for any dependent who has  
 162 made a joint return with such dependent's spouse for the taxable year beginning in the  
 163 calendar year in which the taxable year of the taxpayer begins.

164 (d) A deduction ~~in lieu of a personal exemption deduction~~ shall be allowed an estate or a  
 165 trust as follows:

166 (1) An estate - ~~\$2,700.00~~ \$2,000.00; and

167 (2) A trust - ~~\$1,350.00~~ \$1,000.00."

### 168 SECTION 1-3.

169 Said Title 48 is further amended by revising Code Section 48-7-27, relating to computation  
 170 of Georgia taxable net income, as follows:

171 "48-7-27.

172 (a) This Code section shall apply to all taxable years beginning on or after January 1, 2012,  
 173 and shall apply only to nonbusiness income of individuals.

174 (b) Georgia taxable net income of an individual shall be the taxpayer's federal adjusted  
 175 gross income, as defined in the United States Internal Revenue Code of 1986, less:

176 ~~(1) Either the sum of all itemized nonbusiness deductions used in computing federal~~  
 177 ~~taxable income if the taxpayer used itemized nonbusiness deductions in computing~~  
 178 ~~federal taxable income or, if the taxpayer could not or did not itemize nonbusiness~~  
 179 ~~deductions, then a standard deduction as provided for in the following subparagraphs:~~

180 ~~(A) In the case of a single taxpayer or a head of household, \$2,300.00;~~

181 ~~(B) In the case of a married taxpayer filing a separate return, \$1,500.00;~~

182 ~~(C) In the case of a married couple filing a joint return, \$3,000.00;~~

183 ~~(D) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer has attained~~  
 184 ~~the age of 65 before the close of the taxpayer's taxable year. An additional deduction~~  
 185 ~~of \$1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by~~  
 186 ~~the taxpayer and the taxpayer's spouse and the spouse has attained the age of 65 before~~  
 187 ~~the close of the taxable year; and~~

188 ~~(E) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer is blind at the~~  
 189 ~~close of the taxable year. An additional deduction of \$1,300.00 for the spouse of the~~  
 190 ~~taxpayer shall be allowed if a joint return is made by the taxpayer and the taxpayer's~~  
 191 ~~spouse and the spouse is blind at the close of the taxable year. For the purposes of this~~  
 192 ~~subparagraph, the determination of whether the taxpayer or the spouse is blind shall be~~  
 193 ~~made at the close of the taxable year except that, if either the taxpayer or the spouse~~  
 194 ~~dies during the taxable year, the determination shall be made as of the time of the death;~~

195 ~~(2)(1)~~ The exemptions provided for in Code Section 48-7-26 together with the  
 196 adjustments provided for in subsection ~~(b)~~ (c) of this Code section;

197 ~~(3)(A)(2)(A)~~ The amount of salary and wage expenses eliminated in computing the  
 198 individual's federal adjusted gross income because the individual has taken a federal  
 199 jobs tax credit which requires, as a condition to using the federal jobs tax credit, the  
 200 elimination of related salary and wage expenses.

201 (B) The amount of mortgage interest eliminated from federal itemized deductions for  
 202 the purpose of computing mortgage interest credit on the federal return;

203 ~~(4)(A)(3)(A)~~ Income received from public pension or retirement funds, programs, or  
 204 systems the income from which is exempted by federal law or treaty when the income  
 205 is otherwise included in the taxpayer's federal adjusted gross income.

206 (B) Except as specifically provided in subparagraph (A) of this paragraph,  
 207 paragraph ~~(5)~~ (4) of this subsection, and paragraph ~~(7)~~ (5) of this subsection, ~~for taxable~~  
 208 ~~years beginning on or after January 1, 1989~~, no income from a public pension or  
 209 retirement fund, program, or system (including those pension or retirement funds,  
 210 programs, or systems provided for in Title 47) shall be exempt from income taxation  
 211 in this state, notwithstanding any provision of Title 47 or any other provision of law to  
 212 the contrary;

213 ~~(5)(A)(4)(A)~~ Retirement income otherwise included in Georgia taxable net income  
 214 shall be subject to an exclusion amount as follows:

215 (i) For taxable years beginning on or after January 1, 1989, and prior to January 1,  
 216 1990, retirement income not to exceed an exclusion amount of \$8,000.00 per year  
 217 received from any source;

- 218 (ii) For taxable years beginning on or after January 1, 1990, and prior to January 1,  
219 1994, retirement income not to exceed an exclusion amount of \$10,000.00 per year  
220 received from any source;
- 221 (iii) For taxable years beginning on or after January 1, 1994, and prior to January 1,  
222 1995, retirement income from any source not to exceed an exclusion amount of  
223 \$11,000.00;
- 224 (iv) For taxable years beginning on or after January 1, 1995, and prior to  
225 January 1, 1999, retirement income from any source not to exceed an exclusion  
226 amount of \$12,000.00;
- 227 (v) For taxable years beginning on or after January 1, 1999, and prior to January 1,  
228 2000, retirement income from any source not to exceed an exclusion amount of  
229 \$13,000.00;
- 230 (vi) For taxable years beginning on or after January 1, 2000, and prior to January 1,  
231 2001, retirement income not to exceed an exclusion amount of \$13,500.00 per year  
232 received from any source;
- 233 (vii) For taxable years beginning on or after January 1, 2001, and prior to January 1,  
234 2002, retirement income from any source not to exceed an exclusion amount of  
235 \$14,000.00;
- 236 (viii) For taxable years beginning on or after January 1, 2002, and prior to January  
237 1, 2003, retirement income from any source not to exceed an exclusion amount of  
238 \$14,500.00;
- 239 (ix) For taxable years beginning on or after January 1, 2003, and prior to January 1,  
240 2006, retirement income from any source not to exceed an exclusion amount of  
241 \$15,000.00;
- 242 (x) For taxable years beginning on or after January 1, 2006, and prior to January 1,  
243 2007, retirement income from any source not to exceed an exclusion amount of  
244 \$25,000.00;
- 245 (xi) For taxable years beginning on or after January 1, 2007, and prior to January 1,  
246 2008, retirement income from any source not to exceed an exclusion amount of  
247 \$30,000.00;
- 248 (xii) For taxable years beginning on or after January 1, 2008, and prior to January 1,  
249 2012, retirement income from any source not to exceed an exclusion amount of  
250 \$35,000.00;
- 251 (xiii) For taxable years beginning on or after January 1, 2012, and prior to January  
252 1, 2013, retirement income from any source not to exceed an exclusion amount of  
253 ~~\$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division~~  
254 ~~(i) or (ii) of subparagraph (D) of this paragraph or an amount of \$65,000.00 for each~~



255 taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph  
 256 ~~(D) of this paragraph \$28,000.00;~~

257 (xiv) For taxable years beginning on or after January 1, 2013, and prior to  
 258 January 1, 2014, retirement income from any source not to exceed an exclusion  
 259 amount of ~~\$35,000.00 for each taxpayer meeting the eligibility requirement set forth~~  
 260 ~~in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of~~  
 261 ~~\$100,000.00 for each taxpayer meeting the eligibility requirement set forth in division~~  
 262 ~~(iii) of subparagraph (D) of this paragraph \$21,000.00; and~~

263 (xv) For taxable years beginning on or after January 1, 2014, and prior to  
 264 January 1, 2015, retirement income from any source not to exceed an exclusion  
 265 amount of ~~\$35,000.00 for each taxpayer meeting the eligibility requirement set forth~~  
 266 ~~in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of~~  
 267 ~~\$150,000.00 for each taxpayer meeting the eligibility requirement set forth in division~~  
 268 ~~(iii) of subparagraph (D) of this paragraph \$14,000.00;~~

269 (xvi) For taxable years beginning on or after January 1, 2015, and prior to January  
 270 1, 2016, retirement income from any source not to exceed an exclusion amount of  
 271 ~~\$35,000.00 for each taxpayer meeting the eligibility requirement set forth in division~~  
 272 ~~(i) or (ii) of subparagraph (D) of this paragraph or an amount of \$200,000.00 for each~~  
 273 ~~taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph~~  
 274 ~~(D) of this paragraph \$7,000.00; and~~

275 (xvii) For taxable years beginning on or after January 1, 2016, retirement income  
 276 ~~from any source not to exceed an exclusion amount of \$35,000.00 for each taxpayer~~  
 277 ~~meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D)~~  
 278 ~~of this paragraph or an exclusion of all retirement income from any source for each~~  
 279 ~~taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph~~  
 280 ~~(D) of this paragraph shall not be excluded from Georgia taxable net income.~~

281 (B) In the case of a married couple filing jointly, each spouse shall if otherwise  
 282 qualified be individually entitled to exclude retirement income received by that spouse  
 283 up to the exclusion amount.

284 (C) The exclusions provided for in this paragraph shall not apply to or affect and shall  
 285 be in addition to those adjustments to net income provided for under any other  
 286 paragraph of this subsection.

287 (D) A taxpayer shall be eligible for the exclusions granted by this paragraph only if the  
 288 taxpayer:

289 (i) Is 62 years of age or older ~~but less than 65 years of age~~ during any part of the  
 290 taxable year; or

291 (ii) Is permanently and totally disabled in that the taxpayer has a medically  
 292 demonstrable disability which is permanent and which renders the taxpayer incapable  
 293 of performing any gainful occupation within the taxpayer's competence; or

294 ~~(iii) Is 65 years of age or older during any part of the year.~~

295 (E) For the purposes of this paragraph, retirement income shall include, but not be  
 296 limited to, interest income, dividend income, net income from rental property, capital  
 297 gains income, income from royalties, income from pensions and annuities, and no more  
 298 than ~~\$4,000.00~~ the amount of an individual's earned income specified in this  
 299 subparagraph. Earned income in excess of ~~\$4,000.00~~ such specified amount, including,  
 300 but not limited to, net business income earned by an individual from any trade or  
 301 business carried on by such individual, wages, salaries, tips, and other employer  
 302 compensation, shall not be regarded as retirement income. The receipt of earned  
 303 income shall not diminish any taxpayer's eligibility for the retirement income  
 304 exclusions allowed by this paragraph except to the extent of the express limitation  
 305 provided in this subparagraph:

306 (i) For taxable years beginning on or after January 1, 2012, and prior to  
 307 January 1, 2013, the earned income amount shall not exceed \$3,200.00;

308 (ii) For taxable years beginning on or after January 1, 2013, and prior to  
 309 January 1, 2014, the earned income amount shall not exceed \$2,400.00;

310 (iii) For taxable years beginning on or after January 1, 2014, and prior to January 1,  
 311 2015, the earned income amount shall not exceed \$1,600.00;

312 (iv) For taxable years beginning on or after January 1, 2015, and prior to January 1,  
 313 2016, the earned income amount shall not exceed \$800.00; and

314 (v) For taxable years beginning on or after January 1, 2014, no earned income  
 315 amount shall be included as retirement income;

316 (F) The commissioner shall by regulation require proof of the eligibility of the taxpayer  
 317 for the exclusions allowed by this paragraph:

318 ~~(G) The commissioner shall by regulation provide that for taxable years beginning on~~  
 319 ~~or after January 1, 1989, and ending before October 1, 1990, penalty and interest may~~  
 320 ~~be waived or reduced for any taxpayer whose estimated tax payments and tax~~  
 321 ~~withholdings are less than 70 percent of such taxpayer's Georgia income tax liability~~  
 322 ~~if the commissioner determines that such underpayment or deficiency is due to an~~  
 323 ~~increase in net taxable income attributable directly to amendments to this paragraph or~~  
 324 ~~paragraph (4) of this subsection enacted at the 1989 special session of the General~~  
 325 ~~Assembly and not due to willful neglect or fraud;~~

326 ~~(6) A portion of the qualified payments to minority subcontractors, as provided in Code~~  
 327 ~~Section 48-7-38;~~

328 ~~(7)~~(5) Social security benefits and tier 1 railroad retirement benefits, to the extent  
 329 included in federal taxable income;

330 ~~(8)~~ The amount of a dependent's unearned income included in federal adjusted gross  
 331 income of a parent's return;

332 ~~(9)~~(6) An amount equal to the amount of contributions to the Teachers Retirement  
 333 System of Georgia made by a taxpayer between July 1, 1987, and December 31, 1989,  
 334 which contributions were not subject to federal income taxation but were subject to  
 335 Georgia income taxation. The purpose of the exclusion provided for in this paragraph is  
 336 to allow a taxpayer a recovery adjustment for such amount after commencement of  
 337 distributions by such retirement system to such taxpayer and to establish the same basis  
 338 for federal and state income tax purposes;

339 ~~(10)~~(7) With respect to a taxpayer who is a self-employed individual treated as an  
 340 employee pursuant to Section 401(c)(1) of the Internal Revenue Code, an amount equal  
 341 to the amount paid by the taxpayer during the taxable year for insurance which constitutes  
 342 medical care for the taxpayer and the spouse and dependents of the taxpayer which is not  
 343 otherwise deductible by the taxpayer for federal income tax purposes because the  
 344 applicable percentage for that taxable year as specified pursuant to Section 162(l) of the  
 345 Internal Revenue Code is less than 100 percent;

346 ~~(11)~~(8) For taxable years beginning on or after January 1, 2002, and prior to January 1,  
 347 2007:

348 (A) An amount equal to the amount of contributions by parents or guardians of a  
 349 designated beneficiary to a savings trust account established pursuant to Article 11 of  
 350 Chapter 3 of Title 20 on behalf of the designated beneficiary who is claimed as a  
 351 dependent on the Georgia income tax return of the beneficiary's parents or guardians,  
 352 but not exceeding \$2,000.00 per beneficiary;

353 (B) If the parents or guardians file joint returns, separate returns, or single returns, the  
 354 sum of contributions constituting deductions on their returns under this paragraph shall  
 355 not exceed \$2,000.00 per beneficiary;

356 (C) In order to claim the deduction for a taxable year:

357 (i) Such parent or guardian must have claimed and been allowed itemized deductions  
 358 pursuant to Section 63(d) of the Internal Revenue Code of 1986 ~~and paragraph (1) of~~  
 359 ~~this subsection;~~

360 (ii) The federal adjusted gross income for such taxable year cannot exceed  
 361 \$100,000.00 for a joint return or \$50,000.00 for a separate or single return except as  
 362 provided in subparagraph (D) of this paragraph; and

363 (iii) Such parent or guardian must be the account owner of the designated  
 364 beneficiary's account;

365 (D) The maximum deduction authorized by this paragraph for each beneficiary shall  
 366 decrease by \$400.00 for each \$1,000.00 of federal adjusted gross income over  
 367 \$100,000.00 for a joint return or \$50,000.00 for a separate or single return; and

368 (E) For purposes of this paragraph, contributions or payments for any such taxable year  
 369 may be made during or after such taxable year but on or before the deadline for making  
 370 contributions to an individual retirement account pursuant to Section 219(f)(3) of the  
 371 Internal Revenue Code of 1986;

372 ~~(11.1) For taxable years beginning on or after January 1, 2007:~~

373 ~~(A) An amount equal to the amount of contributions to a savings trust account~~  
 374 ~~established pursuant to Article 11 of Chapter 3 of Title 20 on behalf of the designated~~  
 375 ~~beneficiary, but not exceeding \$2,000.00 per beneficiary;~~

376 ~~(B) If the contributor files a separate return or single return, the sum of contributions~~  
 377 ~~constituting deductions on the contributor's return under this paragraph shall not exceed~~  
 378 ~~\$2,000.00 per beneficiary;~~

379 ~~(C) If the contributor files a joint return, the sum of contributions constituting~~  
 380 ~~deductions on the contributor's return under this paragraph shall not exceed \$2,000.00~~  
 381 ~~per beneficiary; and~~

382 ~~(D) For purposes of this paragraph, contributions or payments for any such taxable~~  
 383 ~~year may be made during or after such taxable year but on or before the deadline for~~  
 384 ~~making contributions to an individual retirement account under federal law for such~~  
 385 ~~taxable year;~~

386 ~~(12)(9) Military income received by a member of the National Guard or any reserve~~  
 387 ~~component of the armed services of the United States stationed in a combat zone or~~  
 388 ~~stationed in defense of the borders of the United States pursuant to military orders. The~~  
 389 ~~exclusion provided under this paragraph:~~

390 ~~(A) Shall apply with respect to each taxable year, or portion thereof, covered by such~~  
 391 ~~military orders; and~~

392 ~~(B) Shall apply only with respect to such member of the National Guard or any reserve~~  
 393 ~~component of the armed forces and only with respect to military income earned during~~  
 394 ~~the period covered by such military orders.;~~

395 ~~(13)(A) An amount equal to the actual amount expended for organ donation expenses~~  
 396 ~~not to exceed the amount of \$10,000.00 incurred in accordance with the 'National~~  
 397 ~~Organ Procurement Act.'~~

398 ~~(B) In order to qualify for the exclusion under subparagraph (A) of this paragraph, such~~  
 399 ~~taxpayer must, while living, donate all or part of such person's liver, pancreas, kidney,~~  
 400 ~~intestine, lung, or bone marrow. In the taxable year in which the donation is made, the~~  
 401 ~~taxpayer shall be entitled to claim the exclusion provided in subparagraph (A) of this~~

402 ~~paragraph only with respect to unreimbursed travel expenses, lodging expenses, and~~  
 403 ~~lost wages incurred as a direct result of the organ donation;~~

404 ~~(13.1) An amount equal to 100 percent of the premium paid by the taxpayer during the~~  
 405 ~~taxable year for high deductible health plans as defined by Section 223 of the Internal~~  
 406 ~~Revenue Code to the extent the deduction has not been included in federal adjusted gross~~  
 407 ~~income, as defined under the Internal Revenue Code of 1986, and the expenses have not~~  
 408 ~~been provided from a health reimbursement arrangement and have not been included in~~  
 409 ~~itemized nonbusiness deductions;~~

410 ~~(14)(10)~~ The deduction for school teachers provided and allowed by Section 62(a)(2)(D)  
 411 of the Internal Revenue Code of 1986 as enacted on or before January 1, 2005, to the  
 412 extent the deduction has not been included in federal adjusted gross income, as defined  
 413 under the Internal Revenue Code of 1986, and the expenses have not been included in  
 414 itemized nonbusiness deductions; and

415 ~~(15)(11)~~ The deduction provided and allowed by Section 179 of the Internal Revenue  
 416 Code of 1986 as enacted on or before January 1, 2005, to the extent the deduction has not  
 417 been included in federal adjusted gross income, as defined under the Internal Revenue  
 418 Code of 1986, and the expenses have not been included in itemized nonbusiness  
 419 deductions.

420 ~~(b)(1)(c)(1)~~ There shall be added to the taxable income:

421 (A) Dividend or interest income, to the extent that the dividend or interest income is  
 422 not included in gross income for federal income tax purposes, on obligations of any  
 423 state except this state or of political subdivisions except political subdivisions of this  
 424 state;

425 (B) Interest or dividends on obligations of the United States or of any authority,  
 426 commission, instrumentality, territory, or possession of the United States which by the  
 427 laws of the United States are exempt from federal income taxes but not from state  
 428 income taxes; and

429 (C) Income consisting of lump sum distributions from an annuity, pension plan, or  
 430 similar source which were removed from federal adjusted gross income for the  
 431 purposes of special federal tax computations or treatment.

432 (2) There shall be subtracted from taxable income interest or dividends on obligations  
 433 of the United States and its territories and possessions or of any authority, commission,  
 434 or instrumentality of the United States to the extent includable in gross income for federal  
 435 income tax purposes but exempt from state income taxes under the laws of the United  
 436 States. Any amount subtracted under this paragraph shall be reduced by any interest  
 437 expenses directly or indirectly attributable to the production of the interest or dividend  
 438 income.

439 (3) There shall be added to taxable income any income taxes imposed by any tax  
 440 jurisdiction except the State of Georgia to the extent deducted in determining federal  
 441 taxable income.

442 (4) No portion of any deductions or losses including, but not limited to, net operating  
 443 losses, which occurred in a year in which the taxpayer was not subject to taxation in this  
 444 state, may be deducted in any tax year. When federal adjusted gross income includes  
 445 deductions or losses not allowed pursuant to this paragraph, an adjustment deleting them  
 446 shall be made under rules established by the commissioner.

447 (5) Income, losses, and deductions previously used in computing Georgia taxable income  
 448 shall not again be used in computing Georgia taxable income; and the commissioner shall  
 449 provide for needed adjustments by regulation.

450 ~~(6) Reserved.~~

451 ~~(7)(6)~~ Except as otherwise provided in paragraph ~~(4)~~ (3) of subsection ~~(a)~~ (b) of this  
 452 Code section, this chapter shall not be construed to repeal any tax exemptions contained  
 453 in other laws of this state not referred to in this Code section. Those exemptions and the  
 454 exemptions provided by federal law and treaty shall be deducted on forms provided by  
 455 the commissioner.

456 ~~(8)(7)~~ All elections made by the taxpayer under the Internal Revenue Code of 1954 or  
 457 the Internal Revenue Code of 1986 shall also apply under this article.

458 ~~(9) If the taxpayer claims the tax credit provided for in subsection (d) of Code Section~~  
 459 ~~48-7-40.6 with respect to qualified child care property, Georgia taxable income shall be~~  
 460 ~~increased by any depreciation deductions attributable to such property to the extent such~~  
 461 ~~deductions are used in determining federal taxable income.~~

462 ~~(10)(A)(8)(A)~~ Except as otherwise provided in subparagraph (C) of this paragraph, the  
 463 amount of any qualified withdrawals from a savings trust account under Article 11 of  
 464 Chapter 3 of Title 20 shall not be subject to state income tax under this chapter.

465 (B) For withdrawals other than qualified withdrawals from such a savings trust  
 466 account, the proportion of earnings in the account balance at the time of the withdrawal  
 467 shall be applied to the total funds withdrawn to determine the earnings portion to be  
 468 included in the account owner's taxable net income in the year of withdrawal.

469 (C) For withdrawals other than qualified withdrawals from such a savings trust account  
 470 and for withdrawals from such a savings trust account which are rolled over to a  
 471 qualified tuition program other than the qualified tuition program established under  
 472 Article 11 of Chapter 3 of Title 20, the proportion of the contributions in an account  
 473 balance at the time of a withdrawal which previously have been used to reduce taxable  
 474 net income pursuant to subsection ~~(a)~~ (b) of this Code section shall be applied to the

475 nonearnings portion of the total funds withdrawn to determine an amount to be included  
 476 in the account owner's taxable net income in the same taxable year.

477 ~~(11)~~(9) Georgia taxable income shall be adjusted as provided in Code Section 48-7-28.3.

478 ~~(12)~~(10) Georgia taxable income shall be increased by the amount of the payments,  
 479 compensation, or other economic benefit disallowed by Code Section 48-7-21.1.

480 ~~(13)~~(11) Georgia taxable income shall be adjusted as provided in Code  
 481 Section 48-7-28.4.

482 ~~(e)~~(d) Georgia taxable income shall, if the taxpayer so elects, be adjusted with respect to  
 483 federal depreciation deductions as provided in Code Section 48-7-39.

484 ~~(d)~~(1)(A)~~(e)~~(1)(A) As used in this paragraph, the term 'individual' shall mean the same  
 485 as is defined in Code Section 48-1-2.

486 (B) Georgia resident shareholders of Subchapter 'S' corporations may make an  
 487 adjustment to federal adjusted gross income for Subchapter 'S' corporation income  
 488 where another state does not recognize a Subchapter 'S' corporation.

489 (C) A Georgia individual resident who is a partner in a partnership, who is a member  
 490 of a limited liability company taxed as a partnership, or who is a single member of a  
 491 limited liability company which is disregarded for federal income tax purposes may  
 492 make an adjustment to federal adjusted gross income for the entity's income taxed in  
 493 another state which imposes on the entity a tax on or measured by income.

494 (D) Adjustments pursuant to this paragraph shall only be allowed for the portion of the  
 495 income on which such tax was actually paid by such Subchapter 'S' corporation,  
 496 partnership, or limited liability company. In multitiered situations, the adjustment for  
 497 such individual shall be determined by allocating such income between the  
 498 shareholders, partners, or members at each tier based upon their profit/loss percentage.

499 (2) Nonresident shareholders of a Georgia Subchapter 'S' corporation shall execute a  
 500 consent agreement to pay Georgia income tax on their portion of the corporate income  
 501 in order for such Subchapter 'S' corporation to be recognized for Georgia purposes. A  
 502 consent agreement for each shareholder shall be filed by the corporation with its  
 503 corporate tax return in the year in which the Subchapter 'S' corporation is first required  
 504 to file a Georgia income tax return. For a Subchapter 'S' corporation in existence prior  
 505 to January 1, 2008, the consent agreement shall be filed for each shareholder in the first  
 506 Georgia tax return filed for a year beginning on or after January 1, 2008. A consent  
 507 agreement shall also be filed in any subsequent year for any additional nonresident who  
 508 first becomes a shareholder of the Subchapter 'S' corporation in that year. Shareholders  
 509 of a federal Subchapter 'S' corporation which is not recognized for Georgia purposes may  
 510 make an adjustment to federal adjusted gross income in order to avoid double taxation

511 on this type of income. Adjustments shall not be allowed unless tax was actually paid by  
512 such corporation."

513 **SECTION 1-4.**

514 Said Title 48 is further amended by repealing Code Section 48-7-29, relating to tax credit for  
515 rural physicians, and designating said Code section as reserved.

516 **SECTION 1-5.**

517 Said Title 48 is further amended by repealing Code Section 48-7-29.1, relating to  
518 accessibility feature retrofit of homes tax credits.

519 **SECTION 1-6.**

520 Said Title 48 is further amended by repealing Code Section 48-7-29.2, relating to tax credits  
521 for qualified caregiving expenses.

522 **SECTION 1-7.**

523 Said Title 48 is further amended by repealing Code Section 48-7-29.3, relating to tax credits  
524 for federal qualified transportation fringe benefits.

525 **SECTION 1-8.**

526 Said Title 48 is further amended by repealing Code Section 48-7-29.4, relating to tax credits  
527 for disaster assistance funds.

528 **SECTION 1-9.**

529 Said Title 48 is further amended by repealing Code Section 48-7-29.5, relating to tax credits  
530 for private driver education courses of minors.

531 **SECTION 1-10.**

532 Said Title 48 is further amended by repealing Code Section 48-7-29.6, relating to tax credits  
533 for qualified low-income buildings.

534 **SECTION 1-11.**

535 Said Title 48 is further amended by repealing Code Section 48-7-29.7, relating to tax credits  
536 for depository financial institutions.



537 **SECTION 1-12.**

538 Said Title 48 is further amended by repealing Code Section 48-7-29.8, relating to tax credits  
539 for rehabilitation of historic structures.

540 **SECTION 1-13.**

541 Said Title 48 is further amended by repealing Code Section 48-7-29.9, relating to tax credits  
542 for qualified life insurance premiums for National Guard and Air National Guard members.

543 **SECTION 1-14.**

544 Said Title 48 is further amended by repealing Code Section 48-7-29.10, relating to tax credits  
545 for qualified child and dependent care expenses.

546 **SECTION 1-15.**

547 Said Title 48 is further amended by repealing Code Section 48-7-29.11, relating to tax credits  
548 for teleworking.

549 **SECTION 1-16.**

550 Said Title 48 is further amended by repealing Code Section 48-7-29.12, relating to tax credits  
551 for donation of real property.

552 **SECTION 1-17.**

553 Said Title 48 is further amended by repealing Code Section 48-7-29.13, relating to tax credits  
554 for qualified health insurance expenses.

555 **SECTION 1-18.**

556 Said Title 48 is further amended by repealing Code Section 48-7-29.14, relating to tax credits  
557 for clean energy property.

558 **SECTION 1-19.**

559 Said Title 48 is further amended by repealing Code Section 48-7-29.15, relating to tax credits  
560 for adoption of foster children.

561 **SECTION 1-20.**

562 Said Title 48 is further amended by repealing Code Section 48-7-29.16, relating to tax credits  
563 for qualified education.

564 **SECTION 1-21**

565 Said Title 48 is further amended by repealing Code Section 48-7-29.17, relating to tax credits  
 566 for purchase of eligible single-family residences.

567 **SECTION 1-22.**

568 Said Title 48 is further amended by revising Code Section 48-7A-3, relating to low-income  
 569 tax credits, as follows:

570 "48-7A-3.

571 (a) ~~Except as otherwise provided in subsection (e) of this Code section~~ For all taxable  
 572 years beginning on or after January 1, 2012, each resident taxpayer who files an individual  
 573 income tax return for a taxable year and who is not claimed or is not otherwise eligible to  
 574 be claimed as a dependent by another taxpayer for federal or Georgia individual income  
 575 tax purposes may claim a tax credit against the resident taxpayer's individual nonbusiness  
 576 income tax liability for the taxable year for which the individual income tax return is being  
 577 filed; ~~provided that:~~

578 (1) ~~A husband and wife filing a joint return shall each be deemed a dependent for~~  
 579 ~~purposes of such joint return; and~~

580 (2) ~~A husband and wife filing separate returns for a taxable year for which a joint return~~  
 581 ~~could have been filed by them shall claim only the tax credit to which they would have~~  
 582 ~~been entitled had a joint return been filed.~~

583 (b) For all taxable years beginning on or after January 1, 2012, each ~~Each~~ taxpayer may  
 584 claim a tax credit in the amount indicated for each adjusted gross income bracket as shown  
 585 in the schedule below; ~~multiplied by the number of dependents which the taxpayer is~~  
 586 ~~entitled to claim. Each taxpayer 65 years of age or over may claim double the tax credit.~~

587 **TAX CREDIT SCHEDULE**

588 Adjusted Gross Income Tax Credit

589 ~~Under \$6,000.00~~ . . . . . \$26.00

590 ~~6,000.00 but not more than 7,999.00~~ . . . . . 20.00

591 ~~8,000.00 but not more than 9,999.00~~ . . . . . 14.00

592 ~~10,000.00 but not more than 14,999.00~~ . . . . . 8.00

593 ~~15,000.00 but not more than 19,999.00~~ . . . . . 5.00

| <u>Adjusted Gross Income</u>                         | <u>Tax Credit</u> |                                       |                                    |  |
|--|-------------------|---------------------------------------|------------------------------------|--|
|  | <u>Single</u>     | <u>Married Filing</u><br><u>Joint</u> | <u>Head of</u><br><u>Household</u> | <u>Married Filing</u><br><u>Separate</u> |
| <u>Under \$750.00</u>                                | <u>\$88.00</u>    | <u>\$88.00</u>                        | <u>\$88.00</u>                     | <u>\$88.00</u>                           |
| <u>\$750.00 but not more</u><br><u>than \$999.00</u> | <u>\$100.00</u>   | <u>\$100.00</u>                       | <u>\$100.00</u>                    | <u>\$100.00</u>                          |

|     |                                 |                 |                 |                 |                 |
|-----|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| 600 | <u>\$1,000.00 but not more</u>  | <u>\$150.00</u> | <u>\$150.00</u> | <u>\$150.00</u> | <u>\$150.00</u> |
| 601 | <u>than \$1,999.00</u>          |                 |                 |                 |                 |
| 602 | <u>\$2,000.00 but not more</u>  | <u>\$200.00</u> | <u>\$200.00</u> | <u>\$200.00</u> | <u>\$200.00</u> |
| 603 | <u>than \$2,999.00</u>          |                 |                 |                 |                 |
| 604 | <u>\$3,000.00 but not more</u>  | <u>\$250.00</u> | <u>\$250.00</u> | <u>\$250.00</u> | <u>\$250.00</u> |
| 605 | <u>than \$3,999.00</u>          |                 |                 |                 |                 |
| 606 | <u>\$4,000.00 but not more</u>  | <u>\$300.00</u> | <u>\$300.00</u> | <u>\$300.00</u> | <u>\$295.00</u> |
| 607 | <u>than \$4,999.00</u>          |                 |                 |                 |                 |
| 608 | <u>\$5,000.00 but not more</u>  | <u>\$338.00</u> | <u>\$350.00</u> | <u>\$340.00</u> | <u>\$325.00</u> |
| 609 | <u>than \$5,999.00</u>          |                 |                 |                 |                 |
| 610 | <u>\$6,000.00 but not more</u>  | <u>\$368.00</u> | <u>\$400.00</u> | <u>\$370.00</u> | <u>\$345.00</u> |
| 611 | <u>than \$6,999.00</u>          |                 |                 |                 |                 |
| 612 | <u>\$7,000.00 but not more</u>  | <u>\$390.00</u> | <u>\$450.00</u> | <u>\$400.00</u> | <u>\$355.00</u> |
| 613 | <u>than \$7,999.00</u>          |                 |                 |                 |                 |
| 614 | <u>\$8,000.00 but not more</u>  | <u>\$408.00</u> | <u>\$494.00</u> | <u>\$420.00</u> | <u>\$355.00</u> |
| 615 | <u>than \$8,999.00</u>          |                 |                 |                 |                 |
| 616 | <u>\$9,000.00 but not more</u>  | <u>\$418.00</u> | <u>\$528.00</u> | <u>\$440.00</u> | <u>\$350.00</u> |
| 617 | <u>than \$9,999.00</u>          |                 |                 |                 |                 |
| 618 | <u>\$10,000.00 but not more</u> | <u>\$420.00</u> | <u>\$558.00</u> | <u>\$450.00</u> | <u>\$340.00</u> |
| 619 | <u>than \$10,999.00</u>         |                 |                 |                 |                 |
| 620 | <u>\$11,000.00 but not more</u> | <u>\$420.00</u> | <u>\$582.00</u> | <u>\$460.00</u> | <u>\$330.00</u> |
| 621 | <u>than \$11,999.00</u>         |                 |                 |                 |                 |
| 622 | <u>\$12,000.00 but not more</u> | <u>\$410.00</u> | <u>\$602.00</u> | <u>\$460.00</u> | <u>\$320.00</u> |
| 623 | <u>than \$12,999.00</u>         |                 |                 |                 |                 |
| 624 | <u>\$13,000.00 but not more</u> | <u>\$400.00</u> | <u>\$616.00</u> | <u>\$460.00</u> | <u>\$310.00</u> |
| 625 | <u>than \$13,999.00</u>         |                 |                 |                 |                 |
| 626 | <u>\$14,000.00 but not more</u> | <u>\$390.00</u> | <u>\$626.00</u> | <u>\$460.00</u> | <u>\$300.00</u> |
| 627 | <u>than \$14,999.00</u>         |                 |                 |                 |                 |
| 628 | <u>\$15,000.00 but not more</u> | <u>\$380.00</u> | <u>\$630.00</u> | <u>\$450.00</u> | <u>\$290.00</u> |
| 629 | <u>than \$15,999.00</u>         |                 |                 |                 |                 |
| 630 | <u>\$16,000.00 but not more</u> | <u>\$370.00</u> | <u>\$630.00</u> | <u>\$440.00</u> | <u>\$280.00</u> |
| 631 | <u>than \$16,999.00</u>         |                 |                 |                 |                 |
| 632 | <u>\$17,000.00 but not more</u> | <u>\$360.00</u> | <u>\$630.00</u> | <u>\$430.00</u> | <u>\$270.00</u> |
| 633 | <u>than \$17,999.00</u>         |                 |                 |                 |                 |
| 634 | <u>\$18,000.00 but not more</u> | <u>\$350.00</u> | <u>\$624.00</u> | <u>\$420.00</u> | <u>\$260.00</u> |
| 635 | <u>than \$18,999.00</u>         |                 |                 |                 |                 |
| 636 | <u>\$19,000.00 but not more</u> | <u>\$340.00</u> | <u>\$614.00</u> | <u>\$410.00</u> | <u>\$250.00</u> |
| 637 | <u>than \$19,999.00</u>         |                 |                 |                 |                 |

|     |                                 |                 |                 |                 |                 |
|-----|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| 638 | <u>\$20,000.00 but not more</u> | <u>\$330.00</u> | <u>\$604.00</u> | <u>\$400.00</u> | <u>\$240.00</u> |
| 639 | <u>than \$20,999.00</u>         |                 |                 |                 |                 |
| 640 | <u>\$21,000.00 but not more</u> | <u>\$320.00</u> | <u>\$594.00</u> | <u>\$390.00</u> | <u>\$230.00</u> |
| 641 | <u>than \$21,999.00</u>         |                 |                 |                 |                 |
| 642 | <u>\$22,000.00 but not more</u> | <u>\$310.00</u> | <u>\$584.00</u> | <u>\$380.00</u> | <u>\$220.00</u> |
| 643 | <u>than \$22,999.00</u>         |                 |                 |                 |                 |
| 644 | <u>\$23,000.00 but not more</u> | <u>\$300.00</u> | <u>\$574.00</u> | <u>\$370.00</u> | <u>\$210.00</u> |
| 645 | <u>than \$23,999.00</u>         |                 |                 |                 |                 |
| 646 | <u>\$24,000.00 but not more</u> | <u>\$290.00</u> | <u>\$564.00</u> | <u>\$360.00</u> | <u>\$200.00</u> |
| 647 | <u>than \$24,999.00</u>         |                 |                 |                 |                 |
| 648 | <u>\$25,000.00 but not more</u> | <u>\$280.00</u> | <u>\$554.00</u> | <u>\$350.00</u> | <u>\$190.00</u> |
| 649 | <u>than \$25,999.00</u>         |                 |                 |                 |                 |
| 650 | <u>\$26,000.00 but not more</u> | <u>\$270.00</u> | <u>\$544.00</u> | <u>\$340.00</u> | <u>\$180.00</u> |
| 651 | <u>than \$26,999.00</u>         |                 |                 |                 |                 |
| 652 | <u>\$27,000.00 but not more</u> | <u>\$260.00</u> | <u>\$534.00</u> | <u>\$330.00</u> | <u>\$170.00</u> |
| 653 | <u>than \$27,999.00</u>         |                 |                 |                 |                 |
| 654 | <u>\$28,000.00 but not more</u> | <u>\$250.00</u> | <u>\$524.00</u> | <u>\$320.00</u> | <u>\$160.00</u> |
| 655 | <u>than \$28,999.00</u>         |                 |                 |                 |                 |
| 656 | <u>\$29,000.00 but not more</u> | <u>\$240.00</u> | <u>\$514.00</u> | <u>\$310.00</u> | <u>\$150.00</u> |
| 657 | <u>than \$29,999.00</u>         |                 |                 |                 |                 |
| 658 | <u>\$30,000.00 but not more</u> | <u>\$230.00</u> | <u>\$504.00</u> | <u>\$300.00</u> | <u>\$140.00</u> |
| 659 | <u>than \$30,999.00</u>         |                 |                 |                 |                 |
| 660 | <u>\$31,000.00 but not more</u> | <u>\$220.00</u> | <u>\$494.00</u> | <u>\$290.00</u> | <u>\$130.00</u> |
| 661 | <u>than \$31,999.00</u>         |                 |                 |                 |                 |
| 662 | <u>\$32,000.00 but not more</u> | <u>\$210.00</u> | <u>\$484.00</u> | <u>\$280.00</u> | <u>\$120.00</u> |
| 663 | <u>than \$32,999.00</u>         |                 |                 |                 |                 |
| 664 | <u>\$33,000.00 but not more</u> | <u>\$200.00</u> | <u>\$474.00</u> | <u>\$270.00</u> | <u>\$110.00</u> |
| 665 | <u>than \$33,999.00</u>         |                 |                 |                 |                 |
| 666 | <u>\$34,000.00 but not more</u> | <u>\$190.00</u> | <u>\$464.00</u> | <u>\$260.00</u> | <u>\$100.00</u> |
| 667 | <u>than \$34,999.00</u>         |                 |                 |                 |                 |
| 668 | <u>\$35,000.00 but not more</u> | <u>\$180.00</u> | <u>\$454.00</u> | <u>\$250.00</u> | <u>\$90.00</u>  |
| 669 | <u>than \$35,999.00</u>         |                 |                 |                 |                 |
| 670 | <u>\$36,000.00 but not more</u> | <u>\$170.00</u> | <u>\$444.00</u> | <u>\$240.00</u> | <u>\$80.00</u>  |
| 671 | <u>than \$36,999.00</u>         |                 |                 |                 |                 |
| 672 | <u>\$37,000.00 but not more</u> | <u>\$160.00</u> | <u>\$434.00</u> | <u>\$230.00</u> | <u>\$70.00</u>  |
| 673 | <u>than \$37,999.00</u>         |                 |                 |                 |                 |
| 674 | <u>\$38,000.00 but not more</u> | <u>\$150.00</u> | <u>\$424.00</u> | <u>\$220.00</u> | <u>\$60.00</u>  |
| 675 | <u>than \$38,999.00</u>         |                 |                 |                 |                 |

|     |                                 |                 |                 |                 |          |
|-----|---------------------------------|-----------------|-----------------|-----------------|----------|
| 676 | <u>\$39,000.00 but not more</u> | <u>\$140.00</u> | <u>\$414.00</u> | <u>\$210.00</u> | <u>0</u> |
| 677 | <u>than \$39,999.00</u>         |                 |                 |                 |          |
| 678 | <u>\$40,000.00 but not more</u> | <u>\$130.00</u> | <u>\$404.00</u> | <u>\$200.00</u> | <u>0</u> |
| 679 | <u>than \$40,999.00</u>         |                 |                 |                 |          |
| 680 | <u>\$41,000.00 but not more</u> | <u>\$120.00</u> | <u>\$394.00</u> | <u>\$190.00</u> | <u>0</u> |
| 681 | <u>than \$41,999.00</u>         |                 |                 |                 |          |
| 682 | <u>\$42,000.00 but not more</u> | <u>\$110.00</u> | <u>\$384.00</u> | <u>\$180.00</u> | <u>0</u> |
| 683 | <u>than \$42,999.00</u>         |                 |                 |                 |          |
| 684 | <u>\$43,000.00 but not more</u> | <u>\$100.00</u> | <u>\$374.00</u> | <u>\$170.00</u> | <u>0</u> |
| 685 | <u>than \$43,999.00</u>         |                 |                 |                 |          |
| 686 | <u>\$44,000.00 but not more</u> | <u>\$90.00</u>  | <u>\$364.00</u> | <u>\$160.00</u> | <u>0</u> |
| 687 | <u>than \$44,999.00</u>         |                 |                 |                 |          |
| 688 | <u>\$45,000.00 but not more</u> | <u>\$80.00</u>  | <u>\$354.00</u> | <u>\$150.00</u> | <u>0</u> |
| 689 | <u>than \$45,999.00</u>         |                 |                 |                 |          |
| 690 | <u>\$46,000.00 but not more</u> | <u>\$70.00</u>  | <u>\$344.00</u> | <u>\$140.00</u> | <u>0</u> |
| 691 | <u>than \$46,999.00</u>         |                 |                 |                 |          |
| 692 | <u>\$47,000.00 but not more</u> | <u>\$60.00</u>  | <u>\$334.00</u> | <u>\$130.00</u> | <u>0</u> |
| 693 | <u>than \$47,999.00</u>         |                 |                 |                 |          |
| 694 | <u>\$48,000.00 but not more</u> | <u>0</u>        | <u>\$324.00</u> | <u>\$120.00</u> | <u>0</u> |
| 695 | <u>than \$48,999.00</u>         |                 |                 |                 |          |
| 696 | <u>\$49,000.00 but not more</u> | <u>0</u>        | <u>\$314.00</u> | <u>\$110.00</u> | <u>0</u> |
| 697 | <u>than \$49,999.00</u>         |                 |                 |                 |          |
| 698 | <u>\$50,000.00 but not more</u> | <u>0</u>        | <u>\$304.00</u> | <u>\$100.00</u> | <u>0</u> |
| 699 | <u>than \$50,999.00</u>         |                 |                 |                 |          |
| 700 | <u>\$51,000.00 but not more</u> | <u>0</u>        | <u>\$294.00</u> | <u>\$90.00</u>  | <u>0</u> |
| 701 | <u>than \$51,999.00</u>         |                 |                 |                 |          |
| 702 | <u>\$52,000.00 but not more</u> | <u>0</u>        | <u>\$284.00</u> | <u>\$80.00</u>  | <u>0</u> |
| 703 | <u>than \$52,999.00</u>         |                 |                 |                 |          |
| 704 | <u>\$53,000.00 but not more</u> | <u>0</u>        | <u>\$274.00</u> | <u>\$70.00</u>  | <u>0</u> |
| 705 | <u>than \$53,999.00</u>         |                 |                 |                 |          |
| 706 | <u>\$54,000.00 but not more</u> | <u>0</u>        | <u>\$264.00</u> | <u>\$60.00</u>  | <u>0</u> |
| 707 | <u>than \$54,999.00</u>         |                 |                 |                 |          |
| 708 | <u>\$55,000.00 but not more</u> | <u>0</u>        | <u>\$254.00</u> | <u>0</u>        | <u>0</u> |
| 709 | <u>than \$55,999.00</u>         |                 |                 |                 |          |
| 710 | <u>\$56,000.00 but not more</u> | <u>0</u>        | <u>\$244.00</u> | <u>0</u>        | <u>0</u> |
| 711 | <u>than \$56,999.00</u>         |                 |                 |                 |          |
| 712 | <u>\$57,000.00 but not more</u> | <u>0</u>        | <u>\$234.00</u> | <u>0</u>        | <u>0</u> |
| 713 | <u>than \$57,999.00</u>         |                 |                 |                 |          |

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|     |                                 |          |                 |          |          |
|-----|---------------------------------|----------|-----------------|----------|----------|
| 714 | <u>\$58,000.00 but not more</u> | <u>0</u> | <u>\$224.00</u> | <u>0</u> | <u>0</u> |
| 715 | <u>than \$58,999.00</u>         |          |                 |          |          |
| 716 | <u>\$59,000.00 but not more</u> | <u>0</u> | <u>\$214.00</u> | <u>0</u> | <u>0</u> |
| 717 | <u>than \$59,999.00</u>         |          |                 |          |          |
| 718 | <u>\$60,000.00 but not more</u> | <u>0</u> | <u>\$204.00</u> | <u>0</u> | <u>0</u> |
| 719 | <u>than \$60,999.00</u>         |          |                 |          |          |
| 720 | <u>\$61,000.00 but not more</u> | <u>0</u> | <u>\$194.00</u> | <u>0</u> | <u>0</u> |
| 721 | <u>than \$61,999.00</u>         |          |                 |          |          |
| 722 | <u>\$62,000.00 but not more</u> | <u>0</u> | <u>\$184.00</u> | <u>0</u> | <u>0</u> |
| 723 | <u>than \$62,999.00</u>         |          |                 |          |          |
| 724 | <u>\$63,000.00 but not more</u> | <u>0</u> | <u>\$174.00</u> | <u>0</u> | <u>0</u> |
| 725 | <u>than \$63,999.00</u>         |          |                 |          |          |
| 726 | <u>\$64,000.00 but not more</u> | <u>0</u> | <u>\$164.00</u> | <u>0</u> | <u>0</u> |
| 727 | <u>than \$64,999.00</u>         |          |                 |          |          |
| 728 | <u>\$65,000.00 but not more</u> | <u>0</u> | <u>\$154.00</u> | <u>0</u> | <u>0</u> |
| 729 | <u>than \$65,999.00</u>         |          |                 |          |          |
| 730 | <u>\$66,000.00 but not more</u> | <u>0</u> | <u>\$144.00</u> | <u>0</u> | <u>0</u> |
| 731 | <u>than \$66,999.00</u>         |          |                 |          |          |
| 732 | <u>\$67,000.00 but not more</u> | <u>0</u> | <u>\$134.00</u> | <u>0</u> | <u>0</u> |
| 733 | <u>than \$67,999.00</u>         |          |                 |          |          |
| 734 | <u>\$68,000.00 but not more</u> | <u>0</u> | <u>\$124.00</u> | <u>0</u> | <u>0</u> |
| 735 | <u>than \$68,999.00</u>         |          |                 |          |          |
| 736 | <u>\$69,000.00 but not more</u> | <u>0</u> | <u>\$114.00</u> | <u>0</u> | <u>0</u> |
| 737 | <u>than \$69,999.00</u>         |          |                 |          |          |
| 738 | <u>\$70,000.00 but not more</u> | <u>0</u> | <u>\$104.00</u> | <u>0</u> | <u>0</u> |
| 739 | <u>than \$70,999.00</u>         |          |                 |          |          |
| 740 | <u>\$71,000.00 but not more</u> | <u>0</u> | <u>\$94.00</u>  | <u>0</u> | <u>0</u> |
| 741 | <u>than \$71,999.00</u>         |          |                 |          |          |
| 742 | <u>\$72,000.00 but not more</u> | <u>0</u> | <u>\$84.00</u>  | <u>0</u> | <u>0</u> |
| 743 | <u>than \$72,999.00</u>         |          |                 |          |          |
| 744 | <u>\$73,000.00 but not more</u> | <u>0</u> | <u>\$74.00</u>  | <u>0</u> | <u>0</u> |
| 745 | <u>than \$73,999.00</u>         |          |                 |          |          |
| 746 | <u>\$74,000.00 but not more</u> | <u>0</u> | <u>\$64.00</u>  | <u>0</u> | <u>0</u> |
| 747 | <u>than \$74,999.00</u>         |          |                 |          |          |
| 748 | <u>\$75,000.00 but not more</u> | <u>0</u> | <u>\$54.00</u>  | <u>0</u> | <u>0</u> |
| 749 | <u>than \$75,999.00</u>         |          |                 |          |          |
| 750 | <u>\$76,000.00 or more</u>      | <u>0</u> | <u>0</u>        | <u>0</u> | <u>0</u> |

751 (b.1) For taxable years beginning on or after January 1, 2013, and prior to January 1, 2014,  
 752 each taxpayer may claim a tax credit in the amount indicated for each adjusted gross  
 753 income bracket as shown in the schedule below:

| <u>Adjusted Gross Income</u>                                       | <u>Tax Credit</u> |                       |                  |                       |
|--|-------------------|-----------------------|------------------|-----------------------|
|  | <u>Single</u>     | <u>Married Filing</u> | <u>Head of</u>   | <u>Married Filing</u> |
|  |                   | <u>Joint</u>          | <u>Household</u> | <u>Separate</u>       |
| 757 <u>Under \$750.00</u>  | <u>\$84.00</u>    | <u>\$84.00</u>        | <u>\$84.00</u>   | <u>\$84.00</u>        |
| 758 <u>\$750.00 but not more</u><br>759 <u>than \$999.00</u>       | <u>\$95.00</u>    | <u>\$95.00</u>        | <u>\$95.00</u>   | <u>\$95.00</u>        |
| 760 <u>\$1,000.00 but not more</u><br>761 <u>than \$1,999.00</u>   | <u>\$140.00</u>   | <u>\$140.00</u>       | <u>\$140.00</u>  | <u>\$140.00</u>       |
| 762 <u>\$2,000.00 but not more</u><br>763 <u>than \$2,999.00</u>   | <u>\$185.00</u>   | <u>\$185.00</u>       | <u>\$185.00</u>  | <u>\$185.00</u>       |
| 764 <u>\$3,000.00 but not more</u><br>765 <u>than \$3,999.00</u>   | <u>\$230.00</u>   | <u>\$230.00</u>       | <u>\$230.00</u>  | <u>\$230.00</u>       |
| 766 <u>\$4,000.00 but not more</u><br>767 <u>than \$4,999.00</u>   | <u>\$275.00</u>   | <u>\$275.00</u>       | <u>\$275.00</u>  | <u>\$270.00</u>       |
| 768 <u>\$5,000.00 but not more</u><br>769 <u>than \$5,999.00</u>   | <u>\$308.00</u>   | <u>\$320.00</u>       | <u>\$310.00</u>  | <u>\$295.00</u>       |
| 770 <u>\$6,000.00 but not more</u><br>771 <u>than \$6,999.00</u>   | <u>\$333.00</u>   | <u>\$365.00</u>       | <u>\$335.00</u>  | <u>\$310.00</u>       |
| 772 <u>\$7,000.00 but not more</u><br>773 <u>than \$7,999.00</u>   | <u>\$350.00</u>   | <u>\$410.00</u>       | <u>\$360.00</u>  | <u>\$315.00</u>       |
| 774 <u>\$8,000.00 but not more</u><br>775 <u>than \$8,999.00</u>   | <u>\$363.00</u>   | <u>\$449.00</u>       | <u>\$375.00</u>  | <u>\$310.00</u>       |
| 776 <u>\$9,000.00 but not more</u><br>777 <u>than \$9,999.00</u>   | <u>\$368.00</u>   | <u>\$478.00</u>       | <u>\$390.00</u>  | <u>\$300.00</u>       |
| 778 <u>\$10,000.00 but not more</u><br>779 <u>than \$10,999.00</u> | <u>\$365.00</u>   | <u>\$503.00</u>       | <u>\$395.00</u>  | <u>\$285.00</u>       |
| 780 <u>\$11,000.00 but not more</u><br>781 <u>than \$11,999.00</u> | <u>\$360.00</u>   | <u>\$522.00</u>       | <u>\$400.00</u>  | <u>\$270.00</u>       |
| 782 <u>\$12,000.00 but not more</u><br>783 <u>than \$12,999.00</u> | <u>\$345.00</u>   | <u>\$537.00</u>       | <u>\$395.00</u>  | <u>\$255.00</u>       |
| 784 <u>\$13,000.00 but not more</u><br>785 <u>than \$13,999.00</u> | <u>\$330.00</u>   | <u>\$546.00</u>       | <u>\$390.00</u>  | <u>\$240.00</u>       |
| 786 <u>\$14,000.00 but not more</u><br>787 <u>than \$14,999.00</u> | <u>\$315.00</u>   | <u>\$551.00</u>       | <u>\$385.00</u>  | <u>\$225.00</u>       |

|     |                                 |                 |                 |                 |                 |
|-----|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| 788 | <u>\$15,000.00 but not more</u> | <u>\$300.00</u> | <u>\$550.00</u> | <u>\$370.00</u> | <u>\$210.00</u> |
| 789 | <u>than \$15,999.00</u>         |                 |                 |                 |                 |
| 790 | <u>\$16,000.00 but not more</u> | <u>\$285.00</u> | <u>\$545.00</u> | <u>\$355.00</u> | <u>\$195.00</u> |
| 791 | <u>than \$16,999.00</u>         |                 |                 |                 |                 |
| 792 | <u>\$17,000.00 but not more</u> | <u>\$270.00</u> | <u>\$540.00</u> | <u>\$340.00</u> | <u>\$180.00</u> |
| 793 | <u>than \$17,999.00</u>         |                 |                 |                 |                 |
| 794 | <u>\$18,000.00 but not more</u> | <u>\$255.00</u> | <u>\$529.00</u> | <u>\$325.00</u> | <u>\$165.00</u> |
| 795 | <u>than \$18,999.00</u>         |                 |                 |                 |                 |
| 796 | <u>\$19,000.00 but not more</u> | <u>\$240.00</u> | <u>\$514.00</u> | <u>\$310.00</u> | <u>\$150.00</u> |
| 797 | <u>than \$19,999.00</u>         |                 |                 |                 |                 |
| 798 | <u>\$20,000.00 but not more</u> | <u>\$225.00</u> | <u>\$499.00</u> | <u>\$295.00</u> | <u>\$135.00</u> |
| 799 | <u>than \$20,999.00</u>         |                 |                 |                 |                 |
| 800 | <u>\$21,000.00 but not more</u> | <u>\$210.00</u> | <u>\$484.00</u> | <u>\$280.00</u> | <u>\$120.00</u> |
| 801 | <u>than \$21,999.00</u>         |                 |                 |                 |                 |
| 802 | <u>\$22,000.00 but not more</u> | <u>\$195.00</u> | <u>\$469.00</u> | <u>\$265.00</u> | <u>\$105.00</u> |
| 803 | <u>than \$22,999.00</u>         |                 |                 |                 |                 |
| 804 | <u>\$23,000.00 but not more</u> | <u>\$180.00</u> | <u>\$454.00</u> | <u>\$250.00</u> | <u>\$90.00</u>  |
| 805 | <u>than \$23,999.00</u>         |                 |                 |                 |                 |
| 806 | <u>\$24,000.00 but not more</u> | <u>\$165.00</u> | <u>\$439.00</u> | <u>\$235.00</u> | <u>\$75.00</u>  |
| 807 | <u>than \$24,999.00</u>         |                 |                 |                 |                 |
| 808 | <u>\$25,000.00 but not more</u> | <u>\$150.00</u> | <u>\$424.00</u> | <u>\$220.00</u> | <u>\$60.00</u>  |
| 809 | <u>than \$25,999.00</u>         |                 |                 |                 |                 |
| 810 | <u>\$26,000.00 but not more</u> | <u>\$135.00</u> | <u>\$409.00</u> | <u>\$205.00</u> | <u>0</u>        |
| 811 | <u>than \$26,999.00</u>         |                 |                 |                 |                 |
| 812 | <u>\$27,000.00 but not more</u> | <u>\$120.00</u> | <u>\$394.00</u> | <u>\$190.00</u> | <u>0</u>        |
| 813 | <u>than \$27,999.00</u>         |                 |                 |                 |                 |
| 814 | <u>\$28,000.00 but not more</u> | <u>\$105.00</u> | <u>\$379.00</u> | <u>\$175.00</u> | <u>0</u>        |
| 815 | <u>than \$28,999.00</u>         |                 |                 |                 |                 |
| 816 | <u>\$29,000.00 but not more</u> | <u>\$90.00</u>  | <u>\$364.00</u> | <u>\$160.00</u> | <u>0</u>        |
| 817 | <u>than \$29,999.00</u>         |                 |                 |                 |                 |
| 818 | <u>\$30,000.00 but not more</u> | <u>\$75.00</u>  | <u>\$349.00</u> | <u>\$145.00</u> | <u>0</u>        |
| 819 | <u>than \$30,999.00</u>         |                 |                 |                 |                 |
| 820 | <u>\$31,000.00 but not more</u> | <u>\$60.00</u>  | <u>\$334.00</u> | <u>\$130.00</u> | <u>0</u>        |
| 821 | <u>than \$31,999.00</u>         |                 |                 |                 |                 |
| 822 | <u>\$32,000.00 but not more</u> | <u>0</u>        | <u>\$319.00</u> | <u>\$115.00</u> | <u>0</u>        |
| 823 | <u>than \$32,999.00</u>         |                 |                 |                 |                 |
| 824 | <u>\$33,000.00 but not more</u> | <u>0</u>        | <u>\$304.00</u> | <u>\$100.00</u> | <u>0</u>        |
| 825 | <u>than \$33,999.00</u>         |                 |                 |                 |                 |



|     |                                 |          |                 |                |          |
|-----|---------------------------------|----------|-----------------|----------------|----------|
| 826 | <u>\$34,000.00 but not more</u> | <u>0</u> | <u>\$289.00</u> | <u>\$85.00</u> | <u>0</u> |
| 827 | <u>than \$34,999.00</u>         |          |                 |                |          |
| 828 | <u>\$35,000.00 but not more</u> | <u>0</u> | <u>\$274.00</u> | <u>\$70.00</u> | <u>0</u> |
| 829 | <u>than \$35,999.00</u>         |          |                 |                |          |
| 830 | <u>\$36,000.00 but not more</u> | <u>0</u> | <u>\$259.00</u> | <u>\$55.00</u> | <u>0</u> |
| 831 | <u>than \$36,999.00</u>         |          |                 |                |          |
| 832 | <u>\$37,000.00 but not more</u> | <u>0</u> | <u>\$244.00</u> | <u>0</u>       | <u>0</u> |
| 833 | <u>than \$37,999.00</u>         |          |                 |                |          |
| 834 | <u>\$38,000.00 but not more</u> | <u>0</u> | <u>\$229.00</u> | <u>0</u>       | <u>0</u> |
| 835 | <u>than \$38,999.00</u>         |          |                 |                |          |
| 836 | <u>\$39,000.00 but not more</u> | <u>0</u> | <u>\$214.00</u> | <u>0</u>       | <u>0</u> |
| 837 | <u>than \$39,999.00</u>         |          |                 |                |          |
| 838 | <u>\$40,000.00 but not more</u> | <u>0</u> | <u>\$199.00</u> | <u>0</u>       | <u>0</u> |
| 839 | <u>than \$40,999.00</u>         |          |                 |                |          |
| 840 | <u>\$41,000.00 but not more</u> | <u>0</u> | <u>\$184.00</u> | <u>0</u>       | <u>0</u> |
| 841 | <u>than \$41,999.00</u>         |          |                 |                |          |
| 842 | <u>\$42,000.00 but not more</u> | <u>0</u> | <u>\$169.00</u> | <u>0</u>       | <u>0</u> |
| 843 | <u>than \$42,999.00</u>         |          |                 |                |          |
| 844 | <u>\$43,000.00 but not more</u> | <u>0</u> | <u>\$154.00</u> | <u>0</u>       | <u>0</u> |
| 845 | <u>than \$43,999.00</u>         |          |                 |                |          |
| 846 | <u>\$44,000.00 but not more</u> | <u>0</u> | <u>\$139.00</u> | <u>0</u>       | <u>0</u> |
| 847 | <u>than \$44,999.00</u>         |          |                 |                |          |
| 848 | <u>\$45,000.00 but not more</u> | <u>0</u> | <u>\$124.00</u> | <u>0</u>       | <u>0</u> |
| 849 | <u>than \$45,999.00</u>         |          |                 |                |          |
| 850 | <u>\$46,000.00 but not more</u> | <u>0</u> | <u>\$109.00</u> | <u>0</u>       | <u>0</u> |
| 851 | <u>than \$46,999.00</u>         |          |                 |                |          |
| 852 | <u>\$47,000.00 but not more</u> | <u>0</u> | <u>\$94.00</u>  | <u>0</u>       | <u>0</u> |
| 853 | <u>than \$47,999.00</u>         |          |                 |                |          |
| 854 | <u>\$48,000.00 but not more</u> | <u>0</u> | <u>\$79.00</u>  | <u>0</u>       | <u>0</u> |
| 855 | <u>than \$48,999.00</u>         |          |                 |                |          |
| 856 | <u>\$49,000.00 but not more</u> | <u>0</u> | <u>\$64.00</u>  | <u>0</u>       | <u>0</u> |
| 857 | <u>than \$49,999.00</u>         |          |                 |                |          |
| 858 | <u>\$50,000.00 or more</u>      | <u>0</u> | <u>0</u>        | <u>0</u>       | <u>0</u> |

859 (b.2) For all taxable years beginning on or after January 1, 2014, each taxpayer may claim  
 860 a tax credit in the amount indicated for each adjusted gross income bracket as shown in the  
 861 schedule below:

| 862 | <u>Adjusted Gross Income</u>    | <u>Tax Credit</u> |                                 |                              |                                    |
|-----|---------------------------------|-------------------|---------------------------------|------------------------------|------------------------------------|
| 863 |                                 | <u>Single</u>     | <u>Married Filing<br/>Joint</u> | <u>Head of<br/>Household</u> | <u>Married Filing<br/>Separate</u> |
| 865 | <u>Under \$750.00</u>           | <u>\$80.00</u>    | <u>\$80.00</u>                  | <u>\$80.00</u>               | <u>\$80.00</u>                     |
| 866 | <u>\$750.00 but not more</u>    | <u>\$90.00</u>    | <u>\$90.00</u>                  | <u>\$90.00</u>               | <u>\$90.00</u>                     |
| 867 | <u>than \$999.00</u>            |                   |                                 |                              |                                    |
| 868 | <u>\$1,000.00 but not more</u>  | <u>\$130.00</u>   | <u>\$130.00</u>                 | <u>\$130.00</u>              | <u>\$130.00</u>                    |
| 869 | <u>than \$1,999.00</u>          |                   |                                 |                              |                                    |
| 870 | <u>\$2,000.00 but not more</u>  | <u>\$170.00</u>   | <u>\$170.00</u>                 | <u>\$170.00</u>              | <u>\$170.00</u>                    |
| 871 | <u>than \$2,999.00</u>          |                   |                                 |                              |                                    |
| 872 | <u>\$3,000.00 but not more</u>  | <u>\$210.00</u>   | <u>\$210.00</u>                 | <u>\$210.00</u>              | <u>\$210.00</u>                    |
| 873 | <u>than \$3,999.00</u>          |                   |                                 |                              |                                    |
| 874 | <u>\$4,000.00 but not more</u>  | <u>\$250.00</u>   | <u>\$250.00</u>                 | <u>\$250.00</u>              | <u>\$245.00</u>                    |
| 875 | <u>than \$4,999.00</u>          |                   |                                 |                              |                                    |
| 876 | <u>\$5,000.00 but not more</u>  | <u>\$278.00</u>   | <u>\$290.00</u>                 | <u>\$280.00</u>              | <u>\$265.00</u>                    |
| 877 | <u>than \$5,999.00</u>          |                   |                                 |                              |                                    |
| 878 | <u>\$6,000.00 but not more</u>  | <u>\$298.00</u>   | <u>\$330.00</u>                 | <u>\$300.00</u>              | <u>\$275.00</u>                    |
| 879 | <u>than \$6,999.00</u>          |                   |                                 |                              |                                    |
| 880 | <u>\$7,000.00 but not more</u>  | <u>\$310.00</u>   | <u>\$370.00</u>                 | <u>\$320.00</u>              | <u>\$275.00</u>                    |
| 881 | <u>than \$7,999.00</u>          |                   |                                 |                              |                                    |
| 882 | <u>\$8,000.00 but not more</u>  | <u>\$318.00</u>   | <u>\$404.00</u>                 | <u>\$330.00</u>              | <u>\$265.00</u>                    |
| 883 | <u>than \$8,999.00</u>          |                   |                                 |                              |                                    |
| 884 | <u>\$9,000.00 but not more</u>  | <u>\$318.00</u>   | <u>\$428.00</u>                 | <u>\$340.00</u>              | <u>\$250.00</u>                    |
| 885 | <u>than \$9,999.00</u>          |                   |                                 |                              |                                    |
| 886 | <u>\$10,000.00 but not more</u> | <u>\$310.00</u>   | <u>\$448.00</u>                 | <u>\$340.00</u>              | <u>\$230.00</u>                    |
| 887 | <u>than \$10,999.00</u>         |                   |                                 |                              |                                    |
| 888 | <u>\$11,000.00 but not more</u> | <u>\$300.00</u>   | <u>\$462.00</u>                 | <u>\$340.00</u>              | <u>\$210.00</u>                    |
| 889 | <u>than \$11,999.00</u>         |                   |                                 |                              |                                    |
| 890 | <u>\$12,000.00 but not more</u> | <u>\$280.00</u>   | <u>\$472.00</u>                 | <u>\$330.00</u>              | <u>\$190.00</u>                    |
| 891 | <u>than \$12,999.00</u>         |                   |                                 |                              |                                    |
| 892 | <u>\$13,000.00 but not more</u> | <u>\$260.00</u>   | <u>\$476.00</u>                 | <u>\$320.00</u>              | <u>\$170.00</u>                    |
| 893 | <u>than \$13,999.00</u>         |                   |                                 |                              |                                    |
| 894 | <u>\$14,000.00 but not more</u> | <u>\$240.00</u>   | <u>\$476.00</u>                 | <u>\$310.00</u>              | <u>\$150.00</u>                    |
| 895 | <u>than \$14,999.00</u>         |                   |                                 |                              |                                    |
| 896 | <u>\$15,000.00 but not more</u> | <u>\$220.00</u>   | <u>\$470.00</u>                 | <u>\$290.00</u>              | <u>\$130.00</u>                    |
| 897 | <u>than \$15,999.00</u>         |                   |                                 |                              |                                    |
| 898 | <u>\$16,000.00 but not more</u> | <u>\$200.00</u>   | <u>\$460.00</u>                 | <u>\$270.00</u>              | <u>\$110.00</u>                    |
| 899 | <u>than \$16,999.00</u>         |                   | H. B. 388                       |                              |                                    |

|     |                                 |                 |                 |                 |                |
|-----|---------------------------------|-----------------|-----------------|-----------------|----------------|
| 900 | <u>\$17,000.00 but not more</u> | <u>\$180.00</u> | <u>\$450.00</u> | <u>\$250.00</u> | <u>\$90.00</u> |
| 901 | <u>than \$17,999.00</u>         |                 |                 |                 |                |
| 902 | <u>\$18,000.00 but not more</u> | <u>\$160.00</u> | <u>\$434.00</u> | <u>\$230.00</u> | <u>\$70.00</u> |
| 903 | <u>than \$18,999.00</u>         |                 |                 |                 |                |
| 904 | <u>\$19,000.00 but not more</u> | <u>\$140.00</u> | <u>\$414.00</u> | <u>\$210.00</u> | <u>0</u>       |
| 905 | <u>than \$19,999.00</u>         |                 |                 |                 |                |
| 906 | <u>\$20,000.00 but not more</u> | <u>\$120.00</u> | <u>\$394.00</u> | <u>\$190.00</u> | <u>0</u>       |
| 907 | <u>than \$20,999.00</u>         |                 |                 |                 |                |
| 908 | <u>\$21,000.00 but not more</u> | <u>\$100.00</u> | <u>\$374.00</u> | <u>\$170.00</u> | <u>0</u>       |
| 909 | <u>than \$21,999.00</u>         |                 |                 |                 |                |
| 910 | <u>\$22,000.00 but not more</u> | <u>\$80.00</u>  | <u>\$354.00</u> | <u>\$150.00</u> | <u>0</u>       |
| 911 | <u>than \$22,999.00</u>         |                 |                 |                 |                |
| 912 | <u>\$23,000.00 but not more</u> | <u>\$60.00</u>  | <u>\$334.00</u> | <u>\$130.00</u> | <u>0</u>       |
| 913 | <u>than \$23,999.00</u>         |                 |                 |                 |                |
| 914 | <u>\$24,000.00 but not more</u> | <u>0</u>        | <u>\$314.00</u> | <u>\$110.00</u> | <u>0</u>       |
| 915 | <u>than \$24,999.00</u>         |                 |                 |                 |                |
| 916 | <u>\$25,000.00 but not more</u> | <u>0</u>        | <u>\$294.00</u> | <u>\$90.00</u>  | <u>0</u>       |
| 917 | <u>than \$25,999.00</u>         |                 |                 |                 |                |
| 918 | <u>\$26,000.00 but not more</u> | <u>0</u>        | <u>\$274.00</u> | <u>\$70.00</u>  | <u>0</u>       |
| 919 | <u>than \$26,999.00</u>         |                 |                 |                 |                |
| 920 | <u>\$27,000.00 but not more</u> | <u>0</u>        | <u>\$254.00</u> | <u>0</u>        | <u>0</u>       |
| 921 | <u>than \$27,999.00</u>         |                 |                 |                 |                |
| 922 | <u>\$28,000.00 but not more</u> | <u>0</u>        | <u>\$234.00</u> | <u>0</u>        | <u>0</u>       |
| 923 | <u>than \$28,999.00</u>         |                 |                 |                 |                |
| 924 | <u>\$29,000.00 but not more</u> | <u>0</u>        | <u>\$214.00</u> | <u>0</u>        | <u>0</u>       |
| 925 | <u>than \$29,999.00</u>         |                 |                 |                 |                |
| 926 | <u>\$30,000.00 but not more</u> | <u>0</u>        | <u>\$194.00</u> | <u>0</u>        | <u>0</u>       |
| 927 | <u>than \$30,999.00</u>         |                 |                 |                 |                |
| 928 | <u>\$31,000.00 but not more</u> | <u>0</u>        | <u>\$174.00</u> | <u>0</u>        | <u>0</u>       |
| 929 | <u>than \$31,999.00</u>         |                 |                 |                 |                |
| 930 | <u>\$32,000.00 but not more</u> | <u>0</u>        | <u>\$154.00</u> | <u>0</u>        | <u>0</u>       |
| 931 | <u>than \$32,999.00</u>         |                 |                 |                 |                |
| 932 | <u>\$33,000.00 but not more</u> | <u>0</u>        | <u>\$134.00</u> | <u>0</u>        | <u>0</u>       |
| 933 | <u>than \$33,999.00</u>         |                 |                 |                 |                |
| 934 | <u>\$34,000.00 but not more</u> | <u>0</u>        | <u>\$114.00</u> | <u>0</u>        | <u>0</u>       |
| 935 | <u>than \$34,999.00</u>         |                 |                 |                 |                |
| 936 | <u>\$35,000.00 but not more</u> | <u>0</u>        | <u>\$94.00</u>  | <u>0</u>        | <u>0</u>       |
| 937 | <u>than \$35,999.00</u>         |                 |                 |                 |                |

|     |                                 |          |                |          |          |
|-----|---------------------------------|----------|----------------|----------|----------|
| 938 | <u>\$36,000.00 but not more</u> | <u>0</u> | <u>\$74.00</u> | <u>0</u> | <u>0</u> |
| 939 | <u>than \$36,999.00</u>         |          |                |          |          |
| 940 | <u>\$37,000.00 but not more</u> | <u>0</u> | <u>\$54.00</u> | <u>0</u> | <u>0</u> |
| 941 | <u>than \$37,999.00</u>         |          |                |          |          |
| 942 | <u>\$38,000.00 or more</u>      | <u>0</u> | <u>0</u>       | <u>0</u> | <u>0</u> |

943 (c) The tax credit claimed by a resident taxpayer pursuant to this Code section shall be  
 944 deductible from the resident taxpayer's individual income tax liability, if any, for the tax  
 945 year in which it is properly claimed; provided, however, that in no event shall the total  
 946 amount of the tax credit under this Code section for a taxable year exceed the taxpayer's  
 947 income tax liability. Any unused credit amount shall not be allowed to be carried forward  
 948 to the taxpayer's succeeding years' tax liability. No such credit shall be allowed the  
 949 taxpayer against prior years' tax liability.

950 (d) All claims for a tax credit under this Code section, including any amended claims, must  
 951 be filed on or before the end of the twelfth month following the close of the taxable year  
 952 for which the credit may be claimed. Failure to comply with this subsection shall  
 953 constitute a waiver of the right to claim the credit.

954 ~~(e) Any individual who receives a food stamp allotment for all or any part of a taxable year~~  
 955 ~~shall not be entitled to claim a credit under this Code section for that taxable year.~~

956 ~~(e.1)~~ Any individual incarcerated or confined in any city, county, municipal, state, or  
 957 federal penal or correctional institution for all or any part of a taxable year shall not be  
 958 entitled to claim a credit under this Code section for that taxable year.

959 (f) The commissioner shall be authorized by rule and regulation to provide for the proper  
 960 administration of this Code section."

961

## PART II

962

### SECTION 2-1.

963 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 964 amended in Code Section 48-7-21, relating to taxation of corporations, by revising subsection  
 965 (a) as follows:

966 "(a)(1)(A) For any taxable year beginning prior to January 1, 2012, every Every  
 967 domestic corporation and every foreign corporation shall pay annually an income tax  
 968 equivalent to 6 percent of its Georgia taxable net income.

969 (B) For taxable years beginning on or after January 1, 2012, and prior to  
 970 January 1, 2013, every domestic corporation and every foreign corporation shall pay  
 971 annually an income tax equivalent to 5 percent of its Georgia taxable net income.

972 (C) For taxable years beginning on or after January 1, 2013, and prior to  
 973 January 1, 2014, every domestic corporation and every foreign corporation shall pay  
 974 annually an income tax equivalent to 4.5 percent of its Georgia taxable net income.

975 (D) For any taxable year beginning on or after January 1, 2014, every domestic  
 976 corporation and every foreign corporation shall pay annually an income tax equivalent  
 977 to 4 percent of its Georgia taxable net income.

978 (2) Georgia taxable net income of a corporation shall be the corporation's taxable income  
 979 from property owned or from business done in this state. A corporation's taxable income  
 980 from property owned or from business done in this state shall consist of the corporation's  
 981 taxable income as defined in the Internal Revenue Code of 1986, with the adjustments  
 982 provided for in subsection (b) of this Code section and allocated and apportioned as  
 983 provided in Code Section 48-7-31."

984 **SECTION 2-2.**

985 Said Title 48 is further amended by adding a new Code section to read as follows:

986 "48-7-27.1.

987 (a) This Code section shall not apply to all taxable years beginning on or after  
 988 January 1, 2012, and shall apply only to business income.

989 (b) Georgia taxable net income of an individual shall be the taxpayer's federal adjusted  
 990 gross income, as defined in the United States Internal Revenue Code of 1986, less:

991 (1) A portion of the qualified payments to minority subcontractors, as provided in Code  
 992 Section 48-7-38; and

993 (2) An amount equal to 100 percent of the premium paid by the taxpayer during the  
 994 taxable year for high deductible health plans as defined by Section 223 of the Internal  
 995 Revenue Code to the extent the deduction has not been included in federal adjusted gross  
 996 income, as defined under the Internal Revenue Code of 1986, and the expenses have not  
 997 been provided from a health reimbursement arrangement and have not been included in  
 998 itemized nonbusiness deductions."

999 **SECTION 2-3.**

1000 Said Title 48 is further amended by revising Code Section 48-7-28, relating to reciprocity,  
 1001 as follows:

1002 "48-7-28.

1003 (a) This Code section shall apply to all taxable years beginning on or after January 1, 2012,  
 1004 and shall apply only to business income.

1005 (b) A resident individual who has an established business in another state, has investment  
 1006 in property having a taxable situs in another state, or engages in employment in another  
 1007 state may deduct from the tax due upon the entire net income of the resident individual the

1008 tax paid upon the net income of the business, investment, or employment in another state  
 1009 when the business, investment, or employment is in a state that levies a tax upon net  
 1010 income. In no case shall the credit permitted under this Code section exceed the tax which  
 1011 would be payable to this state upon a like amount of taxable income."

#### 1012 SECTION 2-4.

1013 Said Title 48 is further amended by revising Code Section 48-7-28.2, relating to employer  
 1014 social security credits, as follows:

1015 "48-7-28.2.

1016 (a) As used in this Code section, the term 'employer social security credit' means the  
 1017 employer social security credit defined in Section 45B(a) of the Internal Revenue Code of  
 1018 1986, as amended.

1019 (b) This Code section shall apply to all taxable years beginning on or after January 1,  
 1020 2012, and shall apply only to business income.

1021 ~~(b)(c)~~ If an employer elects to take an employer social security credit pursuant to Section  
 1022 38 of the Internal Revenue Code of 1986, as amended, the employer, in calculating Georgia  
 1023 taxable net income, shall be allowed a deduction equal to the employer social security  
 1024 credit."

#### 1025 SECTION 2-5.

1026 Said Title 48 is further amended by revising subsection (d) of Code Section 48-7-31.1,  
 1027 relating to income allocation and proposal allocation, as follows:

1028 "(d) In evaluating proposals pursuant to subsection (a) of this Code section, the panel shall  
 1029 not determine that a proposal has significant beneficial economic effect on the region for  
 1030 which it is planned unless ~~two or more of the following criteria are met:~~

1031 ~~(1) The proposal creates new full-time jobs that meet the requirements contained in~~  
 1032 ~~Regulations 110-9-1-.01, 110-9-1-.02, and 110-9-1-.03 of the Department of Community~~  
 1033 ~~Affairs, relating to job tax credits, with average wages which are, as determined by the~~  
 1034 ~~Georgia Department of Labor for all jobs for the county in question:~~

1035 ~~(A) Twenty percent above such average wage for projects located in tier 1 counties;~~

1036 ~~(B) Ten percent above such average wage for projects located in tier 2 counties; or~~

1037 ~~(C) Five percent above such average wage for projects located in tier 3 or tier 4~~  
 1038 ~~counties;~~

1039 ~~(2) The project invests in qualified investment property, as defined in Regulation~~  
 1040 ~~560-7-8-.37 of the department, which is valued at over \$10 million in tier 1 counties, over~~  
 1041 ~~\$35 million in tier 2 counties, and over \$75 million in tier 3 or tier 4 counties. Past~~  
 1042 ~~investment will not be considered;~~

1043 ~~(3) The proposal creates a minimum of 50 new full-time jobs that meet the requirements~~  
 1044 ~~contained in Regulations 110-9-1-.01, 110-9-1-.02, and 110-9-1-.03 of the Department~~  
 1045 ~~of Community Affairs, relating to job tax credits, in a tier 1 county, 150 such jobs in a tier~~  
 1046 ~~2 county, or 300 such jobs in a tier 3 or tier 4 county; or~~

1047 ~~(4) The the proposal demonstrates high growth potential based upon the prior year's~~  
 1048 ~~Georgia net taxable income growth of over 20 percent from the previous year, if the~~  
 1049 ~~company's Georgia net taxable income in each of the two preceding years also grew by~~  
 1050 ~~20 percent or more."~~

#### 1051 SECTION 2-6.

1052 Said Title 48 is further amended by revising Code Section 48-7-38, relating to deductions for  
 1053 payments to minority subcontractors, as follows:

1054 "48-7-38.

1055 (a) As used in this Code section, the term:

1056 (1) 'Member of a minority' means an individual who is:

1057 (A) Black;

1058 (B) Hispanic;

1059 (C) Asian-Pacific American;

1060 (D) Native American; or

1061 (E) Asian-Indian American.

1062 (2) 'Minority subcontractor' means any business which is owned by:

1063 (A) An individual who is a member of a minority who reports as his or her personal  
 1064 income for Georgia income tax purposes the income of such business;

1065 (B) A partnership in which a majority of the ownership interest is owned by one or  
 1066 more members of a minority who report as their personal income for Georgia income  
 1067 tax purposes more than 50 percent of the income of the partnership; or

1068 (C) A corporation organized under the laws of this state in which a majority of the  
 1069 common stock is owned by one or more members of a minority who report as their  
 1070 personal income for Georgia income tax purposes more than 50 percent of the  
 1071 distributed earnings of the corporation.

1072 (3) 'State contract' means a contract for the purchase by the state of goods, property, or  
 1073 services or for the construction of any building or structure for the state, which contract  
 1074 is executed by any department, board, bureau, commission, or agency of state  
 1075 government, by any state authority, or by any officer, official, employee, or agent of any  
 1076 of the foregoing.

1077 (b) This Code section shall apply to all taxable years beginning on or after January 1,  
 1078 2012, and shall apply only to business income.

1079 ~~(b)~~(c) In computing Georgia taxable net income of a corporation, partnership, or  
 1080 individual, there shall be subtracted from federal taxable income or federal adjusted gross  
 1081 income 10 percent of the amount of qualified payments to minority subcontractors. A  
 1082 payment to a minority subcontractor shall be a qualified payment if:

1083 (1) The payment is for goods, personal property, or services furnished by the minority  
 1084 subcontractor to the taxpayer and delivered by the taxpayer to the state in furtherance of  
 1085 a state contract to which the taxpayer is a party; and the payment does not exceed the  
 1086 value of the goods, property, or services to the taxpayer;

1087 (2) The payment is made during the taxable year for which the subtraction from federal  
 1088 taxable income or federal adjusted gross income is claimed; and

1089 (3) The payment is made to a subcontractor who at the time of the payment is certified  
 1090 as a minority ~~contractor~~ subcontractor pursuant to subsection ~~(d)~~ (e) of this Code section.

1091 ~~(e)~~(d) The total amount which may be subtracted under this Code section from federal  
 1092 taxable income or federal adjusted gross income of any taxpayer shall be limited to  
 1093 \$100,000.00 per taxable year.

1094 ~~(d)~~(e) The commissioner of administrative services shall certify individuals, partnerships,  
 1095 and corporations which are within the definition of the term 'minority subcontractor'  
 1096 specified in subsection (a) of this Code section. The department may disclose to the  
 1097 commissioner of administrative services the income tax returns of taxpayers applying for  
 1098 certification as minority subcontractors. The commissioner of administrative services shall  
 1099 maintain and periodically revise a list of certified minority subcontractors and shall make  
 1100 such list available to the department and to the general public.

1101 ~~(e)~~(f) Any individual, partnership, or corporation certified pursuant to subsection ~~(d)~~ (e)  
 1102 of this Code section and any small business concern which is at least 51 percent owned by  
 1103 one or more minorities, or, in the case of a publicly owned business, at least 51 percent of  
 1104 all classes or types of the stock of which is owned by one or more minorities, whose  
 1105 management and daily business operations are controlled by one or more minorities, and  
 1106 which is authorized to do and is doing business under the laws of this state paying all taxes  
 1107 duly assessed and domiciled within this state shall be eligible for certification as a minority  
 1108 business enterprise under Code Section 50-5-132; and, for purposes of such certification  
 1109 pursuant to this subsection, 'minority' shall be defined as a member of a minority. Such  
 1110 certification shall be subject to the provisions of Code Section 50-5-133."

1111 **SECTION 2-7.**

1112 Said Title 48 is further amended by repealing Code Section 48-7-40, relating to tax credits  
 1113 for business enterprises in certain designated less developed areas.



1114 **SECTION 2-8.**

1115 Said Title 48 is further amended by repealing Code Section 48-7-40.1, relating to tax credits  
1116 for business enterprises in less developed areas.

1117 **SECTION 2-9.**

1118 Said Title 48 is further amended by repealing Code Section 48-7-40.2, relating to tax credits  
1119 for existing manufacturing and telecommunications facilities in tier 1 counties.

1120 **SECTION 2-10.**

1121 Said Title 48 is further amended by repealing Code Section 48-7-40.3, relating to tax credits  
1122 for existing manufacturing and telecommunications facilities in tier 2 counties.

1123 **SECTION 2-11.**

1124 Said Title 48 is further amended by repealing Code Section 48-7-40.4, relating to tax credits  
1125 for existing manufacturing and telecommunications facilities or manufacturing and  
1126 telecommunications support facilities in tier 3 or 4 counties.

1127 **SECTION 2-12.**

1128 Said Title 48 is further amended by repealing Code Section 48-7-40.5, relating to tax credits  
1129 for employers providing approved retraining programs.

1130 **SECTION 2-13.**

1131 Said Title 48 is further amended by repealing Code Section 48-7-40.6, relating to tax credits  
1132 for employers providing child care.

1133 **SECTION 2-14.**

1134 Said Title 48 is further amended by repealing Code Section 48-7-40.7, relating to optional  
1135 tax credits for existing manufacturing and telecommunications facilities in tier 1 counties.

1136 **SECTION 2-15.**

1137 Said Title 48 is further amended by repealing Code Section 48-7-40.8, relating to optional  
1138 tax credits for existing manufacturing and telecommunications facilities in tier 2 counties.

1139 **SECTION 2-16.**

1140 Said Title 48 is further amended by repealing Code Section 48-7-40.9, relating to optional  
1141 credits for existing manufacturing and telecommunications facilities or manufacturing and  
1142 telecommunications support facilities in tier 3 or 4 counties.

**SECTION 2-17.**

1143  
1144 Said Title 48 is further amended by repealing Code Section 48-7-40.10, relating to tax credits  
1145 for water conservation facilities and qualified water conservation investment property.

**SECTION 2-18.**

1146  
1147 Said Title 48 is further amended by repealing Code Section 48-7-40.11, relating to tax credits  
1148 for shifts from ground-water usage.

**SECTION 2-19.**

1149  
1150 Said Title 48 is further amended by repealing Code Section 48-7-40.12, relating to tax credits  
1151 for qualified research expenses.

**SECTION 2-20.**

1152  
1153 Said Title 48 is further amended by repealing Code Section 48-8-40.13 which is reserved.

**SECTION 2-21.**

1154  
1155 Said Title 48 is further amended by repealing Code Section 48-7-40.14, relating to  
1156 calculation of new full-time jobs for tax credit purposes.

**SECTION 2-22.**

1157  
1158 Said Title 48 is further amended by repealing Code Section 48-7-40.15, relating to alternative  
1159 tax credits for base year port traffic increases.

**SECTION 2-23.**

1160  
1161 Said Title 48 is further amended by repealing Code Section 48-7-40.15A, relating to  
1162 additional job tax credits based on increases in port traffic.

**SECTION 2-24.**

1163  
1164 Said Title 48 is further amended by repealing Code Section 48-7-40.16, relating to income  
1165 tax credits for low-emission vehicles.

**SECTION 2-25.**

1166  
1167 Said Title 48 is further amended by repealing Code Section 48-7-40.17, relating to tax credits  
1168 for establishing new quality jobs or relocating quality jobs.

**SECTION 2-26.**

1169  
1170 Said Title 48 is further amended by repealing Code Section 48-7-40.18, relating to tax credits  
1171 for establishing or relocating headquarters to this state.

**SECTION 2-27.**

1172  
1173 Said Title 48 is further amended by repealing Code Section 48-7-40.19, relating to tax credits  
1174 for diesel particulate emission reduction technology equipment.

**SECTION 2-28.**

1175  
1176 Said Title 48 is further amended by repealing Code Section 48-7-40.20, relating to tax credits  
1177 for manufacture of cigarettes for export.

**SECTION 2-29.**

1178  
1179 Said Title 48 is further amended by repealing Code Section 48-7-40.21, relating to tax credits  
1180 for business enterprises undergoing qualified expansion.

**SECTION 2-30.**

1181  
1182 Said Title 48 is further amended by repealing Code Section 48-7-40.22, relating to tax credits  
1183 for lease or purchase of vehicles for employee transportation.

**SECTION 2-31.**

1184  
1185 Said Title 48 is further amended by repealing Code Section 48-7-40.23, relating to election  
1186 of calendar year for basis of new job calculation for tax credits purposes.

**SECTION 2-32.**

1187  
1188 Said Title 48 is further amended by repealing Code Section 48-7-40.24, relating to conditions  
1189 for taking job tax credits by business enterprises.

**SECTION 2-33.**

1190  
1191 Said Title 48 is further amended by repealing Code Section 48-7-40.25, relating to conditions  
1192 for taking existing manufacturing facility tax credits by business enterprises.

**SECTION 2-34.**

1193  
1194 Said Title 48 is further amended by repealing Code Section 48-7-40.26, relating to tax credits  
1195 for film, video, or digital production.

**SECTION 2-35.**

1196  
1197 Said Title 48 is further amended by repealing Code Section 48-7-40.27, relating to tax credits  
1198 for qualified businesses.

**SECTION 2-36.**

1199  
 1200 Said Title 48 is further amended by repealing Code Section 48-7-40.28, relating to  
 1201 limitations on tax credits for qualified investment.

**SECTION 2-37.**

1202  
 1203 Said Title 48 is further amended by repealing Code Section 48-7-40.29, relating to tax credits  
 1204 for qualified equipment reducing business or domestic energy or water usage.

**SECTION 2-38.**

1205  
 1206 Said Title 48 is further amended by repealing Code Section 48-7-40.30, relating to tax credits  
 1207 for qualified business.

**SECTION 2-39.**

1208  
 1209 Said Title 48 is further amended by repealing Code Section 48-7-41, relating to tax credits  
 1210 for basic skills education programs.

**SECTION 2-40.**

1211  
 1212 Said Title 48 is further amended by repealing Code Section 48-7-42, relating to assignment  
 1213 of corporate income tax credits.

**PART III****SECTION 3-1.**

1214  
 1215  
 1216 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 1217 amended in Code Section 48-8-2, relating to definitions regarding sales and use tax, by  
 1218 adding a new subparagraph in paragraph (8), to read as follows:

1219 "(K.1) Provides any services described under Code Section 48-8-2.1;"

**SECTION 3-2.**

1220  
 1221 Said Title 48 is further amended in said Code section by adding a new subparagraph in  
 1222 paragraph (31), to read as follows:

1223 "(D.1) Sales of or charges made for any services enumerated in Code Section  
 1224 48-8-2.1;"

**SECTION 3-3.**

1225  
 1226 Said Title 48 is further amended by adding a new Code section to read as follows:

1227 "48-8-2.1.

- 1228 (a) Services provided for under subparagraph (D.1) of paragraph (31) of Code Section  
1229 48-8-2 means the following:
- 1230 (1) Clothing services, including:
- 1231 (A) Shoe repair and other shoe services;
  - 1232 (B) Repair, alteration, and tailoring for clothing and accessories;
  - 1233 (C) Watch or jewelry repair;
  - 1234 (D) Clothing storage; and
  - 1235 (E) Laundry and dry cleaning;
- 1236 (2) Household services, including:
- 1237 (A) Garbage and trash pickup;
  - 1238 (B) Septic cleaning;
  - 1239 (C) Water softening;
  - 1240 (D) Household appliance and equipment service contracts;
  - 1241 (E) Housekeeping services;
  - 1242 (F) Gardening or lawn care services, including, but not limited to, tree pruning and  
1243 removal;
  - 1244 (G) Household appliance and equipment repair;
  - 1245 (H) Other household services and small repair jobs around the house;
  - 1246 (I) Home security system service fees; and
  - 1247 (J) Installation charges for home electronics;
- 1248 (3) Membership services, including:
- 1249 (A) Global positioning services;
  - 1250 (B) Golf courses, country clubs, and other social organizations, health clubs,  
1251 swimming pools, and fitness and weight loss centers;
  - 1252 (C) Credit card membership fees;
  - 1253 (D) Shopping club membership; and
  - 1254 (E) Direct or online dating services;
- 1255 (4) Automotive maintenance, repair, and equipment installation services, including:
- 1256 (A) Tire purchases and mounting;
  - 1257 (B) Audio equipment and installation;
  - 1258 (C) Video equipment and installation;
  - 1259 (D) Body work and painting;
  - 1260 (E) Clutch or transmission work;
  - 1261 (F) Drive shaft or rear-end work;
  - 1262 (G) Brake work;
  - 1263 (H) Steering or front-end work;
  - 1264 (I) Engine cooling system work;
  - 1265 (J) Motor tune-up;

- 1266 (K) Oil change, lubrication, and oil filter;  
 1267 (L) Front-end alignment, wheel balancing, and wheel rotation;  
 1268 (M) Shock absorber replacement;  
 1269 (N) Battery purchase and installation, tire repair, miscellaneous repairs;  
 1270 (O) Exhaust system work;  
 1271 (P) Electrical system work;  
 1272 (Q) Engine repair or replacement;  
 1273 (R) Vehicle accessories and customization;  
 1274 (S) Vehicle cleaning and detailing services;  
 1275 (T) Auto repair service policies;  
 1276 (U) Towing charges; and  
 1277 (V) Automobile service clubs.
- 1278 (5) Residential moving, storage and freight express;  
 1279 (6) Professional photography fees;  
 1280 (7) Pet services, including, but not limited to, boarding, training, and grooming;  
 1281 (8) Veterinarian expenses for pets;  
 1282 (9) Haircuts, styling, coloring, and other related services; and  
 1283 (10) Safe deposit box rental.
- 1284 (b)(1) As used in this subsection, the term:
- 1285 (A) 'Digital code' means a code that gives a purchaser of the code a right to receive a  
 1286 digital product. A digital code may be obtained electronically or by tangible means.  
 1287 Such term shall not include a gift certificate or a gift card.
- 1288 (B) 'Digital product' means an intangible product delivered electronically, including  
 1289 any of the following specified digital products:
- 1290 (i) Ring tone which means a digitized sound file that is downloaded onto a device and  
 1291 that may be used to alert the customer with respect to communication;
- 1292 (ii) Digital audio-visual works which means a series of related images which, when  
 1293 shown in succession, impart an impression of motion, together with accompanying  
 1294 sounds, if any;
- 1295 (iii) Digital audio works which means works that result from the fixation of a series  
 1296 of musical, spoken, or other sounds, including ring tones; or
- 1297 (iv) Digital books which means works that are generally recognized in the ordinary  
 1298 and usual sense as books.
- 1299 (2) Sales and use tax under subparagraph (D.1) of paragraph (31) of Code Section 48-8-2  
 1300 shall be applied to the sale or use of either a digital product or a digital code used to  
 1301 obtain a digital product."

1302

**SECTION 3-4.**

1303 Said Title 48 is further amended by revising Code Section 48-8-3, relating to exemptions  
 1304 from sales and use tax, as follows:

1305 "48-8-3.

1306 The sales and use taxes levied or imposed by this article shall not apply to:

1307 (1) Sales to the United States government, this state, any county or municipality of this  
 1308 state, or any bona fide department of such governments when paid for directly to the  
 1309 seller by warrant on appropriated government funds;

1310 (2) Transactions in which tangible personal property is furnished by the United States  
 1311 government or by a county or municipality of this state to any person who contracts to  
 1312 perform services for the governmental entity for the installation, repair, or extension of  
 1313 any public water, gas, or sewage system of the governmental entity when the tangible  
 1314 personal property is installed for general distribution purposes, notwithstanding Code  
 1315 Section 48-8-63 or any other provision of this article. No exemption is granted with  
 1316 respect to tangible personal property installed to serve a particular property site;

1317 (3) The federal retailers' excise tax if the tax is billed to the consumer separately from  
 1318 the selling price of the product or from the tax imposed by Article 1 of Chapter 9 of this  
 1319 title relating to motor fuel taxes;

1320 (4) Sales by counties and municipalities arising out of their operation of any public  
 1321 transit facility and sales by public transit authorities or charges by counties,  
 1322 municipalities, or public transit authorities for the transportation of passengers upon their  
 1323 conveyances; This paragraph shall stand repealed in its entirety on July 1, 2011;

1324 (5)(A) Fares and charges, except charges for charter and sightseeing service, collected  
 1325 by an urban transit system for the transportation of passengers.

1326 (B) As used in this paragraph, the term:

1327 (i) 'Public transit system primarily urban in character' shall include a transit system  
 1328 operated by any entity which provides passenger transportation services by means of  
 1329 motor vehicles having passenger-carrying capacity within or between standard  
 1330 metropolitan areas and urban areas, as those terms are defined in Code  
 1331 Section 32-2-3, of this state.

1332 (ii) 'Urban transit system' means a public transit system primarily urban in character  
 1333 which is operated by a street railroad company or a motor common carrier, is subject  
 1334 to the jurisdiction of the Public Service Commission, and whose fares and charges are  
 1335 regulated by the Public Service Commission, or is operated pursuant to a franchise  
 1336 contract with a municipality of this state so that its fares and charges are regulated by  
 1337 or are subject to the approval of the municipality. An urban transit system certificate  
 1338 shall be issued by the Public Service Commission, or by the municipality which has  
 1339 regulatory authority, upon an affirmative showing that the applicant operates an urban  
 1340 transit system. The certificate shall be obtained and filed with the commissioner and

1341 shall continue in effect so long as the holder of such certificate qualifies as an urban  
 1342 transit system. Any urban transit system certificate granted prior to January 1, 2002,  
 1343 shall be deemed valid as of the date it was issued;.

1344 (C) This paragraph shall stand repealed in its entirety on July 1, 2011;

1345 (6) Sales to any hospital authority created by Article 4 of Chapter 7 of Title 31. This  
 1346 paragraph shall stand repealed in its entirety on July 1, 2011;

1347 (6.1) Sales to any housing authority created by Article 1 of Chapter 3 of Title 8, the  
 1348 'Housing Authorities Law.' This paragraph shall stand repealed in its entirety on July 1,  
 1349 2011;

1350 (6.2) Sales to any local government authority created on or after January 1, 1980, by  
 1351 local law, which authority has as its principal purpose or one of its principal purposes the  
 1352 construction, ownership, or operation of a coliseum and related facilities to be used for  
 1353 athletic contests, games, meetings, trade fairs, expositions, political conventions,  
 1354 agricultural events, theatrical and musical performances, conventions, or other public  
 1355 entertainments or any combination of such purposes. This paragraph shall stand repealed  
 1356 in its entirety on July 1, 2011;

1357 (6.3) Sales to any agricultural commodities commission created by and regulated  
 1358 pursuant to Chapter 8 of Title 2;

1359 (7) Sales of tangible personal property and services to a nonprofit licensed nursing home,  
 1360 nonprofit licensed in-patient hospice, or a nonprofit general or mental hospital used  
 1361 exclusively by such nursing home, in-patient hospice, or hospital in performing a general  
 1362 nursing home, in-patient hospice, hospital, or mental hospital treatment function in this  
 1363 state when such nursing home, in-patient hospice, or hospital is a tax exempt organization  
 1364 under the Internal Revenue Code and obtains an exemption determination letter from the  
 1365 commissioner. This paragraph shall stand repealed in its entirety on July 1, 2012;

1366 ~~(7.05)(A) For the period commencing on July 1, 2008, and ending on June 30, 2010,~~  
 1367 ~~sales of tangible personal property to a nonprofit health center in this state which has~~  
 1368 ~~been established under the authority of and is receiving funds pursuant to the United~~  
 1369 ~~States Public Health Service Act, 42 U. S. C. Section 254b if such health clinic obtains~~  
 1370 ~~an exemption determination letter from the commissioner.~~

1371 ~~(B)(i) For the purposes of this paragraph, the term 'local sales and use tax' shall mean~~  
 1372 ~~any sales tax, use tax, or local sales and use tax which is levied and imposed in an~~  
 1373 ~~area consisting of less than the entire state, however authorized, including, but not~~  
 1374 ~~limited to, such taxes authorized by or pursuant to constitutional amendment; by or~~  
 1375 ~~pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as~~  
 1376 ~~amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or~~  
 1377 ~~pursuant to Article 2, 2A, 3, or 4 of this chapter.~~



1378 (ii) ~~The exemption provided for in subparagraph (A) of this paragraph shall not apply~~  
 1379 ~~to any local sales and use tax levied or imposed at any time.~~

1380 (7.1) Sales of tangible personal property and services to a nonprofit organization, the  
 1381 primary function of which is the provision of services to mentally retarded persons, when  
 1382 such organization is a tax exempt organization under the Internal Revenue Code and  
 1383 obtains an exemption determination letter from the commissioner. This paragraph shall  
 1384 stand repealed in its entirety on July 1, 2012;

1385 (7.2) Sales of tangible personal property or services to any chapter of the Georgia State  
 1386 Society of the Daughters of the American Revolution which is tax exempt under Section  
 1387 501(c)(3) of the Internal Revenue Code and obtains an exemption determination letter  
 1388 from the commissioner. This paragraph shall stand repealed in its entirety on July 1,  
 1389 2014;

1390 ~~(7.3) For the period commencing July 1, 2008, and ending June 30, 2010, sales of~~  
 1391 ~~tangible personal property and services to a nonprofit volunteer health clinic which~~  
 1392 ~~primarily treats indigent persons with incomes below 200 percent of the federal poverty~~  
 1393 ~~level and which property and services are used exclusively by such volunteer health clinic~~  
 1394 ~~in performing a general treatment function in this state when such volunteer health clinic~~  
 1395 ~~is a tax exempt organization under the Internal Revenue Code and obtains an exemption~~  
 1396 ~~determination letter from the commissioner;~~

1397 (8) Sales of tangible personal property and services to the University System of Georgia  
 1398 and its educational units. This paragraph shall stand repealed in its entirety on July 1,  
 1399 2013;

1400 (9) Sales of tangible personal property and services to be used exclusively for  
 1401 educational purposes by those private colleges and universities in this state whose  
 1402 academic credits are accepted as equivalents by the University System of Georgia and its  
 1403 educational units. This paragraph shall stand repealed in its entirety on July 1, 2013;

1404 (10) Sales of tangible personal property and services to be used exclusively for  
 1405 educational purposes by those bona fide private elementary and secondary schools which  
 1406 have been approved by the commissioner as organizations eligible to receive tax  
 1407 deductible contributions if application for exemption is made to the department and proof  
 1408 of the exemption is established. This paragraph shall stand repealed in its entirety on  
 1409 July 1, 2013;

1410 (11) Sales of tangible personal property or services to, and the purchase of tangible  
 1411 personal property or services by, any educational or cultural institute which:

- 1412 (A) Is tax exempt under Section 501(c)(3) of the Internal Revenue Code;
- 1413 (B) Furnishes at least 50 percent of its programs through universities and other
- 1414 institutions of higher education in support of their educational programs;
- 1415 (C) Is paid for by government funds of a foreign country; and

1416 (D) Is an instrumentality, agency, department, or branch of a foreign government  
 1417 operating through a permanent location in this state.

1418 This paragraph shall stand repealed in its entirety on July 1, 2014;

1419 (12) School lunches sold and served to pupils and employees of public schools. This  
 1420 paragraph shall stand repealed in its entirety on July 1, 2013;

1421 (13) Sales of prepared food and food and food ingredients consumed by pupils and  
 1422 employees of bona fide private elementary and secondary schools which have been  
 1423 approved by the commissioner as organizations eligible to receive tax deductible  
 1424 contributions when application for exemption is made to the department and proof of the  
 1425 exemption is established. This paragraph shall stand repealed in its entirety on July 1,  
 1426 2013;

1427 (14) Sales of objects of art and of anthropological, archeological, geological,  
 1428 horticultural, or zoological objects or artifacts and other similar tangible personal  
 1429 property to or for the use by any museum or organization which is tax exempt under  
 1430 Section 501(c)(3) of the Internal Revenue Code of such tangible personal property for  
 1431 display or exhibition in a museum within this state when the museum is open to the  
 1432 public and has been approved by the commissioner as an organization eligible to receive  
 1433 tax deductible contributions. This paragraph shall stand repealed in its entirety on  
 1434 July 1, 2014;

1435 (15) Sales:

1436 (A) Of any religious paper in this state when the paper is owned and operated by  
 1437 religious institutions or denominations and no part of the net profit from the operation  
 1438 of the institution or denomination inures to the benefit of any private person;

1439 (B) By religious institutions or denominations when:

1440 (i) The sale results from a specific charitable fundraising activity;

1441 (ii) The number of days upon which the fundraising activity occurs does not exceed  
 1442 30 in any calendar year;

1443 (iii) No part of the gross sales or net profits from the sales inures to the benefit of any  
 1444 private person; and

1445 (iv) The gross sales or net profits from the sales are used for the purely charitable  
 1446 purposes of:

1447 (I) Relief to the aged;

1448 (II) Church related youth activities;

1449 (III) Religious instruction or worship; or

1450 (IV) Construction or repair of church buildings or facilities.

1451 This paragraph shall stand repealed in its entirety on July 1, 2014;

- 1452 ~~(15.1)~~(16) Sales of pipe organs or steeple bells to any church which is qualified as an  
 1453 exempt religious organization under Section 501(c)(3) of the Internal Revenue Code of  
 1454 1986, as amended. This paragraph shall stand repealed in its entirety on July 1, 2014;  
 1455 ~~(16) The sale or use of Holy Bibles, testaments, and similar books commonly recognized~~  
 1456 ~~as being Holy Scripture regardless of by or to whom sold;~~  
 1457 (17) The sale of fuel and supplies for use or consumption aboard ships plying the high  
 1458 seas either in intercoastal trade between ports in this state and ports in other states of the  
 1459 United States or its possessions or in foreign commerce between ports in this state and  
 1460 ports of foreign countries;  
 1461 (18) Charges made for the transportation of tangible personal property including, but not  
 1462 limited to, charges for accessorial services such as refrigeration, switching, storage, and  
 1463 demurrage made in connection with interstate and intrastate transportation of the  
 1464 property;  
 1465 (19) All tangible personal property purchased outside of this state by persons who at the  
 1466 time of purchase are not domiciled in this state but who subsequently become domiciled  
 1467 in this state and bring the property into this state for the first time as a result of the change  
 1468 of domicile, if the property is not brought into this state for use in a trade, business, or  
 1469 profession;  
 1470 (20) The sale of water delivered to consumers through water mains, lines, or pipes. This  
 1471 paragraph shall stand repealed in its entirety on July 1, 2011;  
 1472 (21) Sales, transfers, or exchanges of tangible personal property made as a result of a  
 1473 business reorganization when the owners, partners, or stockholders of the business being  
 1474 reorganized maintain the same proportionate interest or share in the newly formed  
 1475 business reorganization;  
 1476 (22) Professional; or insurance; ~~or personal~~ service transactions which involve sales as  
 1477 inconsequential elements for which no separate charges are made;  
 1478 (23) Fees or charges for services rendered by repairmen for which a separate charge is  
 1479 made. This paragraph shall stand repealed in its entirety on January 1, 2012;  
 1480 (24) The rental of videotape or motion picture film to any person who charges an  
 1481 admission fee to view such film or videotape;  
 1482 (25) The sale of seed; fertilizers; insecticides; fungicides; rodenticides; herbicides;  
 1483 defoliants; soil fumigants; plant growth regulating chemicals; desiccants including, but  
 1484 not limited to, shavings and sawdust from wood, peanut hulls, fuller's earth, straw, and  
 1485 hay; and feed for livestock, fish, or poultry when used either directly in tilling the soil or  
 1486 in animal, fish, or poultry husbandry. This paragraph shall stand repealed in its entirety  
 1487 on January 1, 2012;  
 1488 (26) The sale to persons engaged primarily in producing farm crops for sale of  
 1489 machinery and equipment which is used exclusively for irrigation of farm crops

1490 including, but not limited to, fruit, vegetable, and nut crops. This paragraph shall stand  
1491 repealed in its entirety on January 1, 2012;

1492 (27) The sale of sugar used as food for honeybees kept for the commercial production  
1493 of honey, beeswax, and honeybees when the commissioner's prior approval is obtained.  
1494 This paragraph shall stand repealed in its entirety on January 1, 2012;

1495 (28) The sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding  
1496 purposes. This paragraph shall stand repealed in its entirety on January 1, 2012;

1497 (29) The sale of the following types of agricultural machinery:

1498 (A) Machinery and equipment for use on a farm in the production of poultry and eggs  
1499 for sale;

1500 (B) Machinery and equipment used in the hatching and breeding of poultry and the  
1501 breeding of livestock;

1502 (C) Machinery and equipment for use on a farm in the production, processing, and  
1503 storage of fluid milk for sale;

1504 (D) Machinery and equipment for use on a farm in the production of livestock for sale;

1505 (E) Machinery and equipment which is used by a producer of poultry, eggs, fluid milk,  
1506 or livestock for sale for the purpose of harvesting farm crops to be used on the farm by  
1507 that producer as feed for poultry or livestock;

1508 (F) Machinery which is used directly in tilling the soil or in animal husbandry when  
1509 the machinery is incorporated for the first time into a new farm unit engaged in tilling  
1510 the soil or in animal husbandry in this state;

1511 (G) Machinery which is used directly in tilling the soil or in animal husbandry when  
1512 the machinery is incorporated as additional machinery for the first time into an existing  
1513 farm unit already engaged in tilling the soil or in animal husbandry in this state;

1514 (H) Machinery which is used directly in tilling the soil or in animal husbandry when  
1515 the machinery is bought to replace machinery in an existing farm unit already engaged  
1516 in tilling the soil or in animal husbandry in this state;

1517 (I) Rubber-tired farm tractors and attachments to the tractors which are sold to persons  
1518 engaged primarily in producing farm crops for sale and which are used exclusively in  
1519 tilling, planting, cultivating, and harvesting farm crops, and equipment used exclusively  
1520 in harvesting farm crops or in processing onion crops which are sold to persons  
1521 engaged primarily in producing farm crops for sale. For the purposes of this  
1522 subparagraph, the term 'farm crops' includes only those crops which are planted and  
1523 harvested within a 12 month period; and

1524 (J) Pecan sprayers, pecan shakers, and other equipment used in harvesting pecans  
1525 which is sold to persons engaged in the growing, harvesting, and production of pecans;

1526 This paragraph shall stand repealed in its entirety on January 1, 2012;

1527 ~~(29.1)~~(30) The sale or use of any off-road equipment and related attachments which are  
 1528 sold to or used by persons engaged primarily in the growing or harvesting of timber and  
 1529 which are used exclusively in site preparation, planting, cultivating, or harvesting timber.  
 1530 Equipment used in harvesting shall include all off-road equipment and related  
 1531 attachments used in every forestry procedure starting with the severing of a tree from the  
 1532 ground until and including the point at which the tree or its parts in any form has been  
 1533 loaded in the field in or on a truck or other vehicle for transport to the place of use. Such  
 1534 off-road equipment shall include, but not be limited to, skidders, feller bunchers,  
 1535 debarkers, delimiters, chip harvesters, tub-grinders, woods cutters, chippers of all types,  
 1536 loaders of all types, dozers, and motor graders and the related attachments. This  
 1537 paragraph shall stand repealed in its entirety on January 1, 2012;

1538 ~~(30)~~(31) The sale of a vehicle to a service-connected disabled veteran when the veteran  
 1539 received a grant from the United States Department of Veterans Affairs to purchase and  
 1540 specially adapt the vehicle to his disability. This paragraph shall stand repealed in its  
 1541 entirety on July 1, 2012;

1542 ~~(31)~~(32) The sale of tangible personal property manufactured ~~or assembled~~ in this state  
 1543 for export when delivery is taken outside this state;

1544 ~~(32)~~(33) Aircraft, watercraft, motor vehicles, and other transportation equipment  
 1545 manufactured ~~or assembled~~ in this state when sold by the manufacturer ~~or assembler~~ for  
 1546 use exclusively outside this state and when possession is taken from the manufacturer ~~or~~  
 1547 ~~assembler~~ by the purchaser within this state for the sole purpose of removing the property  
 1548 from this state under its own power when the equipment does not lend itself more  
 1549 reasonably to removal by other means;

1550 ~~(33)(A)~~(34)(A) The sale of aircraft, watercraft, railroad locomotives and rolling stock,  
 1551 motor vehicles, and major components of each, which will be used principally to cross  
 1552 the borders of this state in the service of transporting passengers or cargo by common  
 1553 carriers and by carriers who hold common carrier and contract carrier authority in  
 1554 interstate or foreign commerce under authority granted by the United States  
 1555 government. Replacement parts installed by carriers in such aircraft, watercraft,  
 1556 railroad locomotives and rolling stock, and motor vehicles which become an integral  
 1557 part of the craft, equipment, or vehicle shall also be exempt from all taxes under this  
 1558 article;

1559 (B) In lieu of any tax under this article which would apply to the purchase, sale, use,  
 1560 storage, or consumption of the tangible personal property described in this paragraph  
 1561 but for this exemption, the tax under this article shall apply with respect to all fuel  
 1562 purchased and delivered within this state by or to any common carrier and with respect  
 1563 to all fuel purchased outside this state and stored in this state irrespective, in either case,  
 1564 of the place of its subsequent use;

1565 ~~(33.1)(A)~~(35)(A) The sale or use of jet fuel to or by a qualifying airline at a qualifying  
 1566 airport, to the extent provided in subparagraphs (B), (C), and (D) of this paragraph.

1567 (B) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall  
 1568 be exempt from the first 1.80 percent of the 4 percent state sales and use tax imposed  
 1569 by this chapter and shall be subject to the remaining 2.20 percent of the 4 percent state  
 1570 sales and use tax imposed by this chapter.

1571 (C) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall  
 1572 also be exempt from the sales or use tax levied and imposed as authorized pursuant to  
 1573 Part 1 of Article 3 of this chapter.

1574 (D) Except as provided for in subparagraph (C) of this paragraph, this exemption shall  
 1575 not apply to any other local sales and use tax levied or imposed at ~~anytime~~ any time in  
 1576 any area consisting of less than the entire state, however authorized, including, but not  
 1577 limited to, such taxes authorized by or pursuant to Section 25 of an Act approved  
 1578 March 10, 1965 (Ga. L. 1965, p. 2243), as amended, the 'Metropolitan Atlanta Rapid  
 1579 Transit Authority Act of 1965,' or such taxes as authorized by or pursuant to Part 2 of  
 1580 Article 3 or Article 2, 2A, or 4 of this chapter.

1581 (E) For purposes of this paragraph, a 'qualifying airline' shall mean any person which  
 1582 is authorized by the Federal Aviation Administration or appropriate agency of the  
 1583 United States to operate as an air carrier under an air carrier operating certificate and  
 1584 which provides regularly scheduled flights for the transportation of passengers or cargo  
 1585 for hire.

1586 (F) For purposes of this paragraph, a 'qualifying airport' shall mean any airport in the  
 1587 state that has had more than 750,000 takeoffs and landings during a calendar year.

1588 (G) The commissioner shall adopt rules and regulations to carry out the provisions of  
 1589 this paragraph.

1590 (H) The exemption provided for in this paragraph shall apply only as to transactions  
 1591 occurring on or after July 1, 2009, and prior to July 1, ~~2014~~ 2014. This paragraph shall  
 1592 stand repealed in its entirety on July 1, 2014;

1593 ~~(34)~~(36) The sale of the following types of manufacturing machinery:

1594 (A) Machinery or equipment which is necessary and integral to the manufacture of  
 1595 tangible personal property when the machinery or equipment is bought to replace or  
 1596 upgrade machinery or equipment in a manufacturing plant presently existing in this  
 1597 state and machinery or equipment components which are purchased to upgrade  
 1598 machinery or equipment which is necessary and integral to the manufacture of tangible  
 1599 personal property in a manufacturing plant;

1600 (B) Machinery or equipment which is necessary and integral to the manufacture of  
 1601 tangible personal property when the machinery or equipment is used for the first time  
 1602 in a new manufacturing plant located in this state;

1603 (C) Machinery or equipment which is necessary and integral to the manufacture of  
 1604 tangible personal property when the machinery or equipment is used as additional  
 1605 machinery or equipment for the first time in a manufacturing plant presently existing  
 1606 in this state; and

1607 (D) Any person making a sale of machinery or equipment for the purpose specified in  
 1608 subparagraph (B) of this paragraph shall collect the tax imposed on the sale by this  
 1609 article unless the purchaser furnishes him with a certificate issued by the commissioner  
 1610 certifying that the purchaser is entitled to purchase the machinery or equipment without  
 1611 paying the tax. As a condition precedent to the issuance of the certificate, the  
 1612 commissioner, at the commissioner's discretion, may require a good and valid bond  
 1613 with a surety company authorized to do business in this state as surety or may require  
 1614 legal securities, in an amount fixed by the commissioner, conditioned upon payment by  
 1615 the purchaser of all taxes due under this article in the event it should be determined that  
 1616 the sale fails to meet the requirements of this subparagraph;.

1617 This paragraph shall stand repealed in its entirety on July 1, 2011;

1618 ~~(34.1)(A)(37)(A)~~ The sale of primary material handling equipment which is used for  
 1619 the handling and movement of tangible personal property and racking systems used for  
 1620 the conveyance and storage of tangible personal property in a warehouse or distribution  
 1621 facility located in this state when such equipment is either part of an expansion worth  
 1622 \$5 million or more of an existing warehouse or distribution facility or part of the  
 1623 construction of a new warehouse or distribution facility where the total value of all real  
 1624 and personal property purchased or acquired by the taxpayer for use in the warehouse  
 1625 or distribution facility is worth \$5 million or more.

1626 (B) In order to qualify for the exemption provided for in subparagraph (A) of this  
 1627 paragraph, a warehouse or distribution facility may not make retail sales from such  
 1628 facility to the general public if the total of the retail sales equals or exceeds 15 percent  
 1629 of the total revenues of the warehouse or distribution facility. If retail sales are made  
 1630 to the general public by a warehouse or distribution facility and at any time the total of  
 1631 the retail sales equals or exceeds 15 percent of the total revenues of the facility, the  
 1632 taxpayer will be disqualified from receiving such exemption as of the date such 15  
 1633 percent limitation is met or exceeded. The taxpayer may be required to repay any tax  
 1634 benefits received under subparagraph (A) of this paragraph on or after that date plus  
 1635 penalty and interest as may be allowed by law;

1636 ~~(34.2)(A)(38)(A)~~ The sale or use of machinery or equipment, or both, which is used  
 1637 in the remanufacture of aircraft engines or aircraft engine parts or components in a  
 1638 remanufacturing facility located in this state. For purposes of this paragraph,  
 1639 'remanufacture of aircraft engines or aircraft engine parts or components' means the

1640 substantial overhauling or rebuilding of aircraft engines or aircraft engine parts or  
1641 components.

1642 (B) Any person making a sale of machinery or equipment, or both, for the  
1643 remanufacture of aircraft engines or aircraft engine parts or components shall collect  
1644 the tax imposed on the sale by this article unless the purchaser furnishes a certificate  
1645 issued by the commissioner certifying that the purchaser is entitled to purchase the  
1646 machinery or equipment without paying the tax;

1647 ~~(34.3)(A)(39)(A)~~ The sale or use of repair or replacement parts, machinery clothing or  
1648 replacement machinery clothing, molds or replacement molds, dies or replacement dies,  
1649 waxes, and tooling or replacement tooling for machinery which is necessary and  
1650 integral to the manufacture of tangible personal property in a manufacturing plant  
1651 presently existing in this state.

1652 (B) The commissioner shall promulgate rules and regulations to implement and  
1653 administer this paragraph.

1654 (C) This paragraph shall stand repealed in its entirety on July 1, 2011;

1655 ~~(34.4)(A)(40)(A)~~ Notwithstanding any provision of Code Section 48-8-63 to the  
1656 contrary, sales of tangible personal property to, or used in or for the construction of, an  
1657 alternative fuel facility primarily dedicated to the production and processing of ethanol,  
1658 biodiesel, butanol, and their by-products, when such fuels are derived from biomass  
1659 materials such as agricultural products, or from animal fats, or the wastes of such  
1660 products or fats.

1661 (B) As used in this paragraph, the term:

1662 (i) 'Alternative fuel facility' means any facility located in this state which is primarily  
1663 dedicated to the production and processing of ethanol, biodiesel, butanol, and their  
1664 by-products for sale.

1665 (ii) 'Used in or for the construction' means any tangible personal property  
1666 incorporated into a new alternative fuel facility that loses its character of tangible  
1667 personal property. Such term does not mean tangible personal property that is  
1668 temporary in nature, leased or rented, tools, or other items not incorporated into the  
1669 facility.

1670 (C) Any person making a sale of tangible personal property for the purpose specified  
1671 in this paragraph shall collect the tax imposed on this sale unless the purchaser  
1672 furnishes an exemption certificate issued by the commissioner certifying that the  
1673 purchaser is entitled to purchase the tangible personal property without payment of tax.

1674 (D) Any corporation, partnership, limited liability company, or any other entity or  
1675 person that qualifies for this exemption must conduct at least a majority of its business  
1676 with entities or persons with which it has no affiliation.



1677 (E) The exemption provided for under subparagraph (A) of this paragraph shall not  
 1678 apply to sales of tangible personal property that occur after the production and  
 1679 processing of biodiesel, ethanol, butanol, and their by-products has begun at the  
 1680 alternative fuel facility.

1681 (F) The exemption provided for under subparagraph (A) of this paragraph shall apply  
 1682 only to sales occurring during the period July 1, 2007, through June 30, 2012.

1683 (G) The commissioner shall promulgate any rules and regulations necessary to  
 1684 implement and administer this paragraph.

1685 (H) This paragraph shall stand repealed in its entirety on July 1, 2012;

1686 ~~(35)(A)(41)(A)~~ The sale, use, storage, or consumption of:

1687 (i) Industrial materials for future processing, manufacture, or conversion into articles  
 1688 of tangible personal property for resale when the industrial materials become a  
 1689 component part of the finished product;

1690 (ii) Industrial materials other than machinery and machinery repair parts that are  
 1691 coated upon or impregnated into the product at any stage of its processing,  
 1692 manufacture, or conversion; or

1693 (iii) Materials, containers, labels, sacks, or bags used for packaging tangible personal  
 1694 property for shipment or sale. To qualify for the packaging exemption, the items shall  
 1695 be used solely for packaging and shall not be purchased for reuse;

1696 (B) As used in this paragraph, the term 'industrial materials' does not include natural  
 1697 or artificial gas, oil, gasoline, electricity, solid fuel, ice, or other materials used for heat,  
 1698 light, power, or refrigeration in any phase of the manufacturing, processing, or  
 1699 converting process;

1700 (C) This paragraph shall stand repealed in its entirety on July 1, 2011;

1701 ~~(36)(A)(42)(A)~~ The sale of machinery and equipment and any repair, replacement, or  
 1702 component parts for such machinery and equipment which is used for the primary  
 1703 purpose of reducing or eliminating air or water pollution;

1704 (B) Any person making a sale of machinery and equipment or repair, replacement, or  
 1705 component parts for such machinery and equipment for the purposes specified in this  
 1706 paragraph shall collect the tax imposed on the sale by this article unless the purchaser  
 1707 furnishes him with a certificate issued by the commissioner certifying that the purchaser  
 1708 is entitled to purchase the machinery and equipment or repair, replacement, or  
 1709 component parts for such machinery and equipment without paying the tax.

1710 (C) This paragraph shall stand repealed in its entirety on July 1, 2014;

1711 ~~(36.1)(A)(43)(A)~~ The sale of machinery and equipment which is incorporated into any  
 1712 qualified water conservation facility and used for water conservation.

1713 (B) As used in this paragraph, the term:

1714 (i) 'Qualified water conservation facility' means any facility, including buildings, and  
 1715 any machinery and equipment used in the water conservation process resulting in a  
 1716 minimum 10 percent reduction in permit by relinquishment or transfer of annual  
 1717 permitted water usage from existing permitted ground-water sources. In addition,  
 1718 such facility shall have been certified pursuant to rules and regulations promulgated  
 1719 by the Department of Natural Resources as necessary to promote its ground-water  
 1720 management efforts for areas with a multiyear record of consumption at, near, or  
 1721 above sustainable use signaled by declines in ground-water pressure, threats of  
 1722 salt-water intrusion, need to develop alternate sources to accommodate economic  
 1723 growth and development, or any other indication of growing inadequacy of the  
 1724 existing resource.

1725 (ii) 'Water conservation' means a minimum 10 percent reduction resulting in the  
 1726 relinquishment of transfer of annual permitted water usage from existing  
 1727 ground-water sources due to increased manufacturing process efficiencies or  
 1728 recycling of manufacturing process water which results in reduced ground-water  
 1729 usage, or a change from a ground-water source to a surface-water source or an  
 1730 alternate source.

1731 (C) Any person making a sale of machinery and equipment for the purposes specified  
 1732 in this paragraph shall collect the tax imposed on this sale unless the purchaser  
 1733 furnishes such person with a certificate issued by the commissioner certifying that the  
 1734 purchaser is entitled to purchase the machinery and equipment without paying the tax.

1735 (D) This paragraph shall stand repealed in its entirety on July 1, 2014;

1736 ~~(37)~~(44) The sale of machinery and equipment for use in combating air and water  
 1737 pollution and any industrial material bought for further processing in the manufacture of  
 1738 tangible personal property for sale or any part of the industrial material or by-product  
 1739 thereof which becomes a wasteful product contributing to pollution problems and which  
 1740 is used up in a recycling or burning process. Any person making a sale of machinery and  
 1741 equipment for the purposes specified in this paragraph shall collect a tax imposed on the  
 1742 sale by this article unless the purchaser furnishes the person making the sale with a  
 1743 certificate issued by the commissioner certifying that the purchaser is entitled to purchase  
 1744 the machinery, equipment, or industrial material without paying the tax. This paragraph  
 1745 shall stand repealed in its entirety on July 1, 2011;

1746 ~~(38)~~(45) Sales of tangible personal property and fees and charges for services by the  
 1747 Rock Eagle 4-H Center. This paragraph shall stand repealed in its entirety on July 1,  
 1748 2013;

1749 ~~(39)~~(46) Sales by any public or private school containing any combination of grades  
 1750 kindergarten through 12 of tangible personal property, concessions, or tickets for  
 1751 admission to a school event or function, provided that the net proceeds from such sales

1752 are used solely for the benefit of such public or private school or its students. This  
 1753 paragraph shall stand repealed in its entirety on July 1, 2013;

1754 ~~(39.1)(47)~~ The use of cargo containers and their related chassis which are owned by or  
 1755 leased to persons engaged in the international shipment of cargo by ocean-going vessels  
 1756 which containers and chassis are directly used for the storage and shipment of tangible  
 1757 personal property in or through this state in intrastate or interstate commerce;

1758 ~~(40)(48)~~ The sale of major components and repair parts installed in military craft,  
 1759 vehicles, and missiles;

1760 ~~(41)(A)(49)(A)~~ Sales of tangible personal property and services to a child-caring  
 1761 institution as defined in paragraph (1) of Code Section 49-5-3, as amended; a  
 1762 child-placing agency as defined in paragraph (2) of Code Section 49-5-3, as amended;  
 1763 or a maternity home as defined in paragraph (14) of Code Section 49-5-3, as amended,  
 1764 when such institution, agency, or home is engaged primarily in providing child services  
 1765 and is a nonprofit, tax-exempt organization under Section 501(c)(3) of the Internal  
 1766 Revenue Code and obtains an exemption determination letter from the commissioner.;  
 1767 and

1768 (B) Sales by an institution, agency, or home as described in subparagraph (A) of this  
 1769 paragraph when:

1770 (i) The sale results from a specific charitable fundraising activity;

1771 (ii) The number of days upon which the fundraising activity occurs does not exceed  
 1772 30 in any calendar year;

1773 (iii) No part of the gross sales or net profits from the sales inures to the benefit of any  
 1774 private person; and

1775 (iv) The gross sales or net profits from the sales are used purely for charitable  
 1776 purposes in providing child services.

1777 (C) This paragraph shall stand repealed in its entirety on July 1, 2014;

1778 ~~(42)(50)~~ The use by, or lease or rental of tangible personal property to, a person who  
 1779 acquires the property from another person where both persons are under 100 percent  
 1780 common ownership and where the person who furnishes, leases, or rents the property has:

1781 (A) Previously paid sales or use tax on the property; or

1782 (B) Been credited under Code Section 48-8-42 with paying a sales or use tax on the  
 1783 property so furnished, leased, or rented, and the tax credited is based upon the fair  
 1784 rental or lease value of the property;

1785 ~~(43)(51)~~ Gross revenues generated from all bona fide coin operated amusement machines  
 1786 which vend or dispense music or are operated for skill, amusement, entertainment, or  
 1787 pleasure which are in commercial use and are provided to the public for play which will  
 1788 require a permit fee under Chapter 17 of this title;

1789 ~~(44)~~(52) Sales of motor vehicles, as defined in Code Section 48-5-440, to nonresident  
 1790 purchasers for immediate transportation to and use in another state in which the vehicles  
 1791 are required to be registered, provided the seller obtains from the purchaser and retains  
 1792 an affidavit stating the name and address of the purchaser, the state in which the vehicle  
 1793 will be registered and operated, the make, model, and serial number of the vehicle, and  
 1794 such other information as the commissioner may require. This paragraph shall stand  
 1795 repealed in its entirety on July 1, 2014;

1796 ~~(45)~~(53) The sale, use, storage, or consumption of paper stock which is manufactured in  
 1797 this state into catalogs intended to be delivered outside this state for use outside this state;

1798 ~~(46)~~(54) Sales to blood banks having a nonprofit status pursuant to Section 501(c)(3) of  
 1799 the Internal Revenue Code. This paragraph shall stand repealed in its entirety on July 1,  
 1800 2014;

1801 ~~(47)(A)(i)~~(55)(A)(i) The sale or use of controlled substances and drugs which are  
 1802 lawfully dispensed by prescription for the treatment of natural persons, and sales of  
 1803 prescription eyeglasses and contact lenses including, without limitation, prescription  
 1804 contact lenses distributed by the manufacturer to licensed dispensers as free samples  
 1805 not intended for resale and labeled as such.

1806 (ii) The sale or use of those controlled substances and drugs lawfully dispensable by  
 1807 prescription for the treatment of natural persons which are dispensed or distributed  
 1808 without charge to physicians, dentists, clinics, hospitals, or any other person or entity  
 1809 located in Georgia by a pharmaceutical manufacturer or distributor; and the use of  
 1810 controlled substances, drugs, new animal drugs, and medical devices lawfully  
 1811 dispensed or distributed without charge solely for the purposes of a clinical trial  
 1812 approved by either the United States Food and Drug Administration or by an  
 1813 institutional review board.

1814 (B) For purposes of this paragraph, the term:

1815 (i) 'Controlled substance' means the same as provided in Code Section 16-13-1.

1816 (ii) 'Drug' means the same as provided in Code Section 48-8-2.

1817 (iii) 'Institutional review board' means an institutional review board as provided in  
 1818 21 C.F.R. Section 56.

1819 (iv) 'Medical device' means a device as defined in ~~subsection (h)~~ of 21 U.S.C. Section  
 1820 321(h).

1821 (v) 'New animal drug' means a new animal drug as defined in ~~subsection (v)~~ of 21  
 1822 U.S.C. Section 321(v).

1823 (C) The commissioner is authorized to prescribe forms and promulgate rules and  
 1824 regulations deemed necessary in order to administer and effectuate this paragraph.

1825 (D) This paragraph shall stand repealed in its entirety on July 1, 2012;

1826 ~~(48)(56)~~ Sales to licensed commercial fishermen of bait for taking crabs and the use by  
 1827 licensed commercial fishermen of bait for taking crabs;

1828 ~~(49)(57)~~ Sales of liquefied petroleum gas or other fuel used in a structure in which  
 1829 broilers, pullets, or other poultry are raised. This paragraph shall stand repealed in its  
 1830 entirety on January 1, 2012;

1831 ~~(49.1)(A)(58)(A)~~ From July 1, 2008, until June 30, 2010, the sale or use of liquefied  
 1832 petroleum gas or other fuel used in a structure in which swine are raised.

1833 (B)(i) For the purposes of this paragraph, the term 'local sales and use tax' shall mean  
 1834 any sales tax, use tax, or local sales and use tax which is levied and imposed in an  
 1835 area consisting of less than the entire state, however authorized, including, but not  
 1836 limited to, such taxes authorized by or pursuant to constitutional amendment; by or  
 1837 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as  
 1838 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or  
 1839 pursuant to Article 2 of this chapter; by or pursuant to Article 2A of this chapter; by  
 1840 or pursuant to Part 1 of Article 3 of this chapter; by or pursuant to Part 2 of Article 3  
 1841 of this chapter; and by or pursuant to Article 4 of this chapter.

1842 (ii) The exemption provided for in subparagraph (A) of this paragraph shall not apply  
 1843 to any local sales and use tax levied or imposed at any time.

1844 (C) This paragraph shall stand repealed in its entirety on January 1, 2012;

1845 ~~(50)(59)~~ Sales of blood measuring devices, other monitoring equipment, or insulin  
 1846 delivery systems used exclusively by diabetics and sales of insulin, insulin syringes, and  
 1847 blood glucose level measuring strips dispensed without a prescription. This paragraph  
 1848 shall stand repealed in its entirety on July 1, 2012;

1849 ~~(51)(60)~~ Sales of oxygen prescribed by a licensed physician. This paragraph shall stand  
 1850 repealed in its entirety on July 1, 2012;

1851 ~~(52) Reserved;~~

1852 ~~(53)(61)~~ Sales transactions for which food stamps or WIC coupons are used as the  
 1853 medium of exchange;

1854 ~~(54)(62)~~ The sale or use of any durable medical equipment or prosthetic device  
 1855 prescribed by a physician. This paragraph shall stand repealed in its entirety on July 1,  
 1856 2012;

1857 ~~(55)(63)~~ The sale of lottery tickets authorized by Chapter 27 of Title 50. This paragraph  
 1858 shall stand repealed in its entirety on July 1, 2014;

1859 ~~(56)(64)~~ Sales by any parent-teacher organization qualified as a tax exempt organization  
 1860 under Section 501(c)(3) of the Internal Revenue Code. This paragraph shall stand  
 1861 repealed in its entirety on July 1, 2014;

1862 ~~(57)(A)(65)(A)~~ The sale of food and food ingredients, to the extent provided in  
 1863 subparagraph (B) of this paragraph.

1864 (B) For the purposes of this paragraph, 'food and food ingredients' shall not include  
1865 prepared food, alcoholic beverages, or tobacco.

1866 (C)(i) The exemption provided for in this paragraph shall not apply to any local sales  
1867 and use tax levied or imposed at any time.

1868 (ii) For the purposes of this subparagraph, the term 'local sales and use tax' shall  
1869 mean any sales tax, use tax, or local sales and use tax which is levied and imposed in  
1870 an area consisting of less than the entire state, however authorized, including, but not  
1871 limited to, such taxes authorized by or pursuant to constitutional amendment; by or  
1872 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as  
1873 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; or by or  
1874 pursuant to any article of this chapter.

1875 (D) The commissioner shall adopt rules and regulations to carry out the provisions of  
1876 this paragraph.

1877 (E) This paragraph shall stand repealed in its entirety on July 1, 2011;

1878 ~~(57.1)(A) From July 1, 2006, until June 30, 2010, sales of food and food ingredients~~  
1879 ~~to a qualified food bank.~~

1880 ~~(B) As used in this paragraph, the term 'qualified food bank' means any food bank~~  
1881 ~~which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code~~  
1882 ~~and which is operated primarily for the purpose of providing hunger relief to low~~  
1883 ~~income persons residing in this state.~~

1884 ~~(C) The commissioner is authorized to promulgate rules and regulations deemed~~  
1885 ~~necessary in order to administer and effectuate this paragraph;~~

1886 ~~(57.2)(A)(66)(A)~~ For the period commencing July 1, 2007, and ending on June 30,  
1887 2011, the use of prepared food which is donated to a qualified nonprofit agency and  
1888 which ~~are~~ is used for hunger relief purposes.

1889 (B) As used in this paragraph, the term 'qualified nonprofit agency' means any entity  
1890 which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code  
1891 and which provides hunger relief.

1892 (C) The commissioner is authorized to promulgate rules and regulations deemed  
1893 necessary in order to administer and effectuate this paragraph.

1894 (D) This paragraph shall stand repealed in its entirety on July 1, 2011;

1895 ~~(57.3)(A)(67)(A)~~ For the period commencing July 1, 2007, and ending on June 30,  
1896 2011, the use of prepared food which is donated following a natural disaster and which  
1897 ~~are~~ is used for disaster relief purposes.

1898 (B) The commissioner is authorized to promulgate rules and regulations deemed  
1899 necessary in order to administer and effectuate this paragraph.

1900 (C) This paragraph shall stand repealed in its entirety on July 1, 2011;

1901 ~~(58) Repealed;~~

1902 ~~(59)(A)~~(68)(A) Sales of food and food ingredients to and by member councils of the  
 1903 Girl Scouts of the U.S.A. in connection with fundraising activities of any such council.  
 1904 (B) Sales of food and food ingredients to and by member councils of the Boy Scouts  
 1905 of America in connection with fundraising activities of any such council.  
 1906 (C) This paragraph shall stand repealed in its entirety on July 1, 2014;  
 1907 ~~(60)(69)~~ The sale of machinery and equipment which is incorporated into any  
 1908 telecommunications manufacturing facility and used for the primary purpose of  
 1909 improving air quality in advanced technology clean rooms of Class 100,000 or less,  
 1910 provided such clean rooms are used directly in the manufacture of tangible personal  
 1911 property. This paragraph shall stand repealed in its entirety on July 1, 2014;  
 1912 ~~(61)(70)~~ Printed advertising inserts or advertising supplements distributed in this state  
 1913 in or as part of any newspaper for resale;  
 1914 ~~(62)(71)~~ The sale of grass sod of all kinds and character when such sod is in the original  
 1915 state of production or condition of preparation for sale. The exemption provided for by  
 1916 this paragraph shall only apply to a sale made by the sod producer, a member of such  
 1917 producer's family, or an employee of such producer. The exemption provided for by this  
 1918 paragraph shall not apply to sales of grass sod by a person engaged in the business of  
 1919 selling plants, seedlings, nursery stock, or floral products;  
 1920 ~~(63)(72)~~ The sale or use of funeral merchandise, outer burial containers, and cemetery  
 1921 markers as defined in Code Section 43-18-1, which are purchased with funds received  
 1922 from the Georgia Crime Victims Emergency Fund under Chapter 15 of Title 17. This  
 1923 paragraph shall stand repealed in its entirety on July 1, 2014;  
 1924 ~~(64)(73)~~ The sale of electricity or other fuel for the operation of an irrigation system  
 1925 which is used on a farm exclusively for the irrigation of crops. This paragraph shall stand  
 1926 repealed in its entirety on January 1, 2012;  
 1927 ~~(65)(A)~~(74)(A) Sales of dyed diesel fuel exclusively used to operate vessels or boats  
 1928 in the commercial fishing trade by licensed commercial fishermen.  
 1929 (B) Any person making a sale of dyed diesel fuel for the purposes specified in this  
 1930 paragraph shall collect the tax imposed on the sale by this article unless the purchaser  
 1931 furnishes such person with a certificate issued by the commissioner certifying that the  
 1932 purchaser is entitled to purchase the dyed diesel fuel without paying the tax;  
 1933 ~~(66)(75)~~ Sales of gold, silver, or platinum bullion or any combination of such bullion,  
 1934 provided that the dealer maintains proper documentation, as specified by rule or  
 1935 regulation to be promulgated by the department, to identify each sale or portion of a sale  
 1936 which is exempt under this paragraph;  
 1937 ~~(67)(76)~~ Sales of coins or currency or a combination of coins and currency, provided that  
 1938 the dealer maintains proper documentation, as specified by rule or regulation to be

1939 promulgated by the department, to identify each sale or portion of a sale which is exempt  
 1940 under this paragraph;

1941 ~~(68)(A)~~(77)(A) The sale or lease of computer equipment to be incorporated into a  
 1942 facility or facilities in this state to any high-technology company classified under North  
 1943 American Industrial Classification System code 51121, 51331, 51333, 51334, 51421,  
 1944 52232, 54133, 54171, 54172, 334413, 334611, 513321, 513322, 514191, 541511,  
 1945 541512, 541513, or 541519 where such sale of computer equipment for any calendar  
 1946 year exceeds \$15 million or, in the event of a lease of such computer equipment, the  
 1947 fair market value of such leased computer equipment for any calendar year exceeds \$15  
 1948 million.

1949 (B) Any person making a sale or lease of computer equipment to a high-technology  
 1950 company as specified in subparagraph (A) of this paragraph shall collect the tax  
 1951 imposed on the sale by this article unless the purchaser furnishes such seller with a  
 1952 certificate issued by the commissioner certifying that the purchaser is entitled to  
 1953 purchase the computer equipment without paying the tax. As a condition precedent to  
 1954 the issuance of the certificate, the commissioner, at such commissioner's discretion,  
 1955 may require a good and valid bond with a surety company authorized to do business in  
 1956 this state as surety or may require legal securities, in an amount fixed by the  
 1957 commissioner, conditioned upon payment by the purchaser of all taxes due under this  
 1958 article in the event it should be determined that the sale fails to meet the requirements  
 1959 of this subparagraph.

1960 (C)(i) As used in this paragraph, the term 'computer equipment' means any individual  
 1961 computer or organized assembly of hardware or software, such as a server farm,  
 1962 mainframe or midrange computer, mainframe driven high-speed print and mailing  
 1963 devices, and workstations connected to those devices via high bandwidth connectivity  
 1964 such as a local area network, wide area network, or any other data transport  
 1965 technology which performs one of the following functions: storage or management  
 1966 of production data, hosting of production applications, hosting of application systems  
 1967 development activities, or hosting of applications systems testing.

1968 (ii) The term shall not include:

- 1969 (I) Telephone central office equipment or other voice data transport technology; or
- 1970 (II) Equipment with imbedded computer hardware or software which is primarily  
 1971 used for training, product testing, or in a manufacturing process.

1972 (D) Any corporation, partnership, limited liability company, or any other similar entity  
 1973 which qualifies for the exemption and is affiliated in any manner with a nonqualified  
 1974 corporation, partnership, limited liability company, or any other similar entity must  
 1975 conduct at least a majority of its business with entities with which it has no affiliation;



1976 ~~(69)~~(78) The sale of machinery, equipment, and materials incorporated into and used in  
 1977 the construction or operation of a clean room of Class 100 or less in this state, not to  
 1978 include the building or any permanent, nonremovable component of the building that  
 1979 houses such clean room, provided that such clean room is used directly in the  
 1980 manufacture of tangible personal property in this state. This paragraph shall stand  
 1981 repealed in its entirety on July 1, 2014;

1982 ~~(70)(A)~~(79)(A) For the purposes of this paragraph, the term 'local sales and use tax' shall  
 1983 mean any sales tax, use tax, or local sales and use tax which is levied and imposed in an  
 1984 area consisting of less than the entire state, however authorized, including, but not limited  
 1985 to, such taxes authorized by or pursuant to constitutional amendment; by or pursuant to  
 1986 Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended, the  
 1987 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or pursuant to Article 2  
 1988 of this chapter; by or pursuant to Article 2A of this chapter; by or pursuant to Part 1 of  
 1989 Article 3 of this chapter; or by or pursuant to Part 2 of Article 3 of this chapter.

1990 (B) The sale of natural or artificial gas used directly in the production of electricity  
 1991 which is subsequently sold.

1992 (C) The exemption provided for in subparagraph (B) of this paragraph shall not apply  
 1993 to any local sales and use tax levied or imposed at any time.

1994 (D) The commissioner shall adopt rules and regulations to carry out the provisions of  
 1995 this paragraph.

1996 (E) This paragraph shall stand repealed in its entirety on July 1, 2011;

1997 ~~(70.1)(A)~~(80)(A) For the period commencing July 1, 2008, and concluding on December  
 1998 31, 2010, the sale of natural or artificial gas, No. 2 fuel oil, No. 6 fuel oil, propane,  
 1999 petroleum coke, and coal used directly or indirectly in the manufacture or processing, in  
 2000 a manufacturing plant located in this state, of tangible personal property primarily for  
 2001 resale, and the fuel cost recovery component of retail electric rates used directly or  
 2002 indirectly in the manufacture or processing, in a manufacturing plant located in this state,  
 2003 of tangible personal property primarily for resale.

2004 (B) The exemption provided for in subparagraph (A) of this paragraph shall not apply  
 2005 to the first \$7.60 per decatherm of the sales price or cost price of natural or artificial  
 2006 gas, the first \$2.48 per gallon of the sales price or cost price of No. 2 fuel oil, the first  
 2007 \$1.72 per gallon of the sales price or cost price of No. 6 fuel oil, the first \$1.44 per  
 2008 gallon of the sales price or cost price of propane, the first \$57.90 per ton of petroleum  
 2009 coke, the first \$57.90 per ton of coal, or the first 3.44¢ per kilowatt hour of the fuel cost  
 2010 recovery component of retail electricity rates whether such fuel recovery charges are  
 2011 charged separately or are embedded in such electric rates. Dealers with such embedded  
 2012 rates may exempt from the electricity sales upon which the sales tax is calculated no  
 2013 more than the amount, if any, by which the fuel cost recovery charge approved by the

2014 Georgia Public Service Commission for transmission customers of electric utilities  
2015 regulated by the Georgia Public Service Commission exceeds 3.44¢ per kilowatt hour.

2016 (C)(i) For the purposes of this paragraph, the term 'local sales and use tax' shall mean  
2017 any sales tax, use tax, or local sales and use tax which is levied and imposed in an  
2018 area consisting of less than the entire state, however authorized, including, but not  
2019 limited to, such taxes authorized by or pursuant to constitutional amendment; by or  
2020 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as  
2021 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; or by or  
2022 pursuant to Article 2, 2A, 3, or 4 of this chapter.

2023 (ii) The exemption provided for in subparagraph (A) of this paragraph shall not apply  
2024 to any local sales and use tax levied or imposed at any time.

2025 (D) Any person making a sale of items qualifying for exemption under subparagraph  
2026 (A) of this paragraph shall be relieved of the burden of proving such qualification if the  
2027 person receives in good faith a certificate from the purchaser certifying that the  
2028 purchase is exempt under this paragraph.

2029 (E) Any person who qualifies for this exemption shall notify and certify to the person  
2030 making the qualified sale that this exemption is applicable to the sale.

2031 (F) This paragraph shall stand repealed in its entirety on July 1, 2011;

2032 ~~(71)~~(81) Sales to or by any nonprofit organization which has as its primary purpose the  
2033 raising of funds for books, materials, and programs for public libraries if such  
2034 organization qualifies as a tax-exempt organization under Section 501(c)(3) of the  
2035 Internal Revenue Code. This paragraph shall stand repealed in its entirety on July 1,  
2036 2014;

2037 ~~(72)~~(82) The sale or use of all mobility enhancing equipment prescribed by a physician;  
2038 ~~(73)(A)~~(83)(A) The sale or lease of production equipment or production services for  
2039 use in this state by a certified film producer or certified film production company for  
2040 qualified production activities.

2041 (B) As used in this paragraph, the term:

2042 (i) 'Film producer' means any person engaged in the business of organizing and  
2043 supervising qualified production activities.

2044 (ii) 'Film production company' means any company that employs one or more film  
2045 producers and whose goal is to engage in film production activity.

2046 (iii) 'Production equipment' means items purchased or leased for use exclusively in  
2047 qualified production activities in Georgia, including, but not limited to, cameras,  
2048 camera supplies, camera accessories, lighting equipment, cables, wires, generators,  
2049 motion picture film and videotape stock, cranes, booms, dollies, and teleprompters.

2050 (iv) 'Production services' means services purchased for use exclusively in qualified  
2051 production activities in Georgia, including, but not limited to, digital or tape editing,

2052 film processing, transfers of film to tape or digital format, sound mixing, computer  
2053 graphics services, special effects services, animation services, and script production.

2054 (v) 'Qualified production activities' means the production or post production of film  
2055 or video projects such as feature films, series, pilots, movies for television,  
2056 commercials, music videos, or sound recordings used in feature films, series, pilots,  
2057 or movies for television, for which the film producer or film production company will  
2058 be compensated and which are intended for nation-wide commercial distribution.

2059 (C) Any person making a sale of production equipment or production services to a film  
2060 producer or film production company as specified in this paragraph shall collect the tax  
2061 imposed on the sale by this article unless the purchaser furnishes such seller with a  
2062 certificate issued by the commissioner certifying that the purchaser is entitled to  
2063 purchase the production equipment or production services without paying the tax. As  
2064 a condition precedent to the issuance of the certificate, film producers and film  
2065 production companies shall submit an application to the commissioner for designation  
2066 as a certified film producer or certified film production company. Such application  
2067 shall not be valid without prior written approval by the Georgia Film and Videotape  
2068 Office of the Department of Economic Development.

2069 (D) This paragraph shall stand repealed in its entirety on July 1, 2011;

2070 ~~(74)(A)(i) Except as otherwise provided in divisions (ii) and (iii) of this~~  
2071 ~~subparagraph, the sale or use of digital broadcast equipment sold to, leased to, or used~~  
2072 ~~by a federally licensed commercial or public radio or television broadcast station, a~~  
2073 ~~cable network, or a cable distributor that enables a radio or television station, cable~~  
2074 ~~network, or cable distributor to originate and broadcast or transmit or to receive and~~  
2075 ~~broadcast or transmit digital signals, including, but not limited to, digital broadcast~~  
2076 ~~equipment required by the Federal Communications Commission.~~

2077 ~~(ii) For commercial or public television broadcasters and cable distributors, such~~  
2078 ~~equipment shall be limited to antennas, transmission lines, towers, digital transmitters,~~  
2079 ~~studio to transmitter links, digital routing switchers, character generators, Advanced~~  
2080 ~~Television Systems Committee video encoders and multiplexers, monitoring facilities,~~  
2081 ~~cameras, terminal equipment, tape recorders, and file servers.~~

2082 ~~(iii) For radio broadcasters, such equipment shall be limited to transmitters, digital~~  
2083 ~~audio processors, and diskettes.~~

2084 ~~(B) As used in this paragraph, the term:~~

2085 ~~(i) 'Digital broadcast equipment' means equipment purchased, leased, or used for the~~  
2086 ~~origination or integration of program materials for broadcast over the airwaves or~~  
2087 ~~transmission by cable, satellite, or fiber optic line which uses or produces an~~  
2088 ~~electronic signal where the signal carries data generated, stored, and processed as~~  
2089 ~~strings of binary data. Data transmitted or stored as digital data consists of strings of~~

2090 positive or nonpositive elements of a transmission expressed in strings of 0's and 1's  
 2091 which a computer or processor can reconstruct as an electronic signal.

2092 ~~(ii) 'Federally licensed commercial or public radio or television broadcast station'~~  
 2093 ~~means any entity or enterprise, either commercial or noncommercial, which operates~~  
 2094 ~~under a license granted by the Federal Communications Commission for the purpose~~  
 2095 ~~of free distribution of audio and video services when the distribution occurs by means~~  
 2096 ~~of transmission over the public airwaves.~~

2097 ~~(C) The exemption provided under this paragraph shall not apply to any of the~~  
 2098 ~~following:~~

2099 ~~(i) Repair or replacement parts purchased for the equipment described in this~~  
 2100 ~~paragraph;~~

2101 ~~(ii) Equipment purchased to replace equipment for which an exemption was~~  
 2102 ~~previously claimed and taken under this paragraph;~~

2103 ~~(iii) Any equipment purchased after a television station, cable network, or cable~~  
 2104 ~~distributor has ceased analog broadcasting, or purchased after November 1, 2004,~~  
 2105 ~~whichever occurs first; or~~

2106 ~~(iv) Any equipment purchased after a radio station has ceased analog broadcasting,~~  
 2107 ~~or purchased after November 1, 2008, whichever occurs first.~~

2108 ~~(D) Any person making a sale of digital broadcasting equipment to a federally licensed~~  
 2109 ~~commercial or public radio or television broadcast station, cable network, or cable~~  
 2110 ~~distributor shall collect the tax imposed on the sale by this article unless the purchaser~~  
 2111 ~~furnishes a certificate issued by the commissioner certifying that the purchaser is~~  
 2112 ~~entitled to purchase the equipment without paying the tax;~~

2113 ~~(75)(A) The sale of any covered item. The exemption provided by this paragraph shall~~  
 2114 ~~apply only to sales occurring during a period commencing at 12:01 A.M. on July 30,~~  
 2115 ~~2009, and concluding at 12:00 Midnight on August 2, 2009.~~

2116 ~~(B) As used in this paragraph, the term 'covered item' shall mean:~~

2117 ~~(i) Articles of clothing and footwear with a sales price of \$100.00 or less per article~~  
 2118 ~~of clothing or pair of footwear, excluding accessories such as jewelry, handbags,~~  
 2119 ~~umbrellas, eyewear, watches, and watchbands;~~

2120 ~~(ii) A single purchase, with a sales price \$1,500.00 or less, of personal computers and~~  
 2121 ~~personal computer related accessories purchased for noncommercial home or personal~~  
 2122 ~~use, including personal computer base units and keyboards, personal digital assistants,~~  
 2123 ~~handheld computers, monitors, other peripheral devices, modems for Internet and~~  
 2124 ~~network access, and nonrecreational software, whether or not they are to be utilized~~  
 2125 ~~in association with the personal computer base unit. Computer and computer related~~  
 2126 ~~accessories shall not include furniture and any systems, devices, software, or~~  
 2127 ~~peripherals designed or intended primarily for recreational use; and~~

2128 ~~(iii) Noncommercial purchases of general school supplies to be utilized in the~~  
 2129 ~~classroom or in classroom related activities, such as homework, up to a sales price of~~  
 2130 ~~\$20.00 per item including pens, pencils, notebooks, paper, book bags, calculators,~~  
 2131 ~~dictionaries, thesauruses, and children's books and books listed on approved school~~  
 2132 ~~reading lists for pre-kindergarten through twelfth grade.~~

2133 ~~(C) The exemption provided by this paragraph shall not apply to rentals, sales in a~~  
 2134 ~~theme park, entertainment complex, public lodging establishment, restaurant, or airport~~  
 2135 ~~or to purchases for trade, business, or resale.~~

2136 ~~(D) The commissioner shall promulgate any rules and regulations necessary to~~  
 2137 ~~implement and administer this paragraph including but not be limited to a list of those~~  
 2138 ~~articles and items qualifying for the exemption pursuant to this paragraph;~~

2139 ~~(76) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from June~~  
 2140 ~~4, 2003, until January 1, 2007, sales of tangible personal property to, or used in the~~  
 2141 ~~construction of, an aquarium owned or operated by an organization which is exempt from~~  
 2142 ~~taxation under Section 501(c)(3) of the Internal Revenue Code;~~

2143 ~~(77)(84) Sales of liquefied petroleum gas or other fuel used in a structure in which~~  
 2144 ~~plants, seedlings, nursery stock, or floral products are raised primarily for the purposes~~  
 2145 ~~of making sales of such plants, seedlings, nursery stock, or floral products for resale. This~~  
 2146 ~~paragraph shall stand repealed in its entirety on January 1, 2012;~~

2147 ~~(78)(A)(85)(A) Notwithstanding any provision of Code Section 48-8-63 to the~~  
 2148 ~~contrary, from May 5, 2004, until September 1, 2011, sales of tangible personal~~  
 2149 ~~property used in direct connection with the construction of a new symphony hall facility~~  
 2150 ~~owned or operated by an organization which is exempt from taxation under Section~~  
 2151 ~~501(c)(3) of the Internal Revenue Code if the aggregate construction cost of such~~  
 2152 ~~facility is \$200 million or more.~~

2153 (B) Any person making a sale of tangible personal property for the purpose specified  
 2154 in this paragraph shall collect the tax imposed on this sale unless the purchaser  
 2155 furnishes such person with an exemption determination letter issued by the  
 2156 commissioner certifying that the purchaser is entitled to purchase the tangible personal  
 2157 property without paying the tax.

2158 (C) This paragraph shall stand repealed in its entirety on September 2, 2011;

2159 ~~(79)(86) The sale or use of ice for chilling poultry or vegetables in processing for market~~  
 2160 ~~and for chilling poultry or vegetables in storage rooms, compartments, or delivery trucks.~~  
 2161 This paragraph shall stand repealed in its entirety on January 1, 2012;

2162 ~~(80)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from~~  
 2163 ~~May 17, 2004, until December 31, 2007, sales of tangible personal property to, or used~~  
 2164 ~~in or for the new construction of an eligible corporate attraction.~~

2165 ~~(B) As used in this paragraph, the term: 'corporate attraction' means any tourist~~  
 2166 ~~attraction facility constructed on or after May 17, 2004, dedicated to the history and~~  
 2167 ~~products of a corporation which costs exceeds \$50 million, is greater than 60,000~~  
 2168 ~~square feet of space, and has associated facilities, including but not limited to parking~~  
 2169 ~~decks and landscaping owned by the same owner as the eligible corporate attraction.~~

2170 ~~(C) Any person making a sale of tangible personal property for the purpose specified~~  
 2171 ~~in this paragraph shall collect the tax imposed on this sale unless the purchaser~~  
 2172 ~~furnishes such person with an exemption determination letter issued by the~~  
 2173 ~~commissioner certifying that the purchaser is entitled to purchase the tangible personal~~  
 2174 ~~property without paying the tax;~~

2175 ~~(81)(87)~~ The sale of food and food ingredients to a qualifying airline for service to  
 2176 passengers and crew in the aircraft, whether in flight or on the ground, and the furnishing  
 2177 without charge of food and food ingredients to qualifying airline passengers and crew in  
 2178 the aircraft, whether in flight or on the ground; and for purposes of this paragraph a  
 2179 'qualifying airline' shall mean any person which is authorized by the Federal Aviation  
 2180 Administration or appropriate agency of the United States to operate as an air carrier  
 2181 under an air carrier operating certificate and which provides regularly scheduled flights  
 2182 for the transportation of passengers or cargo for hire. As used in this paragraph, 'food and  
 2183 food ingredients' means substances, whether in liquid, concentrated, solid, frozen, dried,  
 2184 or dehydrated form, that are sold for ingestion or chewing by humans and are consumed  
 2185 for their taste or nutritional value. 'Food and food ingredients' shall not include alcoholic  
 2186 beverages or tobacco. This paragraph shall stand repealed in its entirety on July 1, 2014;

2187 ~~(82)(A) Purchase of energy efficient products or water efficient products with a sales~~  
 2188 ~~price of \$1,500.00 or less per product purchased for noncommercial home or personal~~  
 2189 ~~use. The exemption provided by this paragraph shall apply only to sales occurring~~  
 2190 ~~during a period commencing at 12:01 A.M. on October 1, 2009, and concluding at~~  
 2191 ~~12:00 Midnight on October 4, 2009.~~

2192 ~~(B) As used in this paragraph, the term:~~

2193 ~~(i) 'Energy efficient product' means any energy efficient product for noncommercial~~  
 2194 ~~home or personal use consisting of any dishwasher, clothes washer, air conditioner,~~  
 2195 ~~ceiling fan, fluorescent light bulb, dehumidifier, programmable thermostat,~~  
 2196 ~~refrigerator, door, or window which has been designated by the United States~~  
 2197 ~~Environmental Protection Agency and the United States Department of Energy as~~  
 2198 ~~meeting or exceeding each such agency's energy saving efficiency requirements or~~  
 2199 ~~which have been designated as meeting or exceeding such requirements under each~~  
 2200 ~~such agency's Energy Star program.~~

2201 ~~(ii) 'Water efficient product' means any product used for the conservation or efficient~~  
 2202 ~~use of water which has been designated by the United States Environmental~~

2203 ~~Protection Agency as meeting or exceeding such agency's water saving efficiency~~  
 2204 ~~requirements or which has been designated as meeting or exceeding such~~  
 2205 ~~requirements under such agency's Water Sense program.~~

2206 ~~(C) The exemption provided for in subparagraph (A) of this paragraph shall not apply~~  
 2207 ~~to purchases of energy efficient products or water efficient products purchased for~~  
 2208 ~~trade, business, or resale.~~

2209 ~~(D) The commissioner shall promulgate any rules and regulations necessary to~~  
 2210 ~~implement and administer this paragraph;~~

2211 ~~(83)(A)(88)(A)~~ The sale or use of biomass material, including pellets or other fuels  
 2212 derived from compressed, chipped, or shredded biomass material, utilized in the  
 2213 production of energy, including without limitation the production of electricity, steam,  
 2214 or the production of electricity and steam, which is subsequently sold.

2215 (B) As used in this paragraph, the term 'biomass material' means organic matter,  
 2216 excluding fossil fuels, including agricultural crops, plants, trees, wood, wood wastes  
 2217 and residues, sawmill waste, sawdust, wood chips, bark chips, and forest thinning,  
 2218 harvesting, or clearing residues; wood waste from pallets or other wood demolition  
 2219 debris; peanut shells; pecan shells; cotton plants; corn stalks; and plant matter,  
 2220 including aquatic plants, grasses, stalks, vegetation, and residues, including hulls,  
 2221 shells, or cellulose containing fibers;

2222 ~~(84)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from~~  
 2223 ~~July 1, 2006, until June 30, 2008, sales of tangible personal property used in direct~~  
 2224 ~~connection with the construction of a national infantry museum and heritage park~~  
 2225 ~~facility.~~

2226 ~~(B) As used in this paragraph, the term 'national infantry museum and heritage park~~  
 2227 ~~facility' means a museum and park facility which is constructed after July 1, 2006; is~~  
 2228 ~~dedicated to the history of the American foot soldier; has more than 130,000 square feet~~  
 2229 ~~of space; and has associated facilities, including, but not limited to, parking, parade~~  
 2230 ~~grounds, and memorial areas.~~

2231 ~~(C) Any person making a sale of tangible personal property for the purpose specified~~  
 2232 ~~in this paragraph shall collect the tax imposed on this sale unless the purchaser~~  
 2233 ~~furnishes such person with an exemption determination letter issued by the~~  
 2234 ~~commissioner certifying that the purchaser is entitled to purchase the tangible personal~~  
 2235 ~~property without paying the tax;~~

2236 ~~(85) Repealed;~~

2237 ~~(86)(89) For the period commencing on July 1, 2007, and ending on June 30, 2011, the~~  
 2238 ~~The sale or use of engines, parts, equipment, and other tangible personal property used~~  
 2239 ~~in the maintenance or repair of aircraft when such engines, parts, equipment, and other~~

2240 tangible personal property are installed on such aircraft that is being repaired or  
 2241 maintained in this state so long as such aircraft is not registered in this state;

2242 ~~(87)(A)(90)(A)~~ Notwithstanding any provision of Code Section 48-8-63 to the  
 2243 contrary, from July 1, 2009, until June 30, 2011, sales of tangible personal property  
 2244 used for and in the renovation or expansion of a zoological institution.

2245 (B) As used in this paragraph, the term 'zoological institution' means a nonprofit  
 2246 wildlife park, terrestrial institution, or facility which is:

2247 (i) Open to the public, that exhibits and cares for a collection consisting primarily of  
 2248 animals other than fish, and has received accreditation from the Association of Zoos  
 2249 and Aquariums; and

2250 (ii) Located in this state and owned or operated by an organization which is exempt  
 2251 from taxation under Section 501(c)(3) of the Internal Revenue Code.

2252 (C) Any person making a sale of tangible personal property for the purpose specified  
 2253 in this paragraph shall collect the tax imposed on this sale unless the purchaser  
 2254 furnishes such person with an exemption determination letter issued by the  
 2255 commissioner certifying that the purchaser is entitled to purchase the tangible personal  
 2256 property without paying the tax.

2257 (D) This paragraph shall stand repealed in its entirety on July 1, 2011;

2258 ~~(88)(A)(91)(A)~~ Notwithstanding any provision of Code Section 48-8-63 to the  
 2259 contrary, from July 1, 2009, until July 30, 2015, sales of tangible personal property to,  
 2260 or used in or for the new construction of, a civil rights museum.

2261 (B) As used in this paragraph, the term 'civil rights museum' means a museum which  
 2262 is constructed after July 1, 2009; is owned or operated by an organization which is  
 2263 exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; has more  
 2264 than 70,000 square feet of space; and has associated facilities, including, but not limited  
 2265 to, special event space and retail space.

2266 (C) Any person making a sale of tangible personal property for the purpose specified  
 2267 in this paragraph shall collect the tax imposed on this sale unless the purchaser  
 2268 furnishes such person with an exemption determination letter issued by the  
 2269 commissioner certifying that the purchaser is entitled to purchase the tangible personal  
 2270 property without paying the tax.

2271 (D) The exemption provided for under subparagraph (A) of this paragraph shall not  
 2272 apply to sales of tangible personal property that occur after the museum is opened to  
 2273 the public.

2274 (E) This paragraph shall stand repealed in its entirety on August 1, 2015;

2275 ~~(89)(92)~~ For the period commencing on July 1, 2009, and ending on June 30, 2011, the  
 2276 sale or use of an airplane flight simulation training device approved by the Federal



2277 Aviation Administration under Appendices A and B, 14 C.F.R. Part 60;. This paragraph  
 2278 shall stand repealed in its entirety on July 1, 2011;  
 2279 ~~(90)~~(93) The sale of electricity to a manufacturer located in this state used directly in the  
 2280 manufacture of a product if the direct cost of such electricity exceeds 50 percent of the  
 2281 cost of all materials, including electricity, used directly in the product. This paragraph  
 2282 shall stand repealed in its entirety on July 1, 2011; or  
 2283 ~~(91)~~(94) The sale of prewritten software which has been delivered to the purchaser  
 2284 electronically or by means of load and leave. This paragraph shall stand repealed in its  
 2285 entirety on January 1, 2012."

### 2286 SECTION 3-5.

2287 Said Title 48 is further amended by adding a new Code section to read as follows:

2288 "48-8-3.2.

2289 (a) As used in this Code section, the term:

2290 (1) 'Consumable supplies' means tangible personal property, other than machinery,  
 2291 equipment, and industrial materials, that is consumed or expended during the  
 2292 manufacture of tangible personal property. The term includes, but is not limited to, water  
 2293 treatment chemicals for use in, on, or in conjunction with machinery or equipment and  
 2294 items that are readily disposable. The term excludes packaging supplies and energy.

2295 (2) 'Energy' means natural or artificial gas, oil, gasoline, electricity, solid fuel, wood,  
 2296 waste, ice, steam, water, and other materials necessary and integral for heat, light, power,  
 2297 refrigeration, climate control, processing, or any other use in any phase of the  
 2298 manufacture of tangible personal property.

2299 (3) 'Equipment' means tangible personal property, other than machinery, industrial  
 2300 materials, and consumable supplies. The term includes durable devices and apparatuses  
 2301 that are generally designed for long-term continuous or repetitive use. Examples of  
 2302 equipment include, but are not limited to, machinery clothing, cones, cores, pallets, hand  
 2303 tools, tooling, molds, dies, waxes, jigs, patterns, conveyors, safety devices, and pollution  
 2304 control devices. The term includes components and repair or replacement parts. The  
 2305 term excludes real property.

2306 (4) 'Fixtures' means tangible personal property that has been installed or attached to land  
 2307 or to any building thereon and that is intended to remain permanently in its place. A  
 2308 consideration for whether tangible property is a fixture is whether its removal would  
 2309 cause significant damage to such property or to the real property to which it is attached.  
 2310 Fixtures are classified as real property. Examples of fixtures include, but are not limited  
 2311 to, plumbing, lighting fixtures, slabs, and foundations.

2312 (5) 'Industrial materials' means materials for future processing, manufacture, or  
 2313 conversion into articles of tangible personal property for resale when the industrial

2314 materials become a component part of the finished product. The term also means  
2315 materials that are coated upon or impregnated into the product at any stage of its  
2316 processing, manufacture, or conversion, even though such materials do not remain a  
2317 component part of the finished product for sale. The term includes raw materials.

2318 (6) 'Machinery' means an assemblage of parts that transmits force, motion, and energy  
2319 one to the other in a predetermined manner to accomplish a specific objective. The term  
2320 includes a machine and all of its components including, but not limited to, belts, pulleys,  
2321 shafts, gauges, gaskets, valves, hoses, pipes, wires, blades, bearings, operational  
2322 structures attached to the machine including stairways and catwalks, or other devices that  
2323 are required to regulate or control the machine, allow access to the machine, or enhance  
2324 or alter its productivity or functionality. The term includes repair or replacement parts.  
2325 The term excludes real property and consumable supplies.

2326 (7) 'Machinery clothing' means felts, screen plates, wires, or any other items used to  
2327 carry, form, or dry work in process through the manufacture of tangible personal  
2328 property.

2329 (8) 'Manufacture of tangible personal property,' used synonymously with the term  
2330 'manufacturing,' means a manufacturing operation, series of continuous manufacturing  
2331 operations, or series of integrated manufacturing operations, engaged in at a  
2332 manufacturing plant or among manufacturing plants to change, process, transform, or  
2333 convert industrial materials by physical or chemical means, into articles of tangible  
2334 personal property for sale, for promotional use, or for further manufacturing that have a  
2335 different form, configuration, utility, composition, or character. The term includes, but  
2336 is not limited to, the storage, preparation, or treatment of industrial materials; assembly  
2337 of finished units of tangible personal property to form a new unit or units of tangible  
2338 personal property; movement of industrial materials and work in process from one  
2339 manufacturing operation to another; temporary storage between two points in a  
2340 continuous manufacturing operation; random and sample testing that occurs at a  
2341 manufacturing plant; and a packaging operation that occurs at a manufacturing plant.

2342 (9) 'Manufacturer' means a person or business, or a location of a person or business, that  
2343 is engaged in the manufacture of tangible personal property for sale or further  
2344 manufacturing. To be considered a manufacturer, the person or business, or the location  
2345 of a person or business, must be:

2346 (A) Classified as a manufacturer under the 2007 North American Industrial  
2347 Classification System Sectors 21, 31, 32, or 33, or North American Industrial  
2348 Classification System industry code 22111 or specific code 511110; or

2349 (B) Generally regarded as being a manufacturer.

2350 Businesses that are primarily engaged in providing personal or professional services, or  
 2351 in the operation of retail outlets, generally including, but not limited to, grocery stores,  
 2352 pharmacies, bakeries, or restaurants, are not considered manufacturers.

2353 (10) 'Manufacturing plant' means any facility, site, or other area where a manufacturer  
 2354 engages in the manufacture of tangible personal property.

2355 (11) 'Packaging operation' means bagging, boxing, crating, canning, containerizing,  
 2356 cutting, measuring, weighing, wrapping, labeling, palletizing, or other similar processes  
 2357 necessary to prepare or package manufactured products in a manner suitable for sale or  
 2358 delivery to customers as finished goods, or suitable for the transport of work in process  
 2359 at or among manufacturing plants for further manufacturing, and the movement of such  
 2360 finished goods or work in process to a storage or distribution area at a manufacturing  
 2361 plant.

2362 (12) 'Packaging supplies' means materials including, but not limited to, containers,  
 2363 labels, sacks, boxes, wraps, fillers, cones, cores, pallets, or bags used in a packaging  
 2364 operation solely for packaging tangible personal property.

2365 (13) 'Real property' means land, any buildings thereon, and any fixtures attached thereto.

2366 (14) 'Repair or replacement part' means a part for any machinery or equipment that is  
 2367 necessary and integral to the manufacture of tangible personal property. Repair or  
 2368 replacement parts must be used to maintain, repair, restore, install, or upgrade such  
 2369 machinery or equipment that is necessary and integral to the manufacture of tangible  
 2370 personal property. Examples of repair and replacement parts may include, but are not  
 2371 limited to, oils, greases, hydraulic fluids, coolants, lubricants, machinery clothing, molds,  
 2372 dies, waxes, jigs, and other interchangeable tooling.

2373 (15) 'Substantial purpose' means the purpose for which an item of tangible personal  
 2374 property is used more than one-third of the time of the total amount of time that the item  
 2375 is in use; alternatively, instead of time, the purpose may be measured in terms of other  
 2376 applicable criteria including, but not limited to, the number of items produced,

2377 (b) The sales and use taxes levied or imposed by this article shall not apply to the sale, use,  
 2378 storage, or consumption of machinery, equipment, or energy which is necessary and  
 2379 integral to the manufacture of tangible personal property, and the sale, use, storage, or the  
 2380 consumption of industrial materials or packaging supplies.

2381 (c) The exemption under this Code section shall be applied as follows:

2382 (1) The manufacture of tangible personal property commences as industrial materials are  
 2383 received at a manufacturing plant and concludes once the packaging operation is  
 2384 complete and the tangible personal property is ready for sale or shipment, regardless of  
 2385 whether the manufacture of tangible personal property occurs at one or more separate  
 2386 manufacturing plants;

2387 (2) For machinery or equipment that has multiple purposes, some purposes necessary and  
 2388 integral to the manufacture of tangible personal property, and some purposes not  
 2389 necessary and integral to the manufacture of tangible personal property, the substantial  
 2390 purpose of such machinery or equipment will prevail for purposes of determining the  
 2391 eligibility for exemption. The commissioner shall consider any reasonable methodology  
 2392 for measuring the substantial purpose of machinery or equipment for which the  
 2393 substantial purpose is not readily identifiable;

2394 (3) For leased machinery or equipment that did not qualify for an exemption at the date  
 2395 of lease inception and subsequently qualifies for the exemption under this Code section,  
 2396 the exemption shall apply to all lease payments made subsequent to such qualification;

2397 (4) Miscellaneous spare parts for which the ultimate use of the spare parts is unknown  
 2398 at the time of purchase are eligible for the exemption as repair or replacement parts.  
 2399 However, use tax must be accrued and remitted if spare parts are withdrawn from the  
 2400 inventory of spare parts and used for any purpose other than to maintain, repair, restore,  
 2401 install, or upgrade machinery or equipment that is necessary and integral to the  
 2402 manufacture of tangible personal property; and

2403 (5) Energy necessary and integral to the manufacture of tangible personal property  
 2404 includes energy used to operate machinery or equipment, to create conditions necessary  
 2405 for the manufacture of tangible personal property, or to perform an actual part of the  
 2406 manufacture of tangible personal property; energy used in administrative or other  
 2407 ancillary activities that are located and performed at the manufacturing plant as long as  
 2408 such activities primarily benefit such manufacture of tangible personal property; energy  
 2409 used in related operations that convey, transport, handle, or store raw materials or  
 2410 finished goods at the manufacturing plant; energy used for heating, cooling, ventilation,  
 2411 illumination, fire safety or prevention, and personal comfort and convenience of the  
 2412 manufacturer's employees at the manufacturing plant; and energy used for any other  
 2413 purpose at a manufacturing plant.

2414 (d) Examples that will qualify as necessary and integral to the manufacture of tangible  
 2415 personal property include, but are not limited to:

2416 (1) Machinery or equipment used to convey or transport industrial materials, work in  
 2417 process, consumable supplies, or packaging materials at or among manufacturing plants,  
 2418 or to convey and transport finished goods to a distribution or storage point at the  
 2419 manufacturing plant. Specific examples may include, but are not limited to, forklifts,  
 2420 conveyors, cranes, hoists, and pallet jacks;

2421 (2) Machinery or equipment used to gather, arrange, sort, mix, measure, blend, heat,  
 2422 cool, clean, or otherwise treat, prepare, or store industrial materials for further  
 2423 manufacturing;

- 2424 (3) Machinery or equipment used to control, regulate, heat, cool, or produce energy for  
2425 other machinery or equipment that is necessary and integral to the manufacture of  
2426 tangible personal property. Specific examples may include, but are not limited to,  
2427 boilers, chillers, condensers, water towers, dehumidifiers, humidifiers, heat exchangers,  
2428 generators, transformers, motor control centers, solar panels, air dryers, and air  
2429 compressors;
- 2430 (4) Testing and quality control machinery or equipment located at a manufacturing plant  
2431 used to test the quality of industrial materials, work in process, or finished goods;
- 2432 (5) Starters, switches, circuit breakers, transformers, wiring, piping, and other electrical  
2433 components, including associated cable trays, conduit, and insulation, located between  
2434 a motor control center and exempt machinery or equipment, or between separate units of  
2435 exempt machinery or equipment;
- 2436 (6) Machinery or equipment used to maintain, clean, or repair exempt machinery or  
2437 equipment;
- 2438 (7) Machinery or equipment used to provide safety for the employees working at a  
2439 manufacturing plant including, but not limited to, safety machinery and equipment  
2440 required by federal or state law, gloves, ear plugs, face masks, protective eyewear, hard  
2441 hats or helmets, or breathing apparatuses, regardless of whether the items would  
2442 otherwise be considered consumable supplies;
- 2443 (8) Machinery or equipment used to condition air or water to produce conditions  
2444 necessary for the manufacture of tangible personal property, including pollution control  
2445 machinery or equipment and water treatment systems;
- 2446 (9) Pollution control, sanitizing, sterilizing, or recycling machinery or equipment;
- 2447 (10) Industrial materials bought for further processing in the manufacture of tangible  
2448 personal property for sale or further processing or any part of the industrial material or  
2449 by-product thereof which becomes a wasteful product contributing to pollution problems  
2450 and which is used up in a recycling or burning process;
- 2451 (11) Machinery or equipment used to manufacture tangible personal property to be used  
2452 for promotional use;
- 2453 (12) Machinery or equipment used in quarrying and mining activities, including blasting,  
2454 extraction, and crushing; and
- 2455 (13) Energy used at a manufacturing plant."

2456 **SECTION 3-6.**

2457 Said Title 48 is further amended by adding a new Code section to read as follows:

2458 "48-8-3.3.

2459 (a) As used in this Code section, the term:

2460 (1)(A) 'Agricultural machinery and equipment' means machinery and equipment used  
 2461 in the production of agricultural products, including, but not limited to, machinery and  
 2462 equipment used in the production of poultry and eggs for sale, including, but not limited  
 2463 to, equipment used in the cleaning or maintenance of poultry houses and the  
 2464 surrounding premises; in hatching and breeding of poultry and the breeding of livestock  
 2465 and equine; in production, processing, and storage of fluid milk for sale; in drying,  
 2466 ripening, cooking, further processing, or storage of agricultural products, including, but  
 2467 not limited to, orchard crops; in production of livestock and equine for sale; by a  
 2468 producer of poultry, eggs, fluid milk, equine, or livestock for sale; for the purpose of  
 2469 harvesting agricultural products to be used on the farm by that producer as feed for  
 2470 poultry, equine, or livestock; directly in tilling the soil or in animal husbandry when the  
 2471 machinery is incorporated for the first time or as additional machinery for the first time  
 2472 into a new or an existing farm unit engaged in tilling the soil or in animal husbandry in  
 2473 this state; directly in tilling the soil or in animal husbandry when the machinery is  
 2474 bought to replace machinery in an existing farm unit already engaged in tilling the soil  
 2475 or in animal husbandry in this state; and machinery and equipment used exclusively for  
 2476 irrigation of agricultural products including, but not limited to, fruit, vegetable, and nut  
 2477 crops.

2478 (B) 'Agricultural machinery and equipment' also means farm tractors and attachments  
 2479 to the tractors; off-road vehicles used primarily in the production of nursery and  
 2480 horticultural crops; self-propelled fertilizer or chemical application equipment sold to  
 2481 persons engaged primarily in producing agricultural products for sale and which are  
 2482 used exclusively in tilling, planting, cultivating, and harvesting agricultural products,  
 2483 including, but not limited to, growing, harvesting, or processing onions, peaches,  
 2484 blackberries, blueberries, or other orchard crops, nursery, and other horticultural crops;  
 2485 devices and containers used in the transport and shipment of agricultural products;  
 2486 pecan sprayers, pecan shakers, and other equipment used in harvesting pecans sold to  
 2487 persons engaged in the growing, harvesting, and production of pecans; and off-road  
 2488 equipment and related attachments which are sold to or used by persons engaged  
 2489 primarily in the growing or harvesting of timber and which are used exclusively in site  
 2490 preparation, planting, cultivating, or harvesting timber. Equipment used in harvesting  
 2491 shall include all off-road equipment and related attachments used in every forestry  
 2492 procedure starting with the severing of a tree from the ground until and including the  
 2493 point at which the tree or its parts in any form has been loaded in the field in or on a

2494 truck or other vehicle for transport to the place of use. Such off-road equipment shall  
 2495 include, but not be limited to, skidders, feller bunchers, debarkers, delimiters, chip  
 2496 harvestors, tub-grinders, woods cutters, chippers of all types, loaders of all types,  
 2497 dozers, mid-motor graders, and the related attachments; grain bins and attachments to  
 2498 grain bins; any repair, replacement, or component parts installed on agricultural  
 2499 machinery and equipment; trailers used to transport agricultural products; all-terrain  
 2500 vehicles and multipassenger rough-terrain vehicles; and any other off-road vehicles  
 2501 used directly and principally in the production of agricultural or horticultural products.

2502 (2) 'Agricultural operations' or 'agricultural products' means raising, growing, harvesting,  
 2503 or storing of crops; feeding, breeding, or managing livestock, equine, or poultry;  
 2504 producing or storing feed for use in the production of livestock, including, but not limited  
 2505 to, cattle, calves, swine, hogs, goats, sheep, equine, and rabbits, or for use in the  
 2506 production of poultry, including, but not limited to, chickens, hens, ratites, and turkeys;  
 2507 producing plants, trees, Christmas trees, fowl, equine, or animals; or the production of  
 2508 aquacultural, horticultural, viticultural, silvicultural, grass sod, dairy, livestock, poultry,  
 2509 eggs, and apiarian products. Agricultural products are considered grown in this state if  
 2510 such products are grown, produced, or processed in this state, whether or not such  
 2511 products are composed of constituent products grown or produced outside this state.

2512 (3) 'Agricultural production inputs' means seed; seedlings; plants grown from seed,  
 2513 cuttings or liners; fertilizers; insecticides; livestock and poultry feeds, drugs, and  
 2514 instruments used for the administration of such drugs; fencing products and materials  
 2515 used to produce agricultural products; fungicides; rodenticides; herbicides; defoliant;  
 2516 soil fumigants; plant growth regulating chemicals; desiccants, including, but not limited  
 2517 to, shavings and sawdust from wood, peanut hulls, fuller's earth, straw, and hay; feed for  
 2518 animals, including, but not limited to, livestock, fish, equine, hogs, or poultry; sugar used  
 2519 as food for honeybees kept for the commercial production of honey, beeswax, and  
 2520 honeybees; cattle, hogs, sheep, equine, poultry, or bees when sold for breeding purposes;  
 2521 ice or other refrigerants used in the processing for market or the chilling of agricultural  
 2522 products in storage rooms, compartments, or delivery trucks; materials, containers, crates,  
 2523 boxes, labels, sacks, bags, or bottles used for packaging agricultural products when the  
 2524 product is either sold in the containers, sacks, bags, or bottles directly to the consumer or  
 2525 when such use is incidental to the sale of the product for resale; containers, plastic,  
 2526 canvas, and other fabrics used in the care and raising of agricultural products or canvas  
 2527 used in covering feed bins, silos, greenhouses, and other similar storage structures.

2528 (4) 'Energy used in agriculture' means fuels used for agricultural purposes, including, but  
 2529 not limited to, off-road diesel, propane, butane, electricity, natural gas, wood, wood  
 2530 products, or wood byproducts; liquefied petroleum gas or other fuel used in structures in  
 2531 which broilers, pullets, or other poultry are raised, in which swine are raised, in which

2532 dairy animals are raised or milked or where dairy products are stored on a farm, and in  
 2533 which plants, seedlings, nursery stock, or floral products are raised primarily for the  
 2534 purposes of making sales of such plants, seedlings, nursery stock, or floral products for  
 2535 resale; electricity or other fuel for the operation of an irrigation system which is used on  
 2536 a farm exclusively for the irrigation of agricultural products; and electricity or other fuel  
 2537 used in the drying, cooking, or further processing of raw agricultural products, including,  
 2538 but not limited to, food processing of raw agricultural products.

2539 (5) 'Qualified agriculture producer' includes producers of agricultural products that meet  
 2540 one of the following criteria:

2541 (A) The person or entity is the owner or lessee of agricultural land or other real  
 2542 property from which \$2,500.00 or more of agricultural products were produced and  
 2543 sold during the year, including payments from government sources;

2544 (B) The person or entity is in the business of providing for-hire custom agricultural  
 2545 services including, but not limited to, plowing, planting, harvesting, growing, animal  
 2546 husbandry or the maintenance of livestock, raising or substantially modifying  
 2547 agricultural products, or for the maintenance of agricultural land from which \$2,500.00  
 2548 or more of such services were provided during the year;

2549 (C) The person or entity is the owner of land that qualifies for taxation under the  
 2550 qualifications of bona fide conservation use property as defined in Code Section  
 2551 48-5-7.4 or qualifies for taxation under the provisions of the Georgia Forest Land  
 2552 Protection Act as defined in Code Section 48-5-7.7;

2553 (D) The person or entity is in the business of producing long-term agricultural products  
 2554 from which there might not be annual income, including, but not limited to, timber,  
 2555 pulpwood, orchard crops, pecans, and horticultural or other multiyear agricultural or  
 2556 farm products. Applicants must demonstrate that sufficient volumes of such long-term  
 2557 agricultural products will be produced which have the capacity to generate at least  
 2558 \$2,500.00 in sales annually in the future; or

2559 (E) The person or entity must establish, to the satisfaction of the Commissioner of  
 2560 Agriculture, that the person or entity is actively engaged in the production of  
 2561 agricultural products and has or will have created sufficient volumes to generate at least  
 2562 \$2,500.00 in sales annually.

2563 (b) The sales and use taxes levied or imposed by this article shall not apply to sales to, or  
 2564 use by, a qualified agriculture producer of agricultural production inputs, energy used in  
 2565 agriculture, and agricultural machinery and equipment.

2566 (c) The Commissioner of Agriculture, at his or her discretion, may use one or both of the  
 2567 following criteria as a tool to determine eligibility under this Code section:

2568 (1) Business activity on IRS schedule F (Profit or Loss from Farming); or



2569 (2) Farm rental activity on IRS form 4835 (Farm Rental Income and Expenses) or  
 2570 schedule B (Supplemental Income and Loss).

2571 (d) Qualified applicants will be issued by the Commissioner of Agriculture an agricultural  
 2572 sales and use tax exemption certificate which contains an exemption number. To facilitate  
 2573 the use of the exemption certificate, a wallet-sized card containing that same information  
 2574 will also be issued by the Commissioner of Agriculture.

2575 (e) The Commissioner of Agriculture is authorized to promulgate rules and regulations  
 2576 governing the issuance of agricultural exemption certificates and the administration of this  
 2577 program. The Commissioner of Agricultural is authorized to establish an oversight board  
 2578 and direct staff and is authorized to charge annual fees of not less than \$5.00 nor more than  
 2579 \$20.00 per year in accordance with Code Section 2-1-5."

2580 **SECTION 3-7.**

2581 Title 2 of the Official Code of Georgia Annotated, relating to agriculture, is amended by  
 2582 revising Code Section 2-1-5, relating to certain agricultural annual license fees, as follows:

2583 "2-1-5.

2584 (a) An individual conducting business as a grain dealer, commercial feed dealer, and grain  
 2585 warehouseman shall pay an annual license fee in an amount not less than \$1,500.00 nor  
 2586 more than \$3,000.00. Any fees collected pursuant to this Code section shall be retained  
 2587 pursuant to the provisions of Code Section 45-12-92.1.

2588 (b) A qualified agriculture producer, as defined in Code Section 48-8-3.2, shall pay an  
 2589 annual license fee in an amount not less than \$5.00 nor more than \$20.00. Any fees  
 2590 collected pursuant to this Code section shall be retained pursuant to the provisions of Code  
 2591 Section 45-12-92.1."

2592 **SECTION 3-8.**

2593 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 2594 amended in Code Section 48-8-30, relating to imposition of sales and use taxes, by adding  
 2595 a new subsection to read as follows:

2596 "(b.1) Every purchaser of tangible personal property, including, but not limited to, a motor  
 2597 vehicle, watercraft, and aircraft which is or which is required to be titled or registered by  
 2598 or in this state shall be liable for a tax on the purchase at the rate of 4 percent of the sales  
 2599 price. Every such purchaser shall make a return and remit the tax using such forms as  
 2600 prescribed by the commissioner at the time of applying for a title or transfer of title or  
 2601 registration. Failure to make such return and remit such tax shall be cause to deny the  
 2602 issuance of a title or registration for such tangible personal property."

2603 **SECTION 3-9.**

2604 Said Title 48 is further amended by revising Code Section 48-8-82, relating to imposition of  
 2605 the joint county and municipal sales and use tax, as follows:

2606 "48-8-82.

2607 When the imposition of a joint county and municipal sales and use tax is authorized  
 2608 according to the procedures provided in this article within a special district, the county  
 2609 whose geographical boundary is conterminous with that of the special district and each  
 2610 qualified municipality located wholly or partially within the special district shall levy a  
 2611 joint sales and use tax at the rate of 1 percent. Except as to rate, the joint tax shall  
 2612 correspond to the tax imposed and administered by Article 1 of this chapter. No item or  
 2613 transaction which is not subject to taxation by Article 1 of this chapter shall be subject to  
 2614 the tax levied pursuant to this article, except that the joint tax provided in this article shall  
 2615 be applicable to sales of motor fuels as prepaid local tax as that term is defined in Code  
 2616 Section 48-8-2 and shall be applicable to the sale of food and food ingredients and  
 2617 alcoholic beverages only to the extent provided for in paragraph (57) of Code Section  
 2618 48-8-3."

2619 **SECTION 3-10.**

2620 Said Title 48 is further amended by revising subsection (b) of Code Section 48-8-102,  
 2621 relating to the imposition of the homestead option sales and use tax, as follows:

2622 "(b) When the imposition of a local sales and use tax is authorized according to the  
 2623 procedures provided in this article within a special district, the county whose geographical  
 2624 boundary is conterminous with that of the special district shall levy a local sales and use  
 2625 tax at the rate of 1 percent. Except as to rate, the local sales and use tax shall correspond  
 2626 to the tax imposed and administered by Article 1 of this chapter. No item or transaction  
 2627 which is not subject to taxation by Article 1 of this chapter shall be subject to the sales and  
 2628 use tax levied pursuant to this article, except that the sales and use tax provided in this  
 2629 article shall be applicable to sales of motor fuels as prepaid local tax as that term is defined  
 2630 in Code Section 48-8-2 and shall be applicable to the sale of food and food ingredients and  
 2631 alcoholic beverages only to the extent provided for in paragraph (57) of Code Section  
 2632 48-8-3."

2633 **SECTION 3-11.**

2634 Said Title 48 is further amended by revising subsection (c) of Code Section 48-8-110.1,  
 2635 relating to imposition of the county special purpose local option sales and use tax, as follows:

2636 "(c) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a  
 2637 tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter.  
 2638 No item or transaction which is not subject to taxation under Article 1 of this chapter shall  
 2639 be subject to a tax imposed under this part, except that a tax imposed under this part shall  
 2640 apply to sales of motor fuels as prepaid local tax as that term is defined in Code Section

2641 ~~48-8-2 and shall be applicable to the sale of food and food ingredients and alcoholic~~  
 2642 ~~beverages as provided for in Code Section 48-8-3."~~

2643 **SECTION 3-12.**

2644 Said Title 48 is further amended by revising subparagraph (c)(1)(B) of Code Section  
 2645 48-8-201, relating to approval and imposition of the water and sewer projects and costs tax,  
 2646 as follows:

2647 ~~"(B) The sale of food and food ingredients and alcoholic beverages as provided for in~~  
 2648 ~~Code Section 48-8-3~~ Reserved;"

2649 **SECTION 3-13.**

2650 Said Title 48 is further amended by revising subsection (d) of Code Section 48-8-241,  
 2651 relating to creation of special districts for regional transportation funding, as follows:

2652 "(d) Any tax imposed under this article shall be at the rate of 1 percent. Except as to rate,  
 2653 a tax imposed under this article shall correspond to the tax imposed by Article 1 of this  
 2654 chapter. No item or transaction which is not subject to taxation under Article 1 of this  
 2655 chapter shall be subject to a tax imposed under this article, except that a tax imposed under  
 2656 this article shall not apply to:

- 2657 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road  
 2658 farm or agricultural equipment, or locomotives;
- 2659 (2) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport;
- 2660 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public  
 2661 highways. For purposes of this paragraph, a motor vehicle means a self-propelled vehicle  
 2662 designed for operation or required to be licensed for operation upon the public highways;
- 2663 (4) The sale or use of energy used in the manufacturing or processing of tangible goods  
 2664 primarily for resale; or
- 2665 (5) For motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass  
 2666 transit.

2667 The tax imposed pursuant to this article shall only be levied on the first \$5,000.00 of any  
 2668 transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant to this  
 2669 article shall be subject to any sales and use tax exemption which is otherwise imposed by  
 2670 law; ~~provided, however, that the tax levied by this article shall be applicable to the sale of~~  
 2671 ~~food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3."~~

2672 **PART IV**

2673 **SECTION 4-1.**

2674 The General Assembly recognizes that the communications industry has become increasingly  
2675 competitive and that the distinctions among the providers of the various types of  
2676 communications services have become blurred. The General Assembly desires to treat  
2677 similar services consistently under the tax laws of this state. Accordingly, the General  
2678 Assembly finds that it is no longer appropriate for the providers of certain types of  
2679 communications services to be required to pay a myriad of local taxes, licenses, and fees  
2680 while other communications service providers are not required to pay some or all of such  
2681 taxes, licenses, and fees. The General Assembly finds, however, that it is in the best interests  
2682 of the state and its political subdivisions that the tax revenues available to such political  
2683 subdivisions not be diminished by the elimination of certain local taxes, licenses, and fees  
2684 imposed on communications service providers; and that a state level communications  
2685 services tax imposed equitably on communications services is expected at a minimum to  
2686 provide to each such political subdivision comparable tax revenues to the local taxes,  
2687 licenses, and fees that should be eliminated. The General Assembly further finds that, in  
2688 order to promote investment in Georgia's communications infrastructure and since the  
2689 communications services sold will be taxed, the equipment purchased to provide such  
2690 communications services should be exempt from state and local sales tax. The General  
2691 Assembly further finds that a state-wide communications services tax in lieu of other taxes  
2692 on communications would promote simplicity, uniformity, and efficiency in the  
2693 administration of and compliance with the taxes on communications services which is in the  
2694 best interests of the state.

2695 **SECTION 4-2.**

2696 This part of this Act shall be known and may be cited as the "Georgia Communications  
2697 Services Tax Act."

2698 **SECTION 4-3.**

2699 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
2700 amended in Code Section 48-8-2, relating to definitions regarding sales and use tax, by  
2701 revising paragraphs (31), (34), and (39) and by adding new paragraphs to read as follows:

2702 "(4.1) 'Call center' means one or more locations that utilize telecommunications services  
2703 in one or more of the following activities: customer services, soliciting sales, reactivating  
2704 dormant accounts, conducting surveys or research, fundraising, collection of receivables,  
2705 receiving reservations, receiving orders, or taking orders."

2706 "(5.1) 'Communications services' means telecommunications services, ancillary services,  
2707 and video programming services."

2708 "(18.1) 'Mobile telecommunications service' has the same meaning given to such term  
 2709 in Section 124(7) of the Mobile Telecommunications Sourcing Act, P.L.106-252,  
 2710 4 U.S.C. 124(7)."

2711 "(31) 'Retail sale' or a 'sale at retail' means any sale, lease, or rental for any purpose other  
 2712 than for resale, sublease, or subrent. Sales for resale must be made in strict compliance  
 2713 with the commissioner's rules and regulations. Any dealer making a sale for resale which  
 2714 is not in strict compliance with the commissioner's rules and regulations shall ~~himself~~ be  
 2715 liable for and shall pay the tax. The terms 'retail sale' or 'sale at retail' include but are not  
 2716 limited to the following:

2717 (A) Except as otherwise provided in this chapter, the sale of natural or artificial gas,  
 2718 oil, electricity, solid fuel, transportation, ~~local telephone service~~ prepaid calling service  
 2719 and prepaid wireless calling service, alcoholic beverages, and tobacco products, when  
 2720 made to any purchaser for purposes other than resale. Sales of communications  
 2721 services other than prepaid calling service and prepaid wireless calling service shall not  
 2722 be 'retail sales' or 'sales at retail' for purposes of this chapter and shall not be subject to  
 2723 the tax imposed by this chapter;

2724 (B) The sale or charges for any room, lodging, or accommodation furnished to  
 2725 transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which  
 2726 rooms, lodgings, or accommodations are regularly furnished to transients for a  
 2727 consideration. This tax shall not apply to rooms, lodgings, or accommodations supplied  
 2728 for a period of 90 continuous days or more;

2729 (C) Sales of tickets, fees, or charges made for admission to, or voluntary contributions  
 2730 made to places of, amusement, sports, or entertainment, including, but not limited to:

- 2731 (i) Billiard and pool rooms;
- 2732 (ii) Bowling alleys;
- 2733 (iii) Amusement devices;
- 2734 (iv) Musical devices;
- 2735 (v) Theaters;
- 2736 (vi) Opera houses;
- 2737 (vii) Moving picture shows;
- 2738 (viii) Vaudeville;
- 2739 (ix) Amusement parks;
- 2740 (x) Athletic contests including, but not limited to, wrestling matches, prize fights,  
 2741 boxing and wrestling exhibitions, football games, and baseball games;
- 2742 (xi) Skating rinks;
- 2743 (xii) Race tracks;
- 2744 (xiii) Public bathing places;
- 2745 (xiv) Public dance halls; and

2746 (xv) Any other place at which any exhibition, display, amusement, or entertainment  
2747 is offered to the public or any other place where an admission fee is charged;

2748 (D) Charges made for participation in games and amusement activities;

2749 (E) Sales of tangible personal property to persons for resale when there is a likelihood  
2750 that the state will lose tax funds due to the difficulty of policing the business operations  
2751 because:

2752 (i) Of the operation of the business;

2753 (ii) Of the very nature of the business;

2754 (iii) Of the turnover of so-called independent contractors;

2755 (iv) Of the lack of a place of business in which to display a certificate of registration;

2756 (v) Of the lack of a place of business in which to keep records;

2757 (vi) Of the lack of adequate records;

2758 (vii) The persons are minors or transients;

2759 (viii) The persons are engaged in essentially service businesses; or

2760 (ix) Of any other reasonable reason.

2761 The commissioner may promulgate rules and regulations requiring vendors of persons  
2762 described in this subparagraph to collect the tax imposed by this article on the retail  
2763 price of the tangible personal property. The commissioner shall refuse to issue  
2764 certificates of registration and may revoke certificates of registration issued in violation  
2765 of his rules and regulations; or

2766 ~~(F) Charges, which applied to sales of telephone service, made for local exchange~~  
2767 ~~telephone service, except coin-operated telephone service, except as otherwise provided~~  
2768 ~~in subparagraph (G) of this paragraph; or In the case of a bundled transaction, including~~  
2769 ~~a transaction that includes any of the following: telecommunication service, ancillary~~  
2770 ~~service, Internet access, or audio or video programming service:~~

2771 ~~(G)~~(i) If the price is attributable to products or services that are taxable and products  
2772 or services that are nontaxable, the portion of the price attributable to the nontaxable  
2773 products or services may be subject to tax unless the provider can identify by  
2774 reasonable and verifiable standards such portion from its books and records that are  
2775 kept in the regular course of business for other purposes, including, but not limited to,  
2776 nontax purposes.

2777 (ii) If the price is attributable to products or services that are subject to tax at different  
2778 tax rates or subject to different taxes, the total price may be treated as attributable to  
2779 the products or services subject to tax at the ~~highest tax~~ higher rate or the higher-rate  
2780 tax unless the provider can identify by reasonable and verifiable standards the portion  
2781 of the price attributable to the products subject to tax at the lower rate or the  
2782 lower-rate tax from the provider's books and records that are kept in the regular course  
2783 of business for other purposes, including, but not limited to, nontax purposes."

2784 "(34)(A) 'Sales price' applies to the measure subject to sales tax and means the total  
2785 amount of consideration, including cash, credit, property, and services, for which  
2786 personal property or services are sold, leased, or rented, valued in money, whether  
2787 received in money or otherwise without any deduction for the following:

- 2788 (i) The seller's cost of the property sold;
- 2789 (ii) The cost of materials used, labor, or service cost, interest, losses, all costs of  
2790 transportation to the seller, all taxes imposed on the seller, and any other expense of  
2791 the seller;
- 2792 (iii) Charges by the seller for any services necessary to complete the sale, other than  
2793 delivery and installation charges;
- 2794 (iv) Delivery charges;
- 2795 (v) Installation charges; and
- 2796 (vi) Credit for any trade-in, except as otherwise provided in division (vii) of  
2797 subparagraph (B) of this paragraph.

2798 (B) 'Sales price' shall not include:

- 2799 (i) Discounts, including cash, term, or coupons that are not reimbursed by a third  
2800 party that are allowed by a seller and taken by a purchaser on a sale;
- 2801 (ii) Interest, financing, and carrying charges from credit extended on the sale of  
2802 personal property or services, if the amount is separately stated on the invoice, bill of  
2803 sale or similar document given to the purchaser;
- 2804 (iii) Any taxes legally imposed directly on the consumer that are separately stated on  
2805 the invoice, bill of sale, or similar document given to the purchaser;
- 2806 (iv) Installation charges if they are separately stated on the invoice, billing, or similar  
2807 document given to the purchaser;
- 2808 (v) Charges by the seller for any services necessary to complete the sale if they are  
2809 separately stated on the invoice, billing, or similar document given to the purchaser;
- 2810 (vi) Telecommunications nonrecurring charges if they are separately stated on the  
2811 invoice, billing, or similar document; and
- 2812 (vii) Credit for any motor vehicle trade-in.

2813 (C) 'Sales price' shall include consideration received by the seller from third parties if:

- 2814 (i) The seller actually receives consideration from a party other than the purchaser  
2815 and the consideration is directly related to a price reduction or discount on the sale;
- 2816 (ii) The seller has an obligation to pass the price reduction or discount through to the  
2817 purchaser;
- 2818 (iii) The amount of the consideration attributable to the sale is fixed and determinable  
2819 by the seller at the time of the sale of the item to the purchaser; and
- 2820 (iv) One of the following criteria is met:

2821 (I) The purchaser presents a coupon, certificate, or other documentation to the seller  
 2822 to claim a price reduction or discount where the coupon, certificate, or  
 2823 documentation is authorized, distributed, or granted by a third party with the  
 2824 understanding that the third party will reimburse any seller to whom the coupon,  
 2825 certificate, or documentation is presented;

2826 (II) The purchaser identifies himself or herself to the seller as a member of a group  
 2827 or organization entitled to a price reduction or discount; provided, however, that a  
 2828 'preferred customer' card that is available to any patron shall not constitute  
 2829 membership in such a group; or

2830 (III) The price reduction or discount is identified as a third party price reduction or  
 2831 discount on the invoice received by the purchaser or on a coupon, certificate, or  
 2832 other documentation presented by the purchaser."

2833 "(39) 'Telecommunications service' means the electronic transmission, conveyance, or  
 2834 routing of voice, data, audio, video, or any other information or signals to a point, or  
 2835 between or among points. The term 'telecommunications service' includes such  
 2836 transmission, conveyance, or routing in which computer processing applications are used  
 2837 to act on the form, code, or protocol of the content for purposes of transmission,  
 2838 conveyance, or routing without regard to whether such service is referred to as voice over  
 2839 Internet protocol services or is classified by the Federal Communications Commission  
 2840 as enhanced or value added. 'Telecommunications service' shall not include:

2841 (A) Data processing and information services that allow data to be generated, acquired,  
 2842 stored, processed, or retrieved and delivered by an electronic transmission to a  
 2843 purchaser where such purchaser's primary purpose for the underlying transaction is the  
 2844 processed data or information;

2845 (B) Installation or maintenance of wiring or equipment on a customer's premises;

2846 (C) Tangible personal property;

2847 (D) Advertising, including, but not limited to, directory advertising;

2848 (E) Billing and collection services provided to third parties;

2849 (F) Internet access service;

2850 (G) ~~Radio and television audio and video~~ Video programming services, regardless of  
 2851 the medium, including the furnishing of transmission, conveyance and routing of such  
 2852 services by the programming service provider. ~~Radio and television audio and video~~  
 2853 ~~programming services shall include but not be limited to cable service as defined in 47~~  
 2854 ~~USC 522(6) and audio and video programming services delivered by commercial~~  
 2855 ~~mobile radio service providers, as defined in 47 CFR 20.3~~ service;

2856 (H) Ancillary services; or

2857 (I) Digital products delivered electronically, including, but not limited to, software,  
 2858 music, video, reading materials, or ring tones."



2859 "(42.1) 'Video programming service' means the sale, offering, transmission, conveyance,  
 2860 or routing of audio or video programming services for purchase by subscribers or  
 2861 customers, regardless of the medium, technology, or method of display, including the  
 2862 furnishing of transmission, conveyance, and routing of such programming by the  
 2863 programming service provider. Such term shall include, but not be limited to:

2864 (A) Cable service, as defined in Section 602(6) of the Communications Act of 1934(47  
 2865 U.S.C. 522(6));

2866 (B) Interactive on-demand service, as defined in Section 602(12) of such Act  
 2867 (47 U.S.C. 522(12));

2868 (C) The provision of video programming by a multichannel video program distributor,  
 2869 as defined in paragraphs (20) and (13) of Section 602 of such Act (47 U.S.C. 522); and

2870 (D) The distribution of audio or video programming by providers of 'mobile service,'  
 2871 as defined in Section 20.3 of Title 47 of the Code of Federal Regulations, when such  
 2872 services are offered for purchase by subscribers or customers of such service."

#### 2873 **SECTION 4-4.**

2874 Said Title 48 is further amended in Code Section 48-8-3, relating to exemptions from sales  
 2875 and use taxes, by replacing "; or" with a semicolon at the end of paragraph (90), replacing  
 2876 the period at the end of paragraph (91) with a semicolon, and by adding new paragraphs to  
 2877 read as follows:

2878 "(92) The sale of any products or services purchased by a communications services  
 2879 provider for further commercial broadcast, rebroadcast, transmission, or retransmission,  
 2880 in whole or in part, to another person as such product or as a communications service; or

2881 (93) The sale of equipment used in the business of providing communications services.  
 2882 For purposes of this paragraph, the term 'equipment used in the business of providing  
 2883 communications services' means all equipment, machinery, software, and other  
 2884 infrastructure that is used in whole or in part in producing, broadcasting, or distributing  
 2885 programs; sending, receiving, storing, transmitting, retransmitting, amplifying, switching,  
 2886 or routing voice, data, or video communications; or which is used in monitoring, testing,  
 2887 maintaining, enabling, or facilitating such equipment, machinery, software, or other  
 2888 infrastructure. Such term includes, but is not limited to, wires, cables, antennas, poles,  
 2889 switches, routers, amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
 2890 transmitters, power equipment, backup power equipment, diagnostic equipment, storage  
 2891 devices, modems, and other general central office equipment, such as channel cards,  
 2892 frames, and cabinets."

#### 2893 **SECTION 4-5.**

2894 Said Title 48 is further amended in Code Section 48-8-32, relating to collectability and rates  
2895 of sales and use tax, as follows:

2896 "48-8-32.

2897 The tax at the rate of 4 percent of the retail sales price at the time of sale or 4 percent of the  
2898 purchase price at the time of purchase, as the case may be, shall be collectable from all  
2899 persons engaged as dealers in the sale at retail, or in the use, consumption, distribution, or  
2900 storage for use or consumption in this state of tangible personal property, prepaid calling  
2901 service, and prepaid wireless calling service."

2902 **SECTION 4-6.**

2903 Said Title 48 is further amended in Code Section 48-8-39, relating to the effect of certain use  
2904 of sales tax certificates, by revising subsection (a) as follows:

2905 "(a) If a purchaser who gives a certificate stating that property is purchased for resale  
2906 makes any use of the property other than retention, demonstration, or display while holding  
2907 it for sale in the regular course of business, the use shall be deemed a retail sale by the  
2908 purchaser as of the time the property is first used by ~~him~~ the purchaser, and the purchase  
2909 price of the property to ~~him~~ the purchaser shall be deemed the gross receipts from the retail  
2910 sale. If the sole use of the property other than retention, demonstration, or display in the  
2911 regular course of business is the rental of the property while holding it for sale or the  
2912 transportation of persons for hire while holding the property for sale, the purchaser may  
2913 elect to include in ~~his~~ the purchaser's gross receipts either the amount of the rental charged  
2914 or the total amount of the charges made by ~~him~~ the purchaser for the transportation rather  
2915 than the cost of the property to ~~him~~ the purchaser. If the sole use of the property by a  
2916 purchaser, other than retention, demonstration, or display in the regular course of business,  
2917 is the transfer of such property, either free of charge or at a sale price not exceeding the  
2918 purchase price of the property, to another person in conjunction with such other person  
2919 entering into a contract to purchase communications services subject to the tax imposed  
2920 under Chapter 18 of this title, then such use shall be treated as a retail sale to such other  
2921 person for no consideration, in the case of a transfer that is free of charge, or for the sale  
2922 price collected with respect to such transfer."

2923 **SECTION 4-7.**

2924 Said Title 48 is further amended in Code Section 48-8-42, relating to credit for taxes paid in  
2925 other states, by adding a new subsection to read as follows:

2926 "(c) Any communications services provider that erroneously but in good faith pays the tax  
2927 imposed by Chapter 18 of this title on an item of tangible personal property or a service  
2928 subject to the tax imposed by this chapter shall be allowed a credit against the tax imposed  
2929 by this chapter to the extent of the amount of such tax paid."

2930 **SECTION 4-8.**

2931 Said Title 48 is further amended by repealing subsection (e) of Code Section 48-8-77,  
2932 relating to sourcing of local telecommunications services.

2933 **SECTION 4-9.**

2934 Said Title 48 is further amended by adding a new Code Section to read as follows:

2935 "48-8-78.

2936 (a) As used in this chapter and Chapter 18 of this title, the term:

2937 (1) 'Air-to-ground radiotelephone service' means a radio service, as that term is defined  
2938 in 47 C.F.R. 22.99, in which common carriers are authorized to offer and provide radio  
2939 telecommunications services for hire to subscribers in an aircraft.

2940 (2) 'Call-by-call basis' means any method of charging for telecommunications services  
2941 where the price is measured by individual calls.

2942 (3) 'Communications channel' means a physical or virtual path of communications over  
2943 which signals are transmitted between or among customer channel termination points.

2944 (4) 'Customer' means the person or entity that contracts with the seller of  
2945 telecommunications services. If the end user of the telecommunications service is not the  
2946 contracting party, the end user of the telecommunications service is the customer of the  
2947 telecommunications service but only for the purpose of sourcing sales of  
2948 telecommunications services. Customer does not include a reseller of telecommunications  
2949 service or for mobile telecommunications service of a serving carrier under an agreement  
2950 to serve the customer outside the home service provider's licensed service area.

2951 (5) 'Customer channel termination point' means, in the context of a private  
2952 communications service, the location where the customer either inputs or receives  
2953 communications.

2954 (6) 'End user' means the person who utilizes the telecommunications service. In the case  
2955 of an entity, end user means the individual who utilizes the service on behalf of the entity.

2956 (7) 'Home service provider' has the same meaning given to such term in Section 124(5)  
2957 of the Mobile Telecommunications Sourcing Act, P.L. 106-252, 4 U.S.C. 124(5).

2958 (8) 'Postpaid calling service' means a telecommunications service obtained by making  
2959 a payment on a call-by-call basis either through the use of a credit card or payment  
2960 mechanism such as a bank card, travel card, credit card, or debit card, or by charge made  
2961 to a telephone number which is not associated with the origination or termination of the  
2962 telecommunications service. A postpaid calling service includes a telecommunications  
2963 service, except a prepaid wireless calling service, that would be a prepaid calling service,  
2964 except that the right provided is not exclusively to access telecommunications services.

2965 (9) 'Private communication service' means a telecommunications service that entitles the  
2966 customer to exclusive or priority use of a communications channel or group of channels

2967 between or among termination points, regardless of the manner in which such channel  
 2968 or channels are connected, and includes switching capacity, extension lines, stations, and  
 2969 any other associated services that are provided in connection with the use of such channel  
 2970 or channels.

2971 (10) 'Service address' means:

2972 (A) The location of the telecommunications equipment to which a customer's call is  
 2973 charged and from which the call originates or terminates, regardless of where the call  
 2974 is billed or paid;

2975 (B) If the location under subparagraph (A) of this paragraph is not known, 'service  
 2976 address' means the origination point of the signal of the telecommunications service  
 2977 first identified by either the seller's telecommunications system or, in information  
 2978 received by the seller from its service provider, where the system used to transport such  
 2979 signal is not that of the seller; or

2980 (C) If the locations under both subparagraphs (A) and (B) of this paragraph are not  
 2981 known, 'service address' means the location of the customer's place of primary use.

2982 (b) The provisions of this Code section are solely for the purposes of sourcing  
 2983 communications services, the taxability of which is governed by this chapter with respect  
 2984 to prepaid calling services and prepaid wireless calling service and Chapter 18 of this title  
 2985 with respect to all other communications services.

2986 (c) The following sourcing rules shall apply to telecommunications:

2987 (1) Except as otherwise provided in paragraph (4) of this subsection, telecommunications  
 2988 services sold on a call-by-call basis shall be sourced to this state if either of the following  
 2989 occurs:

2990 (A) The call both originates and terminates in this state; or

2991 (B) The call either originates in this state or terminates in this state, and the service  
 2992 address associated with the call is located in this state;

2993 (2) Except as otherwise provided in paragraph (4) of this subsection, telecommunications  
 2994 services sold on a basis other than a call-by-call basis shall be sourced to this state if the  
 2995 telecommunications service is charged to a customer whose place of primary use is in this  
 2996 state;

2997 (3) Except as otherwise provided in paragraph (4) of this subsection, mobile  
 2998 telecommunications services provided by a customer's home service provider shall be  
 2999 sourced to this state if the customer's place of primary use is in this state; and

3000 (4) Notwithstanding the provisions of paragraphs (1), (2), and (3) of this subsection, the  
 3001 following rules shall apply:

3002 (A) Air-to-ground radio telephone services shall be sourced to this state if the  
 3003 customer's place of primary use is located in this state;

3004 (B) Postpaid calling services shall be sourced to this state if the origination point of the  
 3005 telecommunications signal is located in this state, as first identified by either of the  
 3006 following:

3007 (i) The seller's telecommunications system; or

3008 (ii) Information received by the seller from its service provider, where the system  
 3009 used to transport such signals is not that of the seller;

3010 (C) Private communications services shall be sourced to this state under the following  
 3011 rules:

3012 (i) Service for a separate charge related to a customer channel termination point shall  
 3013 be sourced to this state if the customer channel termination point is located in this  
 3014 state;

3015 (ii) Service for a separate charge for the use of a channel that is exclusively between  
 3016 two channel termination points located in this state shall be sourced to this state; and

3017 (iii) Where channel termination points of a channel are located both within and  
 3018 outside this state:

3019 (I) Fifty percent of any separate charge for a segment of a channel between two  
 3020 such channel termination points; and

3021 (II) To the extent that the charge for any segment or segments of a channel is not  
 3022 separately billed, an amount equal to the total charge for such channel segment or  
 3023 segments multiplied by a fraction, the numerator of which is the number of channel  
 3024 termination points located in this state and the denominator of which is the total  
 3025 number of channel termination points; and

3026 (D) A sale of prepaid calling service or a sale of a prepaid wireless calling service shall  
 3027 be sourced in accordance with subsection (b) of Code Section 48-8-77; provided,  
 3028 however, that in the case of a sale of prepaid wireless calling service, the rule provided  
 3029 in subparagraph (b)(1)(E) of Code Section 48-7-77 shall include as an option the  
 3030 location associated with the mobile telephone number.

3031 (c) All communications services other than telecommunications services shall be sourced  
 3032 to the customer's place of primary use if located in this state."

3033 **SECTION 4-10.**

3034 Said Title 48 is further amended by adding a new chapter to read as follows:

3035 "CHAPTER 18

3036 48-18-1.

3037 (a) Except as otherwise provided in this Code section, there is imposed a tax on the sales  
 3038 price, as defined in paragraph (34) of Code Section 48-8-2, paid for the retail purchase of  
 3039 communications services, as defined in paragraph (5.1) of Code Section 48-8-2, that are

3040 sourced to this state under Code Section 48-8-78 at a rate equal to the sum of the rate at  
 3041 which state sales tax is imposed by paragraph (1) of subsection (b) of Code Section 48-8-30  
 3042 plus the maximum combined rate of sales tax, not to exceed 3 percent, that any county is  
 3043 authorized to levy under the provisions of Chapter 8 of this title.

3044 (b) The tax imposed by this chapter shall be paid by the person paying for such  
 3045 communications services and shall be collected from such person by the retailer and  
 3046 remitted to the department pursuant to Code Section 48-18-5.

3047 (c) No sale of communications services shall be taxable to the person furnishing the  
 3048 communications services which is not taxable to the purchaser of the communications  
 3049 services.

3050 (d) The sales price paid for the retail purchase of communications services shall not  
 3051 include amounts paid for or attributable to:

3052 (1) Communications services which are resold, used as a component part of, or  
 3053 integrated into a communications service provided to the ultimate retail purchaser who  
 3054 originates or terminates the taxable end-to-end communication, including, but not limited  
 3055 to, carrier access charges, right of access charges, interconnection charges paid by the  
 3056 providers of mobile telecommunications services or other communications services,  
 3057 charges paid by cable or video service providers for the transmission of video or other  
 3058 programming by another communications service provider over facilities owned or  
 3059 operated by such other communications service provider, charges for the sale of  
 3060 unbundled network elements, and charges for use of intercompany facilities;

3061 (2) Coin operated telephone service;

3062 (3) Communications services provided to any person or entity exempt from the tax  
 3063 imposed by Chapter 8 of this title;

3064 (4) Discounts, bad debts, taxes, or any other deduction to the extent allowed as a  
 3065 deduction under Chapter 8 of this title;

3066 (5) Prepaid calling service, prepaid wireless calling service, tangible personal property,  
 3067 or services subject to tax pursuant to Chapter 8 of this title; and

3068 (6) Communications services or transactions among entities under 50 percent or greater,  
 3069 direct or indirect, common control.

3070 (e) A retailer of communications services may combine the taxes due under this chapter  
 3071 and Chapter 8 of this title as a single line item on the retailer's invoice to a purchaser of  
 3072 communications services.

3073 48-18-2.

3074 (a) Notwithstanding any provision of law to the contrary, with respect to sales of  
 3075 telecommunications services to any person for use in the operation of one or more call  
 3076 centers, the tax imposed by this chapter shall not exceed \$25,000.00 per calendar year.

3077 (b) The limitation set forth in subsection (a) of this Code section shall apply only to  
3078 holders of a direct payment number issued by the department. In order to obtain such  
3079 direct payment number, the applicant shall establish that the applicant satisfies the criteria  
3080 for a call center as defined in paragraph (4.1) of Code Section 48-8-2.

3081 (c) The department shall not issue any refunds of taxes paid prior to receiving a direct  
3082 payment number.

3083 (d) All entities wholly owned by the same person or entity shall be considered a single  
3084 person.

3085 48-18-3.

3086 (a) To prevent multistate taxation of a communications service subject to taxation under  
3087 this chapter, any taxpayer, upon proof that such taxpayer has paid a tax in another state on  
3088 such service, shall be allowed a credit against the tax imposed by this chapter to the extent  
3089 of the amount of such tax paid in such other state.

3090 (b) Any communications services provider that erroneously but in good faith pays the tax  
3091 imposed by Chapter 8 of this title on the provision of communications services shall be  
3092 allowed credit against the tax imposed by this chapter to the extent of the amount of such  
3093 tax paid.

3094 48-18-4.

3095 All procedural and administrative provisions of Chapters 2 and 8 of this title, including  
3096 those which set forth the limitations periods and procedures for assessment, collection,  
3097 refunds, and credits, and those which fix penalties and interest for nonpayment of tax and  
3098 for noncompliance with the provisions of this title, and all other requirements and duties  
3099 imposed upon the taxpayer, shall apply to all taxpayers liable for the communications  
3100 services tax imposed under the provisions of this chapter and to all providers of  
3101 communications services required to collect and remit such taxes. In addition, all  
3102 definitions, sourcing rules, customer remedy rules, and bundled transaction rules, which  
3103 have been enacted in compliance with the Streamlined Sales Tax Agreement and codified  
3104 in Chapter 8 of this title, shall apply to the communications services tax imposed under the  
3105 provisions of this chapter. The commissioner shall exercise all power and authority and  
3106 perform all duties with respect to persons obligated under this chapter as are provided in  
3107 Chapters 2 and 8, except where there is a conflict, in which case, the provisions of this  
3108 chapter shall control. The commissioner may from time to time make such rules and  
3109 regulations not inconsistent with this chapter as may be deemed necessary to carry out its  
3110 provisions.

3111 48-18-5.

3112 (a) A communications services provider shall be permitted to deduct and retain 2 percent  
3113 of total communications services taxes that are collected and remitted by the provider on  
3114 a timely basis to the department.

3115 (b) The tax imposed by Code Section 48-18-1, including any penalties or interest  
3116 attributable to the nonpayment of such taxes or for noncompliance with the provisions of  
3117 this chapter, shall be collected by the department and shall be accounted for separately  
3118 from all other taxes. The department may retain a collection fee, not to exceed 1 percent  
3119 of the amounts collected, as reimbursement for the actual cost of collection.

3120 (c)(1) Of the remaining amounts collected, 4/7 shall be credited in the same manner as  
3121 the state sales and use taxes collected pursuant to Article 1 of Chapter 8 of this title.

3122 (2) The other 3/7 shall be distributed monthly within 30 days of the end of each month  
3123 by the department to the various municipalities and counties of this state in accordance  
3124 with the respective amounts to which each such municipality and county is entitled under  
3125 subsection (d) of this Code section. Any overpayment to a municipality and county or  
3126 any payment to a municipality and county in error may be adjusted by the department on  
3127 any subsequent payment to such municipality and county.

3128 (d)(1) The first 14.378 percent of the total amount available under paragraph (2) of  
3129 subsection (c) of this Code section shall be granted to the counties based on the ratio of  
3130 the population of each county to the total population of this state, using the most recent  
3131 annual estimates of the population in Georgia as prepared by the United States census.  
3132 The amount granted to each county shall be distributed by such county to the county  
3133 governing authority and the political subdivisions within such county in the same manner  
3134 as the local option sales taxes imposed pursuant to Articles 2, 2A, and 3 of Chapter 8 of  
3135 this title are distributed.

3136 (2) After the distributions required by paragraph (1) of this subsection, there shall be  
3137 granted to each county an amount equal to the average monthly revenues that were  
3138 received from communications services providers during 2010 by such county and all  
3139 political subdivisions within such county pursuant to local option sales taxes prohibited  
3140 by Code Section 48-18-6, which were validly imposed and in effect during that time. The  
3141 amount granted to each county shall be distributed by such county to the county  
3142 governing authority and the political subdivisions in such county in the same manner as  
3143 the local option sales taxes imposed pursuant to Articles 2, 2A, and 3 of Chapter 8 of this  
3144 title are distributed.

3145 (3) After the distributions required by paragraphs (1) and (2) of this subsection, an  
3146 amount equal to the average monthly revenues that were received from communications  
3147 services providers during 2010 by each city and county pursuant to taxes, charges, and  
3148 fees, other than local option sales taxes prohibited by Code Section 48-18-6, which were



3149 validly imposed and in effect during that time, shall be granted and distributed to each  
 3150 such city and county.

3151 (e)(1) Each county and city government that received in 2010 such taxes, charges, or fees  
 3152 prohibited by Code Section 48-18-6 shall report the amounts of such taxes, charges, or  
 3153 fees received in 2010 to the department by October 31, 2011.

3154 (2) Each communications services provider that paid in 2010 such taxes, charges, or fees  
 3155 prohibited by Code Section 48-18-6 shall report the amounts of such taxes, charges, or  
 3156 fees paid in 2010 to the department by October 31, 2011.

3157 (3) The department shall be charged with reviewing such data from all political  
 3158 subdivisions and communications services providers to ensure accuracy and to reconcile  
 3159 the data based on the best information available.

3160 (f) The monthly revenues remaining after the distributions required by paragraphs (1)  
 3161 and (2) of subsection (d) of this Code section shall be granted and distributed to all cities  
 3162 and counties based on the ratio of population in each city and the population within the  
 3163 unincorporated areas of each county to the total population of this state, using the most  
 3164 recent annual estimates of the population of cities and counties in Georgia as prepared by  
 3165 the United States census.

3166 (g) Other than for purposes of collecting and remitting enhanced 9-1-1 charges, providers  
 3167 of communications services shall not be required to identify, report, or source  
 3168 communications services or communications services tax on the county or city level.

3169 48-18-6.

3170 (a)(1) For purposes of this subsection, the term 'providers of communications services'  
 3171 shall include parties providing infrastructure directly involved in the transmission,  
 3172 receipt, or processing of radio waves or electrical signals used in the provision or  
 3173 provisioning of communications services. Infrastructure shall include, but not be limited  
 3174 to, towers, poles, and other structures of whatever kind to which are attached antennas  
 3175 or other equipment for the transmission or receipt of radio waves or electrical signals, as  
 3176 well as fixtures necessary to affix antennas or other equipment to such towers, poles, or  
 3177 structures. Infrastructure shall not include residences or commercial or industrial  
 3178 buildings. Parties providing infrastructure are considered providers of communications  
 3179 services only to the extent of their provision or provisioning of such infrastructure.

3180 (2) Except as provided in paragraph (4) of this subsection, each county or municipality  
 3181 of this state shall:

3182 (A) Levy any tax, charge, fee, or other imposition on or with respect to  
 3183 communications services, or collect any such tax, charge, fee, or other imposition, from  
 3184 providers of communications services;

3185 (B) Require any provider of communications services, including, but not limited to,  
 3186 cable service providers or video service providers, to enter into or extend the term of  
 3187 a franchise or other agreement which requires the payment of a tax, charge, fee, or other  
 3188 imposition; or

3189 (C) Adopt or enforce any provision of any ordinance or agreement to the extent that  
 3190 such provision obligates a provider of communications services to pay to the county  
 3191 and municipality a tax, charge, fee, or other imposition.

3192 (3) For purposes of this subsection, a tax, charge, fee or other imposition includes any  
 3193 amount or in-kind payment of property or services which is required by ordinance or  
 3194 agreement to be paid or furnished to a political subdivision by or through a provider of  
 3195 communications services in its capacity as a provider of communications services,  
 3196 regardless of whether such tax, charge, fee, or in-kind payment of property or services  
 3197 is:

3198 (A) Designated as a franchise fee, excise tax, sales tax, services tax, user fee,  
 3199 occupancy fee, occupational or business license tax or fee, subscriber charge, tower  
 3200 fee, base station fee, or otherwise;

3201 (B) Measured by the amounts charged or received for services, the type of equipment  
 3202 or facilities deployed, or otherwise;

3203 (C) Intended as compensation for the use of public rights of way, the right to conduct  
 3204 business, or otherwise; or

3205 (D) Permitted or required to be separately stated on the customer's bill.

3206 (4) This subsection shall not apply to:

3207 (A) Ad valorem taxes levied pursuant to Chapter 5 of this title;

3208 (B) Emergency telephone surcharges;

3209 (C) Amounts charged for the rental or other use of property owned by a public body  
 3210 which is not in the public rights of way to a provider of communications services for  
 3211 any purpose, including, but not limited to, the placement or attachment of equipment  
 3212 used in the provision of communications services;

3213 (D) Amounts charged for the rental of space on a utility pole owned by a political  
 3214 subdivision of this state, whether in the public right of way or not, for the attachment  
 3215 of equipment used in the provision of communications services;

3216 (E) Permit fees generally imposed and applicable to a majority of all other businesses,  
 3217 which are not related to placing or maintaining facilities in or on public roads or rights  
 3218 of way; and

3219 (F) Taxes, charges, and fees validly levied and required to be paid by a person in a  
 3220 capacity other than its capacity as a provider of communications services.

3221 (b) In establishing guidelines and conditions for placing, constructing, repairing, or  
 3222 maintaining communications lines or facilities over, on, under, through, or along any public

3223 highways, public roads, public streets, or other public places or rights of way, neither the  
 3224 state nor any agency or political subdivision thereof shall:

3225 (1) Discriminate between or among communications services providers in violation of  
 3226 Section 253(c) of the Communications Act of 1934, 47 U.S.C. Section 253(c); or

3227 (2) Impose any conditions on the placement, construction, repair, or maintenance of such  
 3228 facilities, except to the extent necessary to ensure the public health and safety and to  
 3229 prevent the unreasonable interference with the use of such rights of way by the traveling  
 3230 public."

#### 3231 SECTION 4-11.

3232 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
 3233 in Code Section 36-76-2, relating to definitions regarding expedited franchising of cable and  
 3234 video services, by revising paragraphs (1) and (8) as follows:

3235 ~~"(1) 'Advertising and home shopping services revenues' means the amount of a cable~~  
 3236 ~~service provider or video service provider's nonsubscriber revenues from advertising~~  
 3237 ~~disseminated through cable service or video service and home shopping services. The~~  
 3238 ~~amount of such revenues that are allocable to a municipality or county shall be equal to~~  
 3239 ~~the total amount of the cable service provider or video service provider's revenue received~~  
 3240 ~~from such advertising and home shopping services multiplied by the ratio of the number~~  
 3241 ~~of such provider's subscribers located in such municipality or in the unincorporated area~~  
 3242 ~~of such county to the total number of such provider's subscribers. Such ratio shall be~~  
 3243 ~~based on the number of such provider's subscribers as of January 1 of the current year,~~  
 3244 ~~except that in the first year in which services are provided, such ratio shall be computed~~  
 3245 ~~as of the earliest practical date Reserved."~~

3246 ~~"(8) 'Gross revenues' means all revenues received from subscribers for the provision of~~  
 3247 ~~cable service or video service, including franchise fees for cable service providers and~~  
 3248 ~~video service providers, and advertising and home shopping services revenues and shall~~  
 3249 ~~be determined in accordance with generally accepted accounting principles. Gross~~  
 3250 ~~revenues shall not include:~~

3251 ~~(A) Amounts billed and collected as a line item on the subscriber's bill to recover any~~  
 3252 ~~taxes, surcharges, or governmental fees that are imposed on or with respect to the~~  
 3253 ~~services provided or measured by the charges, receipts, or payments therefor; provided,~~  
 3254 ~~however, that for purposes of this Code section, such tax, surcharge, or governmental~~  
 3255 ~~fee shall not include any ad valorem taxes, net income taxes, or generally applicable~~  
 3256 ~~business or occupation taxes not measured exclusively as a percentage of the charges,~~  
 3257 ~~receipts, or payments for services;~~

3258 ~~(B) Any revenue, such as bad debt, not actually received, even if billed;~~

3259 ~~(C) Any revenue received by any affiliate or any other person in exchange for~~  
 3260 ~~supplying goods or services used by the provider to provide cable service or video~~  
 3261 ~~programming;~~  
 3262 ~~(D) Any amounts attributable to refunds, rebates, or discounts;~~  
 3263 ~~(E) Any revenue from services provided over the network that are associated with or~~  
 3264 ~~classified as noncable or nonvideo services under federal law, including, without~~  
 3265 ~~limitation, revenues received from telecommunications services, information services~~  
 3266 ~~other than cable service or video service, Internet access services, or directory or~~  
 3267 ~~Internet advertising revenue, including, without limitation, yellow pages, white pages,~~  
 3268 ~~banner advertisements, and electronic publishing advertising. Where the sale of any~~  
 3269 ~~such noncable or nonvideo service is bundled with the sale of one or more cable~~  
 3270 ~~services or video services and sold for a single nonitemized price, the term 'gross~~  
 3271 ~~revenues' shall include only those revenues that are attributable to cable service or video~~  
 3272 ~~service based on the provider's books and records; such revenues shall be allocated in~~  
 3273 ~~a manner consistent with generally accepted accounting principles;~~  
 3274 ~~(F) Any revenue from late fees not initially booked as revenues, returned check fees,~~  
 3275 ~~or interest;~~  
 3276 ~~(G) Any revenue from sales or rental of property, except such property as the~~  
 3277 ~~subscriber shall be required to buy or rent exclusively from the cable service provider~~  
 3278 ~~or video service provider to receive cable service or video service;~~  
 3279 ~~(H) Any revenue received from providing or maintaining inside wiring;~~  
 3280 ~~(I) Any revenue from sales for resale with respect to which the purchaser shall be~~  
 3281 ~~required to pay a franchise fee, provided the purchaser certifies in writing that it shall~~  
 3282 ~~resell the service and pay a franchise fee with respect thereto; or~~  
 3283 ~~(J) Any amounts attributable to a reimbursement of costs including, but not limited to,~~  
 3284 ~~the reimbursements by programmers of marketing costs incurred for the promotion or~~  
 3285 ~~introduction of video programming Reserved."~~

3286 **SECTION 4-12.**

3287 Said Title 36 is further amended by revising subsection (c) and paragraphs (4) and (8) of  
 3288 subsection (g) of Code Section 36-76-4, relating to PEG support, as follows:

3289 "(c) The application for a state franchise shall consist of an affidavit signed by an officer  
 3290 or general partner of the applicant that contains each of the following:

3291 (1) An affirmative declaration that the applicant shall comply with all applicable federal  
 3292 and state laws and regulations, including municipal and county ordinances and  
 3293 regulations regarding the placement and maintenance of facilities in the public right of  
 3294 way that are generally applicable to all users of the public right of way and specifically  
 3295 including Chapter 9 of Title 25, the 'Georgia Utility Facility Protection Act';

3296 (2) A description of the applicant's service area, which description shall be sufficiently  
 3297 detailed so as to allow a local government to respond to subscriber inquiries, including  
 3298 the name of each municipal or county governing authority within the service area. For  
 3299 the purposes of this paragraph, an applicant may, in lieu of or as a supplement to a written  
 3300 description, provide a map on 8 1/2 by 11 inch paper that is clear and legible and that  
 3301 fairly depicts the service area by making reference to the municipal or county governing  
 3302 authority to be served. If the geographical area is less than an entire municipality or  
 3303 county, the map shall describe the boundaries of the geographic area to be served in clear  
 3304 and concise terms;

3305 (3) The location of the applicant's principal place of business, the name or names of the  
 3306 principal executive officer or officers of the applicant, information concerning payment  
 3307 locations or addresses, and general information concerning equipment returns; and

3308 (4) Certification that the applicant is authorized to conduct business in the State of  
 3309 Georgia and that the applicant possesses satisfactory financial and technical capability  
 3310 to provide cable service or video service and a description of such capabilities. Such  
 3311 certification shall not be required from an incumbent service provider or any cable  
 3312 service provider or video service provider that has wireline facilities located in the public  
 3313 right of way as of January 1, 2008; and

3314 ~~(5) Notice to the affected local governing authority of its right to designate a franchise~~  
 3315 ~~fee pursuant to Code Section 36-76-6."~~

3316 ~~"(4) An incumbent service provider that elects to terminate a franchise under this~~  
 3317 ~~subsection shall continue to provide PEG access support, as such existed on January 1,~~  
 3318 ~~2007, under the same terms as the terminated local franchise had it not been terminated~~  
 3319 ~~until the local franchise would have expired under its own terms Reserved."~~

3320 ~~"(8) Each holder of a state franchise shall have the obligation to provide access to the~~  
 3321 ~~same number of PEG channels pursuant to Code Section 36-76-8 and the additional PEG~~  
 3322 ~~support cash payments specified in this paragraph for PEG access facilities in a service~~  
 3323 ~~area as the incumbent service provider with the most subscribers in such service area as~~  
 3324 ~~of January 1, 2007, which obligation shall continue until the local franchise would have~~  
 3325 ~~expired under its own terms as specified in paragraph (4) of this subsection; provided,~~  
 3326 ~~however, that if a local franchise would have expired before July 1, 2012, the holder of~~  
 3327 ~~a state franchise shall continue to provide access to the same number of PEG channels~~  
 3328 ~~until July 1, 2012, as provided in paragraph (5) of this subsection. To the extent such~~  
 3329 ~~incumbent service provider provides PEG access support during said period in the form~~  
 3330 ~~of periodic payments to the municipal or county governing authority equal to a~~  
 3331 ~~percentage of gross revenue or a prescribed per subscriber amount, the state franchise~~  
 3332 ~~holder shall be obligated to make the same periodic payments to the governing authority~~  
 3333 ~~at the same time and equal to the same percentage of gross revenue or prescribed per~~

3334 ~~subscriber amount. To the extent such incumbent service provider provides PEG access~~  
 3335 ~~support to the applicable governing authority during said period in the form of a lump~~  
 3336 ~~sum payment that remains unsatisfied as of January 1, 2008, the holder of a state~~  
 3337 ~~franchise shall be obligated to provide a lump sum payment to said authority based on its~~  
 3338 ~~proportion of the total number of cable service and video service subscribers of all service~~  
 3339 ~~providers in such service area. No payments shall be due under this paragraph until the~~  
 3340 ~~municipality or county notifies the respective providers, in writing, of the percentage of~~  
 3341 ~~gross revenues, the per subscriber amount, or the lump sum payment amount and the~~  
 3342 ~~expiration date of the local franchise obtaining such obligations. The holder of a state~~  
 3343 ~~franchise may designate that portion of the subscriber's bill attributable to any fee~~  
 3344 ~~imposed pursuant to this paragraph as a separate item on the bill and recover such amount~~  
 3345 ~~from the subscriber."~~

### 3346 **SECTION 4-13.**

3347 Said Title 36 is further amended by revising Code Section 36-76-6, relating to franchise fees,  
 3348 as follows:

3349 "36-76-6.

3350 (a)(1) ~~The holder of a state franchise, whether a cable service provider or a video service~~  
 3351 ~~provider, shall pay to each affected local governing authority which complies with this~~  
 3352 ~~Code section a franchise fee which shall not exceed the maximum percentage rate~~  
 3353 ~~permitted in 47 U.S.C. Section 542(b) of such holder's gross revenues received from the~~  
 3354 ~~provision of cable service or video service to subscribers located within such holder's~~  
 3355 ~~service area.~~

3356 (2) ~~Each affected local governing authority or its authorized designee shall provide~~  
 3357 ~~written notice to the Secretary of State and each applicant for or holder of a state~~  
 3358 ~~franchise with a service area located within that affected local governing authority's~~  
 3359 ~~jurisdiction of the franchise fee rate that applies to the applicant for or holder of such state~~  
 3360 ~~franchise. The applicant for or holder of a state franchise shall start assessing the~~  
 3361 ~~franchise fee within 15 days of receipt of written notice from the affected local governing~~  
 3362 ~~authority or its authorized designee and shall not be required to pay such franchise fee~~  
 3363 ~~until the expiration of 15 days after receipt of such written notice. Any incumbent service~~  
 3364 ~~provider who obtains a state franchise under paragraph (1) of subsection (g) of Code~~  
 3365 ~~Section 36-76-4 shall pay its existing franchise fee during the 15 day period after receipt~~  
 3366 ~~of written notice of the new fee. The franchise fee rate shall be uniformly applicable to~~  
 3367 ~~all cable service providers and video service providers that obtain a state franchise within~~  
 3368 ~~the affected local governing authority. For purposes of this Code section, an authorized~~  
 3369 ~~designee is an agent authorized by charter or other act of the affected local governing~~  
 3370 ~~authority.~~

3371 ~~(3) Any affected local governing authority may change the franchise fee applicable to~~  
3372 ~~holders of a state franchise once every two years. The affected local governing authority~~  
3373 ~~or its authorized designee shall provide written notice to the Secretary of State and the~~  
3374 ~~applicants for or holders of a state franchise with a service area within that affected local~~  
3375 ~~governing authority's jurisdiction of the new franchise fee rate. The holder of a state~~  
3376 ~~franchise shall start assessing the new franchise fee within 45 days of receipt of written~~  
3377 ~~notice of the change from the affected local governing authority or its authorized~~  
3378 ~~designee. The franchise fee rate shall be uniformly applicable to all cable service~~  
3379 ~~providers and video service providers that obtain a state franchise within the affected~~  
3380 ~~local governing authority's jurisdiction.~~

3381 ~~(b) Such franchise fee shall be paid directly to each affected local governing authority~~  
3382 ~~within 30 days after the last day of each calendar quarter. Such payment shall be~~  
3383 ~~considered complete if accompanied by a statement showing, for the quarter covered by~~  
3384 ~~the payment:~~

3385 ~~(1) The aggregate amount of the state franchise holder's gross revenues, specifically~~  
3386 ~~identifying subscriber and advertising and home shopping services revenues under this~~  
3387 ~~chapter insofar as the franchise holder's existing billing systems include such capability,~~  
3388 ~~attributable to such municipality or unincorporated areas of the county; and~~

3389 ~~(2) The amount of the franchise fee payment due to such municipality or county.~~

3390 ~~In the event that franchise fees are not paid on or before the dates specified above, then the~~  
3391 ~~affected local governing authority shall provide written notice to the franchise holder~~  
3392 ~~giving the cable service provider or video service provider 15 days from the date of the~~  
3393 ~~franchise holder's receipt of such notice to cure any such nonpayment. In the event~~  
3394 ~~franchise fees are not remitted to the affected local government authority postmarked on~~  
3395 ~~or before the expiration of the 15-day cure period, then the holder of the state franchise~~  
3396 ~~shall pay interest thereon at a rate of 1 percent per month to the affected local governing~~  
3397 ~~authority. If the 15-day cure period expires on Saturday, Sunday, or a legal holiday, the~~  
3398 ~~due date shall be the next business day. Moreover, the franchise holder shall not be~~  
3399 ~~assessed interest on late payments if franchise payments were submitted in error to a~~  
3400 ~~neighboring local governing authority.~~

3401 ~~(c) Each affected local governing authority may, no more than once annually, audit the~~  
3402 ~~business records of the state franchise holder to the extent necessary to ensure payment in~~  
3403 ~~accordance with this Code section. For purposes of this subsection, an audit shall be~~  
3404 ~~defined as a comprehensive review of the records of the holder of a state franchise. Once~~  
3405 ~~any audited period of a state franchise holder has been the subject of a requested audit, such~~  
3406 ~~audited period of such state franchise holder shall not again be the subject of any audit. In~~  
3407 ~~the event of a dispute concerning the amount of the franchise fee due to an affected local~~  
3408 ~~governing authority under this Code section, an action may be brought in a court of~~

3409 ~~competent jurisdiction by an affected local governing authority seeking to recover an~~  
3410 ~~additional amount alleged to be due or by a state franchise holder seeking a refund of an~~  
3411 ~~alleged overpayment; provided, however, that any such action shall be brought within three~~  
3412 ~~years following the end of the quarter to which the disputed amount relates. Such time~~  
3413 ~~period may be extended by written agreement between the state issued franchise holder and~~  
3414 ~~such affected local governing authority. Each party shall bear the party's own costs~~  
3415 ~~incurred in connection with any such examination or dispute. In the event that an affected~~  
3416 ~~local governing authority files an action to recover alleged underpayments of franchise fees~~  
3417 ~~and a court of competent jurisdiction determines the cable service provider or video service~~  
3418 ~~provider has underpaid franchise fees due for any 12 month period by 10 percent or more,~~  
3419 ~~the cable service provider or video service provider may be required to pay the affected~~  
3420 ~~local governing authority its reasonable costs associated with the audit along with any~~  
3421 ~~franchise fee underpayments; provided, however, late payments shall not apply.~~

3422 ~~(d) The statements made pursuant to subsection (b) of this Code section and any records~~  
3423 ~~or information furnished or disclosed by a cable service provider or video service provider~~  
3424 ~~to an affected local governing authority pursuant to subsection (c) of this Code section shall~~  
3425 ~~be exempt from public inspection under Code Section 50-18-70.~~

3426 ~~(e) No acceptance of any payment shall be construed as a release or as an accord and~~  
3427 ~~satisfaction of any claim an affected local governing authority may have for further or~~  
3428 ~~additional sums payable as a franchise fee.~~

3429 ~~(f) Any amounts overpaid by the holder of a state franchise shall be deducted from future~~  
3430 ~~franchise payments.~~

3431 ~~(g) The holder of a state franchise may designate that portion of a subscriber's bill~~  
3432 ~~attributable to any franchise fee imposed pursuant to this Code section as a separate item~~  
3433 ~~on the bill and recover such amount from the subscriber; provided, however, that such~~  
3434 ~~separate listing shall be referred to as a 'franchise' or a 'franchise fee.'~~

3435 ~~(h) No affected local governing authority shall levy any additional tax, license, fee,~~  
3436 ~~surcharge, or other assessment on a cable service provider or video service provider for or~~  
3437 ~~with respect to the use of any public right of way other than the franchise fee authorized~~  
3438 ~~by this Code section. Nor shall an affected local governing authority levy any other tax,~~  
3439 ~~license, fee, or assessment on a cable service provider or video service provider or its~~  
3440 ~~subscribers that is not generally imposed and applicable to a majority of all other~~  
3441 ~~businesses. The franchise fee authorized by this Code section shall be in lieu of any permit~~  
3442 ~~fee, encroachment fee, degradation fee, or other fee that could otherwise be assessed on a~~  
3443 ~~state issued franchise holder for the holder's occupation or work within the public right of~~  
3444 ~~way; provided, however, that nothing in this Code section shall restrict the right of any~~  
3445 ~~municipal or county governing authority to impose ad valorem taxes, sales taxes, or other~~



3446 ~~taxes lawfully imposed on a majority of all other businesses within such municipality or~~  
 3447 ~~county~~ Reserved."

3448 **SECTION 4-14.**

3449 Said Title 36 is further amended in Code Section 36-76-10, relating to limitations on  
 3450 requirements for state franchise holders, by revising paragraph (4) as follows:

3451 "(4) The enactment and enforcement of lawful and reasonable laws and rules and  
 3452 municipal or county ordinances and regulations concerning excavation, permitting,  
 3453 bonding requirements, indemnification requirements, and placement and maintenance of  
 3454 facilities in any public right of way that are generally applicable to all users of any public  
 3455 right of way, ~~except to the extent specifically precluded by subsection (h) of Code~~  
 3456 ~~Section 36-76-6; and"~~

3457 **SECTION 4-15.**

3458 Title 46 of the Official Code of Georgia Annotated, relating to public utilities, is amended  
 3459 by revising Code Section 46-5-1, relating to due compensation provisions, as follows:

3460 "46-5-1.

3461 (a)(1) Any telegraph or telephone company chartered by the laws of this or any other  
 3462 state shall have the right to construct, maintain, and operate its lines and facilities upon,  
 3463 under, along, and over the public roads and highways and rights of way of this state with  
 3464 the approval of the county or municipal authorities in charge of such roads, highways,  
 3465 and rights of way. The approval of such municipal authorities shall be limited to the  
 3466 process set forth in paragraph (3) of subsection (b) of this Code section, and the approval  
 3467 of the county shall be limited to the permitting process set forth in subsection (c) of this  
 3468 Code section. ~~Upon making due compensation, as defined for municipal authorities in~~  
 3469 ~~paragraph (9) of subsection (b) of this Code section and as provided for counties in~~  
 3470 ~~subsection (c) of this Code section, a~~ A telegraph or telephone company shall have the  
 3471 right to construct, maintain, and operate its lines through or over any lands of this state;  
 3472 on, along, and upon the right of way and structures of any railroads; and, where  
 3473 necessary, under or over any private lands; and, to that end, a telegraph or telephone  
 3474 company may have and exercise the right of eminent domain.

3475 (2) Notwithstanding any other law, a municipal authority or county shall not:

3476 (A) Require any telegraph or telephone company to apply for or enter into an  
 3477 individual license, franchise, or other agreement with such municipal authority or  
 3478 county; or

3479 (B) Impose any occupational license tax or fee as a condition of placing or maintaining  
 3480 lines and facilities in its public roads and highways or rights of way, except as  
 3481 specifically set forth in this Code section.

3482 (3) A county or municipal authority shall not impose any occupational license, tax, fee,  
 3483 regulation, obligation, or requirement upon the provision of the services described in  
 3484 paragraphs (1) and (2) of Code Section 46-5-221, ~~including any occupational license, tax,  
 3485 fee, regulation, obligation, or requirement specifically set forth in any part of this chapter  
 3486 other than Part 4.~~

3487 (4) Whenever a telegraph or telephone company exercises its powers under paragraph  
 3488 (1) of this subsection, the posts, arms, insulators, and other fixtures of its lines shall be  
 3489 erected, placed, and maintained so as not to obstruct or interfere with the ordinary use of  
 3490 such railroads or public roads and highways, or with the convenience of any landowners,  
 3491 more than may be unavoidable. Any lines constructed by a telegraph or telephone  
 3492 company on the right of way of any railroad company shall be subject to relocation so as  
 3493 to conform to any uses and needs of such railroad company for railroad purposes. Such  
 3494 fixtures, posts, and wires shall be erected at such distances from the tracks of said  
 3495 railroads as will prevent any and all damage to said railroad companies by the falling of  
 3496 said fixtures, posts, or wires upon said railroad tracks; and such telegraph or telephone  
 3497 companies shall be liable to said railroad companies for all damages resulting from a  
 3498 failure to comply with this Code section.

3499 (5) No county or municipal authority shall impose upon a telegraph or telephone  
 3500 company any build-out requirements on network construction or service deployment, and,  
 3501 to the extent that a telegraph or telephone company has elected alternative regulation  
 3502 pursuant to Code Section 46-5-165, such company may satisfy its obligations pursuant  
 3503 to paragraph (2) of Code Section 46-5-169 by providing communications service, at the  
 3504 company's option, through any affiliated companies and through the use of any  
 3505 technology or service arrangement; provided, however, that such company shall remain  
 3506 subject to its obligations as set forth in paragraphs (4) and (5) of Code Section 46-5-169.

3507 (b)(1) Except as set forth in paragraph (6) of this subsection, any telegraph or telephone  
 3508 company that places or seeks to place lines and facilities in the public roads and highways  
 3509 or rights of way of a municipal authority shall provide to such municipal authority the  
 3510 following information:

3511 (A) The name, address, and telephone number of a principal office and local agent of  
 3512 such telegraph or telephone company;

3513 (B) Proof of certification from the Georgia Public Service Commission of such  
 3514 telegraph or telephone company to provide telecommunications services in this state;

3515 (C) Proof of insurance or self-insurance of such telegraph or telephone company  
 3516 adequate to defend and cover claims of third parties and of municipal authorities;

3517 (D) A description of the telegraph or telephone company's service area, which  
3518 description shall be sufficiently detailed so as to allow a municipal authority to respond  
3519 to subscriber inquiries. For the purposes of this paragraph, a telegraph or telephone  
3520 company may, in lieu of or as supplement to a written description, provide a map on 8  
3521 1/2 by 11 inch paper that is clear and legible and that fairly depicts the service area  
3522 within the boundaries of the municipal authority. If such service area is less than the  
3523 boundaries of an entire municipal authority, the map shall describe the boundaries of  
3524 the geographic area to be served in clear and concise terms;

3525 (E) A description of the services to be provided;

3526 (F) An affirmative declaration that the telegraph or telephone company shall comply  
3527 with all applicable federal, state, and local laws and regulations, including municipal  
3528 ordinances and regulations, regarding the placement and maintenance of facilities in the  
3529 public rights of way that are reasonable, nondiscriminatory, and applicable to all users  
3530 of the public rights of way, including the requirements of Chapter 9 of Title 25, the  
3531 'Georgia Utility Facility Protection Act'; and

3532 (G) A statement in bold type at the top of the application as follows: 'Pursuant to  
3533 paragraph (2) of subsection (b) of Code Section 46-5-1 of the Official Code of Georgia  
3534 Annotated, the municipal authority shall notify the applicant of any deficiencies in this  
3535 application within 15 business days of receipt of this application.'

3536 (2) If an application is incomplete, the municipal authority shall notify the telegraph or  
3537 telephone company within 15 business days of the receipt of such application; such notice  
3538 shall specifically identify all application deficiencies. If no such notification is given  
3539 within 15 business days of the receipt of an application, such application shall be deemed  
3540 complete.

3541 (3) Within 60 calendar days of the receipt of a completed application, the municipal  
3542 authority may adopt such application by adoption of a resolution or ordinance or by  
3543 notification to the telegraph or telephone company. The failure of a municipal authority  
3544 to adopt an application within 60 calendar days of the receipt of a completed application  
3545 shall constitute final adoption of such application.

3546 (4) If it modifies its service area or provisioned services identified in the original  
3547 application, the telegraph or telephone company shall notify the municipal authority of  
3548 changes to the service area or the services provided. Such notice shall be given at least  
3549 20 days prior to the effective date of such change. Such notification shall contain a  
3550 geographic description of the new service area or areas and new services to be provided  
3551 within the jurisdiction of the affected municipal authority, if any. The municipal  
3552 authority shall provide to all telegraph and telephone companies located in its rights of  
3553 way written notice of annexations and changes in municipal corporate boundaries which,  
3554 for the purposes of this Code section, shall become effective 30 days following receipt.

3555 (5) An application adopted pursuant to this Code section may be terminated by a  
 3556 telegraph or telephone company by submitting a notice of termination to the affected  
 3557 municipal authority. For purposes of this Code section, such notice shall identify the  
 3558 telegraph or telephone company, the affected service area, and the effective date of such  
 3559 termination, which shall not be less than 60 calendar days from the date of filing the  
 3560 notice of termination.

3561 (6) Any telegraph or telephone company that has previously obtained permits for the  
 3562 placement of its facilities, has specified the name of such telegraph or telephone company  
 3563 in such permit application, has previously placed its facilities in any public right of way,  
 3564 and has paid and continues to pay any applicable municipal authority's ~~occupational~~  
 3565 ~~license taxes~~, permit fees, ~~franchise fees~~, except as set forth in paragraph (8) of this  
 3566 subsection, or, if applicable, county permit fees shall be deemed to have complied with  
 3567 this Code section without any further action on the part of such telegraph or telephone  
 3568 company except as set forth in paragraphs (8), ~~(9)~~, ~~(11)~~, and ~~(17)~~ (10) of this subsection.

3569 (7) Any telegraph or telephone company that has placed lines and facilities in the public  
 3570 roads and highways or rights of way of a municipal authority without first obtaining  
 3571 permits or otherwise notifying the appropriate municipal authority of its presence in the  
 3572 public roads and highways or rights of way shall provide the information required by  
 3573 paragraph (1) of this subsection, if applicable, to such municipal authority on or before  
 3574 October 1, 2008. As of October 1, 2008, if any telegraph or telephone company, other  
 3575 than those who meet the requirements of paragraph (6) of this subsection, has failed or  
 3576 fails to provide the information required by paragraph (1) of this subsection to the  
 3577 municipal authority in which its lines or facilities are located, such municipal authority  
 3578 shall provide written notice to such telegraph or telephone company giving that company  
 3579 15 calendar days from the date of receipt of such notice to comply with subsection (b) of  
 3580 this Code section. In the event the 15 calendar day cure period expires without  
 3581 compliance, such municipal authority may petition the Georgia Public Service  
 3582 Commission which shall, after an opportunity for a hearing, order the appropriate relief.

3583 ~~(8)(A)~~ In the event any telegraph or telephone company has an existing, valid  
 3584 municipal franchise agreement as of January 1, 2008, the terms and conditions of such  
 3585 existing franchise agreement, with the exception of any imposition of taxes, charges,  
 3586 or fees prohibited pursuant to Code Section 48-18-6, shall only remain effective and  
 3587 enforceable until the expiration of the existing agreement or December 31, 2012,  
 3588 whichever shall first occur.

3589 ~~(B) In the event any telegraph or telephone company is paying an existing occupational~~  
 3590 ~~license tax or fee, based on actual recurring local services revenues, as of January 1,~~  
 3591 ~~2008, such payment shall be considered the payment of due compensation without~~  
 3592 ~~further action on the part of the municipal authority. In the event that the rate of such~~

3593 existing tax or fee exceeds 3 percent of actual recurring local service revenues, that rate  
 3594 shall remain effective until December 31, 2012; thereafter, the payment by such  
 3595 telegraph or telephone company at the rate of 3 percent shall be considered the payment  
 3596 of due compensation without further action on the part of the municipal authority.

3597 (9) As used in this Code section, 'due compensation' for a municipal authority means an  
 3598 amount equal to no more than 3 percent of actual recurring local service revenues  
 3599 received by such company from its retail, end-user customers located within the  
 3600 boundaries of such municipal authority. 'Actual recurring local service revenues' means  
 3601 those revenues customarily included in the Uniform System of Accounts as prescribed  
 3602 by the Federal Communications Commission for Class 'A' and 'B' companies; provided,  
 3603 however, that only the local service portion of the following accounts shall be included:

3604 (A) Basic local service revenue, as defined in 47 C.F.R. 32.5000;

3605 (B) Basic area revenue, as defined in 47 C.F.R. 32.5001;

3606 (C) Optional extended area revenue, as defined in 47 C.F.R. 32.5002;

3607 (D) Public telephone revenue, as defined in 47 C.F.R. 32.5010;

3608 (E) Local private line revenue, as defined in 47 C.F.R. 35.5040; provided, however,  
 3609 that the portion of such accounts attributable to audio and video program transmission  
 3610 service where both terminals of the private line are within the corporate limits of the  
 3611 municipal authority shall not be included;

3612 (F) Other local exchange revenue, as defined in 47 C.F.R. 32.5060;

3613 (G) Local exchange service, as defined in 47 C.F.R. 32.5069;

3614 (H) Network access revenue, as defined in 47 C.F.R. 32.5080;

3615 (I) Directory revenue, as defined in 47 C.F.R. 32.5320; provided, however, that the  
 3616 portion of such accounts attributable to revenue derived from listings in portion of  
 3617 directories not considered white pages shall not be included;

3618 (J) Nonregulated operating revenue, as defined in 47 C.F.R. 32.5280; provided,  
 3619 however, that the portion of such accounts attributable to revenues derived from private  
 3620 lines shall not be included; and

3621 (K) Uncollectible revenue, as defined in 47 C.F.R. 32.5300.

3622 Any charge imposed by a municipal authority shall be assessed in a nondiscriminatory  
 3623 and competitively neutral manner.

3624 (10) Any due compensation paid to municipal authorities pursuant to paragraph (9) of  
 3625 this subsection shall be in lieu of any other permit fee, encroachment fee, degradation fee,  
 3626 disruption fee, business license tax, occupational license tax, occupational license fee, or  
 3627 other fee otherwise permitted pursuant to the provisions of subparagraph (A) of paragraph  
 3628 (7) of Code Section 36-34-2 or Code Section 32-4-92 et seq. or any other provision of  
 3629 law regardless of nomenclature.

3630 ~~(11) A telegraph or telephone company with facilities in the public rights of way of a~~  
3631 ~~municipal authority shall begin assessing due compensation, as defined in subsection (a)~~  
3632 ~~of this Code section, on subscribers on the date that service commences unless such~~  
3633 ~~company is currently paying a municipal authority's occupational license tax. Such due~~  
3634 ~~compensation shall be paid directly to each affected municipal authority within 30~~  
3635 ~~calendar days after the last day of each calendar quarter. In the event that due~~  
3636 ~~compensation is not paid on or before 30 calendar days after the last day of each calendar~~  
3637 ~~quarter, the affected municipal authority shall provide written notice to such telegraph or~~  
3638 ~~telephone company, giving such company 15 calendar days from the date such company~~  
3639 ~~receives such notice to cure any such nonpayment. In the event the due compensation~~  
3640 ~~remitted to the affected municipal authority is not postmarked on or before the expiration~~  
3641 ~~of the 15 day cure period, such company shall pay interest thereon at a rate of 1 percent~~  
3642 ~~per month to the affected municipal authority. If the 15 day cure period expires on a~~  
3643 ~~Saturday, a Sunday, or a state legal holiday, the due date shall be the next business day.~~  
3644 ~~A telegraph or telephone company shall not be assessed any interest on late payments if~~  
3645 ~~due compensation was submitted in error to a neighboring municipal authority.~~

3646 ~~(12) Each municipal authority may, no more than once annually, audit the business~~  
3647 ~~records of a telegraph or telephone company to the extent necessary to ensure payment~~  
3648 ~~in accordance with this Code section. As used in this Code section, 'audit' means a~~  
3649 ~~comprehensive review of the records of a company which is reasonably related to the~~  
3650 ~~calculation and payment of due compensation. Once any audited period of a company~~  
3651 ~~has been the subject of a requested audit, such audited period of such company shall not~~  
3652 ~~again be the subject of any audit. In the event of a dispute concerning the amount of due~~  
3653 ~~compensation due to an affected municipal authority under this Code section, an action~~  
3654 ~~may be brought in a court of competent jurisdiction by an affected municipal authority~~  
3655 ~~seeking to recover an additional amount alleged to be due or by a company seeking a~~  
3656 ~~refund of an alleged overpayment; provided, however, that any such action shall be~~  
3657 ~~brought within three years following the end of the quarter to which the disputed amount~~  
3658 ~~relates, although such time period may be extended by written agreement between the~~  
3659 ~~company and such affected municipal authority. Each party shall bear the party's own~~  
3660 ~~costs incurred in connection with any dispute. The auditing municipal authority shall~~  
3661 ~~bear the cost of the audit; provided, however, that if an affected municipal authority files~~  
3662 ~~an action to recover alleged underpayments of due compensation and a court of~~  
3663 ~~competent jurisdiction determines the company has underpaid due compensation due for~~  
3664 ~~any 12 month period by 10 percent or more, such company shall be required to pay such~~  
3665 ~~municipal authority's reasonable costs associated with such audit along with any due~~  
3666 ~~compensation underpayments; provided, further, that late payments shall not apply. All~~

3667 ~~undisputed amounts due to a municipal authority resulting from an audit shall be paid to~~  
3668 ~~the municipal authority within 45 days, or interest shall accrue.~~

3669 ~~(13)(9) The information provided pursuant to paragraph (1) of this subsection and any~~  
3670 ~~records or information furnished or disclosed by a telegraph or telephone company to an~~  
3671 ~~affected municipal authority pursuant to paragraph (12) of this subsection shall be exempt~~  
3672 ~~from public inspection under Code Section 50-18-70. It shall be the duty of such~~  
3673 ~~telegraph or telephone company to mark all such documents as exempt from Code~~  
3674 ~~Section 50-18-70, et seq., and the telegraph or telephone company shall defend,~~  
3675 ~~indemnify, and hold harmless any municipal authority and any municipal officer or~~  
3676 ~~employee in any request for, or in any action seeking, access to such records.~~

3677 ~~(14) No acceptance of any payment shall be construed as a release or as an accord and~~  
3678 ~~satisfaction of any claim an affected municipal authority may have for further or~~  
3679 ~~additional sums payable as due compensation.~~

3680 ~~(15) Any amounts overpaid by a company as due compensation shall be deducted from~~  
3681 ~~future due compensation owed.~~

3682 ~~(16) A telegraph or telephone company paying due compensation pursuant to this Code~~  
3683 ~~section may designate that portion of a subscriber's bill attributable to such charge as a~~  
3684 ~~separate line item of the bill and recover such amount from the subscriber.~~

3685 ~~(17)(10) Nothing in this Code section shall affect the authority of a municipal authority~~  
3686 ~~to require telegraph or telephone companies accessing the public roads and highways and~~  
3687 ~~rights of way of a municipal authority to obtain permits and otherwise comply with the~~  
3688 ~~reasonable regulations established pursuant to paragraph (10) of subsection (a) of Code~~  
3689 ~~Section 32-4-92.~~

3690 ~~(18) If a telegraph or telephone company does not have retail, end user customers located~~  
3691 ~~within the boundaries of a municipal authority, then the payment by such company at the~~  
3692 ~~same rates that such payments were being made as of January 1, 2008, to a municipal~~  
3693 ~~authority for the use of its rights of way shall be considered the payment of due~~  
3694 ~~compensation; provided, however, that at the expiration date of any existing agreement~~  
3695 ~~for use of such municipal rights of way or December 31, 2012, whichever is earlier, the~~  
3696 ~~payment at rates in accordance with the rates set by regulations promulgated by the~~  
3697 ~~Department of Transportation shall be considered the payment of due compensation.~~  
3698 ~~Provided, further, that if a telegraph or telephone company begins providing service after~~  
3699 ~~January 1, 2008, and such telegraph or telephone company does not have retail, end user~~  
3700 ~~customers located within the boundaries of a municipal authority, the payment by such~~  
3701 ~~company at rates in accordance with the rates set by regulations promulgated by the~~  
3702 ~~Department of Transportation to a municipal authority for the use of its rights of way~~  
3703 ~~shall be considered the payment of due compensation.~~

3704 ~~(19) Nothing in this Code section shall be construed to affect any franchise fee payments~~  
 3705 ~~which were in dispute on or before January 1, 2008.~~

3706 (c) If a telegraph or telephone company accesses the public roads and highways and rights  
 3707 of way of a county and such county requires such telegraph or telephone company to pay  
 3708 due compensation, such due compensation shall be limited to an administrative cost  
 3709 recoupment fee which shall not exceed such county's direct, actual costs incurred in its  
 3710 permitting process, including issuing and processing permits, plan reviews, physical  
 3711 inspection, and direct administrative costs; and such costs shall be demonstrable and shall  
 3712 be equitable among applicable users of such county's roads and highways or rights of way.  
 3713 Permit fees shall not include the costs of highway or rights of way acquisition or any  
 3714 general administrative, management, or maintenance costs of the roads and highways or  
 3715 rights of way and shall not be imposed for any activity that does not require the physical  
 3716 disturbance of such public roads and highways or rights of way or does not impair access  
 3717 to or full use of such public roads and highways or rights of way. Nothing in this Code  
 3718 section shall affect the authority of a county to require a telegraph or telephone company  
 3719 to comply with reasonable regulations for construction of telephone lines and facilities in  
 3720 public highways or rights of way pursuant to the provisions of paragraph (6) of Code  
 3721 Section 32-4-42."

3722 **PART V**

3723 **SECTION 5-1.**

3724 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 3725 amended in Code Section 48-8-2, relating to definitions regarding sales and use taxes, by  
 3726 revising paragraphs (23) and (24) as follows:

3727 "(23) 'Prepaid local tax' means any local sales and use tax which is levied on the sale or  
 3728 use of motor fuel and imposed in an area consisting of less than the entire state, however  
 3729 authorized, including, but not limited to, such taxes authorized by or pursuant to  
 3730 constitutional amendment; by or pursuant to Section 25 of an Act approved March 10,  
 3731 1965 (Ga. L. 1965, p. 2243), as amended, known as the 'Metropolitan Atlanta Rapid  
 3732 Transit Authority Act of 1965'; or by or pursuant to Article 2, 2A, 3, or 4 of this chapter.  
 3733 ~~Such tax is based on the same average retail sales price as set forth in subparagraph~~  
 3734 ~~(b)(2)(B) of Code Section 48-9-14. Such price shall be used to compute the prepaid sales~~  
 3735 ~~tax rate for local jurisdictions by multiplying such retail price by the applicable rate~~  
 3736 ~~imposed by the jurisdiction. The person collecting and reporting the prepaid local tax for~~  
 3737 ~~the local jurisdiction shall provide a schedule as to which jurisdiction these collections~~  
 3738 ~~relate. This determination shall be based upon the shipping papers of the conveyance that~~  
 3739 ~~delivered the motor fuel to the dealer or consumer in the local jurisdiction. A seller may~~



3740 rely upon the representation made by the purchaser as to which jurisdiction the shipment  
3741 is bound and prepare shipping papers in accordance with those instructions.

3742 (24) 'Prepaid state tax' means the tax levied under Code Section 48-8-30 in conjunction  
3743 with Code Section 48-8-3.1 and Code Section 48-9-14 on the retail sale of motor fuels  
3744 for highway use and collected prior to that retail sale. ~~This tax is based upon the average~~  
3745 ~~retail sales price as set forth in Code Section 48-9-14."~~

3746 **SECTION 5-2.**

3747 Said Title 48 is further amended by revising Code Section 48-8-17, relating to ratification  
3748 of an executive order regarding gasoline taxes, as follows:

3749 "48-8-17.

3750 ~~(a) The General Assembly finds that:~~

3751 ~~(1) Motor fuels and aviation gasoline are essential commodities used by Georgians for~~  
3752 ~~transportation;~~

3753 ~~(2) The price of gasoline has increased dramatically since the adjournment of the 2008~~  
3754 ~~General Assembly, namely rising in price by approximately 10 percent from one month~~  
3755 ~~ago and almost 24 percent since last year at this time;~~

3756 ~~(3) The increases in the cost of gasoline and other motor fuels have and will continue to~~  
3757 ~~impose significant financial burdens on all Georgians and Georgia's businesses;~~

3758 ~~(4) This inflated cost can prevent Georgians from spending on other necessary goods and~~  
3759 ~~business expansion; and~~

3760 ~~(5) The significant increase in motor fuel prices will result in a windfall to the state in~~  
3761 ~~the form of surplus state taxes on these commodities:~~

3762 ~~(b) The General Assembly of Georgia ratifies the Executive Order of the Governor dated~~  
3763 ~~June 2, 2008, and filed in the official records of the Office of the Governor as Executive~~  
3764 ~~Order 06.02.08.01 which suspended the collection of any rate of prepaid state taxes as~~  
3765 ~~defined in Code Section 48-8-2 to the extent it differs from the rate levied as of January 1,~~  
3766 ~~2008, pursuant to Code Section 48-9-14 as it applies to sales of motor fuel and aviation~~  
3767 ~~gasoline as those terms are defined in Code Section 48-9-2.~~

3768 ~~(c) For the time period commencing on June 2, 2008, as specified in the Executive Order~~  
3769 ~~of the Governor dated June 2, 2008, and filed in the official records of the Office of the~~  
3770 ~~Governor as Executive Order 06.02.08.01, the collection of any rate of prepaid state taxes~~  
3771 ~~as defined in Code Section 48-8-2 to the extent it differs from the rate levied as of January~~  
3772 ~~1, 2008, pursuant to Code Section 48-9-14 as it applies to sales of motor fuel and aviation~~  
3773 ~~gasoline as those terms are defined in Code Section 48-9-2 shall be governed by the~~  
3774 ~~provisions of this Code section notwithstanding any provisions of Code Section 48-9-14~~  
3775 ~~or any other law to the contrary.~~

3776 ~~(d) The temporary prepaid state tax exemption provided for in this Code section shall not~~  
 3777 ~~apply to prepaid local taxes as defined in paragraph (23) of Code Section 48-8-2.~~

3778 ~~(e) The commissioner is authorized to prescribe forms and promulgate rules and~~  
 3779 ~~regulations deemed necessary in order to administer and effectuate this Code section~~

3780 Reserved."

3781 **SECTION 5-3.**

3782 Said Title 48 is further amended by repealing Code Section 48-8-17.1, relating to ratification  
 3783 of an executive order regarding certain prepaid taxes.

3784 **SECTION 5-4.**

3785 Said Title 48 is further amended by revising subsection (k) of Code Section 48-8-30, relating  
 3786 to imposition of sales and use tax, as follows:

3787 "(k) The prepaid local tax shall be imposed at the time the prepaid state tax is imposed  
 3788 under ~~subparagraph (b)(2)(B)~~ paragraph (2) of subsection (a) of Code Section 48-9-14."

3789 **SECTION 5-5.**

3790 Said Title 48 is further amended by revising paragraph (2) of subsection (b) of Code Section  
 3791 48-8-49, relating to dealers' sales and use tax returns, as follows:

3792 "(2) If the tax liability of a dealer in the preceding calendar year was greater than  
 3793 \$30,000.00 excluding local sales taxes, the dealer shall file a return and remit to the  
 3794 commissioner not less than 50 percent of the estimated tax liability for the taxable period  
 3795 on or before the twentieth day of the period. The amount of the payment of the estimated  
 3796 tax liability shall be credited against the amount to be due on the return required under  
 3797 subsection (a) of this Code section. This subsection shall not apply to any dealer whose  
 3798 primary business is the sale of motor fuels who is remitting prepaid state tax under  
 3799 paragraph (2) of subsection ~~(b)~~ (a) of Code Section 48-9-14."

3800 **SECTION 5-6.**

3801 Said Title 48 is further amended by revising Code Section 48-9-3, relating to motor fuel tax,  
 3802 as follows:

3803 "48-9-3.

3804 (a)(1)(A) Prior to January 1, 2012, an ~~An~~ excise tax is imposed at the rate of 7 1/2¢ per  
 3805 gallon on distributors who sell or use motor fuel within this state. It is the intention of  
 3806 the General Assembly that the legal incidence of the tax be imposed upon the  
 3807 distributor.

3808 (B) On or after January 1, 2012, an excise tax is imposed at the rate of 15.1¢ per gallon  
 3809 on distributors who sell or use motor fuel within this state. It is the intention of the

3810 General Assembly that the legal incidence of the tax be imposed upon the distributor.  
 3811 The rate specified in this subparagraph shall be adjusted on January 1 of each  
 3812 subsequent year by the commissioner. The commissioner shall establish and maintain  
 3813 rules governing motor fuel price adjustments. Such rules shall include the  
 3814 determination and use of an appropriate national highway construction index, such as  
 3815 the National Highway Construction Cost Index, or similar national index which reflects  
 3816 the effects of inflation and deflation on highway construction in this state if the  
 3817 commissioner determines that such national index accurately reflects such inflation and  
 3818 deflation.

3819 (2) In the event any motor fuels which are not commonly sold or measured by the gallon  
 3820 are used in any motor vehicles on the public highways of this state, the commissioner  
 3821 may assess, levy, and collect a tax upon such fuels, under such regulations as the  
 3822 commissioner may promulgate, in accordance with and measured by the nearest power  
 3823 potential equivalent to that of one gallon of regular grade gasoline. Any determination  
 3824 by the commissioner of the power potential equivalent of such motor fuels shall be  
 3825 prima-facie correct. Upon each such quantity of such fuels used upon the public  
 3826 highways of this state, a tax at the same rate per gallon imposed on motor fuel under  
 3827 paragraph (1) of this subsection shall be assessed and collected.

3828 (3) No county, municipality, or other political subdivision of this state shall levy any fee,  
 3829 license, or other excise tax on a gallonage basis upon the sale, purchase, storage, receipt,  
 3830 distribution, use, consumption, or other disposition of motor fuel. Nothing contained in  
 3831 this ~~article~~ Code section shall be construed to prevent a county, municipality, or other  
 3832 political subdivision of this state from levying license fees or taxes upon any business  
 3833 selling motor fuel.

3834 (4) For purposes of this subsection, and notwithstanding the provisions of paragraph (2)  
 3835 of this subsection and any provision contained in the National Bureau of Standards  
 3836 Handbook or any other national standard that may be adopted by law or regulation, the  
 3837 gallon equivalent of compressed natural gas shall be not less than 110,000 British thermal  
 3838 units. As used in this paragraph, the term 'compressed natural gas' means a mixture of  
 3839 hydrocarbon gases and vapors, consisting principally of methane in gaseous form, that  
 3840 has been compressed for use as a motor fuel.

3841 (b) No tax is imposed by this ~~article~~ Code section upon ~~or with respect to~~ the following  
 3842 sales by duly licensed distributors:

- 3843 (1) Bulk sales to a duly licensed distributor;
- 3844 (2) Sales of motor fuel for export from this state when exempted by any provisions of  
 3845 the Constitutions of the United States or this state;
- 3846 (3) Sales of motor fuel to a licensed distributor for export from this state;

3847 (4) Sales of motor fuel to the United States for the exclusive use of the United States  
3848 when the motor fuel is purchased and paid for by the United States;

3849 (5) Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for ~~1¢~~  
3850 3¢ per gallon of the tax imposed by paragraph (1) of subsection (a) of this Code section  
3851 ~~and all of the tax imposed by Code Section 48-9-14;~~

3852 (6) Bulk sales of compressed petroleum gas or special fuel to a duly licensed consumer  
3853 distributor;

3854 (7)(A) Sales of compressed petroleum gas or special fuel to a consumer who has no  
3855 highway use of the fuel at the time of the sale and does not resell the fuel. Consumers of  
3856 compressed petroleum gas or special fuel who have both highway and nonhighway use  
3857 of the fuel and resellers of such fuel must be licensed as distributors in order for sales of  
3858 the fuel to be tax exempt. Each type of motor fuel is to be considered separately under  
3859 this exemption.

3860 (B)(i) In instances where a sale of compressed petroleum gas has been made to an  
3861 ultimate consumer who has both highway and nonhighway use of that type of motor  
3862 fuel and no tax has been paid by the distributor on the sale, the consumer shall  
3863 become licensed as a consumer distributor of that type of motor fuel. After the  
3864 consumer is licensed as a consumer distributor and if it is demonstrated to the  
3865 satisfaction of the commissioner that the motor fuel purchased prior to the licensee's  
3866 becoming licensed as a consumer distributor was used for nonhighway purposes, such  
3867 sales shall be exempt from the tax imposed by this article; provided, however, that,  
3868 if at the time of demonstration the ultimate consumer does not have both highway and  
3869 nonhighway use of such fuel but it can be demonstrated by the distributor to the  
3870 satisfaction of the commissioner that the motor fuel was used for nonhighway  
3871 purposes, the sales shall be exempt from the tax imposed by this article; and

3872 (ii)(I) Any special fuel sold by a distributor to a purchaser who has a storage  
3873 receptacle which has a connection to a withdrawal outlet that may be used for  
3874 highway use, as defined in paragraph (8) of Code Section 48-9-2, is not exempt  
3875 from the motor fuel and road taxes imposed by this ~~article~~ Code section unless: (1)  
3876 the purchaser is at the time of sale a valid licensed distributor of that type of motor  
3877 fuel, or (2) an exemption certificate has been obtained from the purchaser on forms  
3878 furnished by the Department of Revenue showing that the purchaser has no highway  
3879 use of such fuels and is not a reseller of such fuels. Each exemption certificate shall  
3880 be valid for a period of not more than three years and shall be kept by the distributor  
3881 as one of the records specified in Code Section 48-9-8. It shall be the responsibility  
3882 of the purchaser to notify the distributor when the purchaser is no longer qualified  
3883 for the nonhighway exemption. All applicable taxes must be charged the purchaser  
3884 until the purchaser is granted a valid distributor's license for that type of motor fuel.

3885 (II) Any such purchaser granted an exemption under subdivision (I) of this division  
 3886 who falsely claims the exemption or fails to rescind the purchaser's exemption  
 3887 certificate to the distributor in writing when he or she is no longer eligible for the  
 3888 exemption shall be deemed a distributor for purposes of taxation and is subject to  
 3889 all provisions of this article relating to distributors. This division in no way shall  
 3890 restrict the option of the purchaser to become licensed as a distributor. If the  
 3891 distributor sells special fuel to a purchaser who has a storage receptacle which has  
 3892 a connection to a withdrawal outlet that may be used for highway use, as defined in  
 3893 paragraph (8) of Code Section 48-9-2, and the purchaser is not a valid licensed  
 3894 distributor and has not executed a valid signed exemption certificate, the taxes  
 3895 imposed by this article are due from the distributor and not the purchaser on all sales  
 3896 of that type of fuel to that purchaser;

3897 (8) Sales of fuel oils, compressed petroleum gas, or special fuel directly to an ultimate  
 3898 consumer to be used for heating purposes only. The delivery of fuel oils, compressed  
 3899 petroleum gas, or special fuel directly to an ultimate consumer to be used for heating  
 3900 purposes only shall be made directly into the storage receptacle of the heating unit of the  
 3901 consumer by the licensed distributor. To qualify for this exemption, sales must be  
 3902 delivered into storage receptacles that are not equipped with any secondary withdrawal  
 3903 outlets for the motor fuel;

3904 (9) Sales of dyed fuel oils to a consumer for other than highway use as defined in  
 3905 paragraph (8) of Code Section 48-9-2; or

3906 (10)(A) During the period of July 1, 2010, through June 30, 2012, sales of motor fuel,  
 3907 as defined in paragraph (9) of Code Section 48-9-2, for public mass transit vehicles  
 3908 which are owned by public transportation systems which receive or are eligible to  
 3909 receive funds pursuant to 49 U.S.C. Sections 5307 and 5311 for which passenger fares  
 3910 are routinely charged and which vehicles are used exclusively for revenue generating  
 3911 purposes which motor fuel sales occur at bulk purchase facilities approved by the  
 3912 department.

3913 (B) During the period of July 1, 2010, through June 30, 2012, sales of motor fuel, as  
 3914 defined in paragraph (9) of Code Section 48-9-2, for vehicles operated by a public  
 3915 campus transportation system, provided that such system has a policy which provides  
 3916 for free transfer of passengers from the public transportation system operated by the  
 3917 jurisdiction in which the campus is located; makes the general public aware of such free  
 3918 transfer policy; and receives no state or federal funding to assist in the operation of such  
 3919 public campus transportation system and which motor fuel sales occur at bulk purchase  
 3920 facilities approved by the department.

3921 (C) For purposes of this paragraph, the term 'vehicle' or 'vehicles' means buses, vans,  
 3922 minibuses, or other vehicles which have the capacity to transport seven or more  
 3923 passengers.

3924 (c) Fuel oils, compressed petroleum gas, or special fuel used by a duly licensed distributor  
 3925 for nonhighway purposes is exempt from the tax imposed by this article.

3926 (d) No export from this state shall be recognized as being exempt from tax under  
 3927 paragraphs (2) and (3) of subsection (b) of this Code section unless the exporter informs  
 3928 the seller and the terminal operator of the intention to export and causes to be set out the  
 3929 minimum information specified in subsection (e) of Code Section 48-9-17 on the bill of  
 3930 lading or equivalent documentation under which the motor fuel is transported. In the event  
 3931 that the motor fuel is delivered to any point other than that which is set out on the bill of  
 3932 lading or equivalent documentation, the legal incidence of the tax shall continue to be  
 3933 imposed exclusively upon the exporter who caused the export documentation to be issued  
 3934 and no exemption shall be recognized until suitable proof of exportation has been provided  
 3935 to the commissioner."

#### 3936 SECTION 5-7.

3937 Said Title 48 is further amended by revising Code Section 48-9-14, relating to the second  
 3938 motor fuel tax, as follows:

3939 "48-9-14.

3940 ~~(a) In addition to the motor fuel tax imposed by Code Section 48-9-3, there is imposed a~~  
 3941 ~~second motor fuel tax.~~

3942 ~~(b)(1) The motor fuel tax imposed by this Code section is levied at the rate of 3 percent~~  
 3943 ~~of the retail sale price less the tax imposed by Code Section 48-9-3 upon the sale, use, or~~  
 3944 ~~consumption, as defined in Code Section 48-8-2, of motor fuel in this state. This tax shall~~  
 3945 ~~be subject only to the exemptions provided in Code Section 48-9-3.~~

3946 ~~(2)(A)(a)(1)~~ As used in this ~~paragraph~~ subsection, the term 'prepaid state tax' shall have  
 3947 the same meaning as provided in paragraph ~~(5.2)~~ (24) of Code Section 48-8-2.

3948 ~~(B)(2)~~ At the time the tax imposed by Code Section 48-9-3 attaches to a sale or transfer  
 3949 of motor fuels, a prepaid state tax shall be collected. The same person remitting the tax  
 3950 imposed under Code Section 48-9-3, but on a separate schedule, shall remit the prepaid  
 3951 state tax to the state. The tax shall be separately invoiced throughout the chain of  
 3952 distribution until it reaches the dealer who makes the retail sale. ~~The commissioner shall~~  
 3953 ~~issue the rate of prepaid state tax on a semiannual basis, rounded to the nearest \$.001 per~~  
 3954 ~~gallon for use in the following semiannual period shall be the same rate as specified for~~  
 3955 ~~the tax under Code Section 48-9-3. The rate shall be calculated at 4 percent of the~~  
 3956 ~~state-wide average retail price by motor fuel type as compiled by the Energy Information~~  
 3957 ~~Agency of the United States Department of Energy, the Oil Pricing Information Service;~~

3958 or a similar reliable published index less taxes imposed under Code Section 48-9-3, this  
 3959 subsection, and all local sales and use taxes. In the event that the retail price changes by  
 3960 25 percent or more within a semiannual period, the commissioner shall issue a revised  
 3961 prepaid state tax rate for the remainder of that period.

3962 ~~(c)(1)~~(b)(1) Except as otherwise provided in paragraph (2) of this subsection, in all other  
 3963 respects, the tax imposed by this Code section shall be administered and collected and  
 3964 penalties and interest shall be imposed in the same manner as the sales and use tax  
 3965 collected pursuant to Article 1 of Chapter 8 of this title.

3966 (2) Dealers shall be allowed a percentage of the amount of the tax due and accounted for  
 3967 and shall be reimbursed in the form of a deduction in submitting, reporting, and paying  
 3968 the amount due. The deduction shall be at the rate and subject to the requirements  
 3969 specified under subsections (b) through (f) of Code Section 48-8-50."

### 3970 SECTION 5-8.

3971 Said Title 48 is further amended by revising subsections (b) and (d) of Code Section 48-9-16,  
 3972 relating to motor fuel tax reports and returns, as follows:

3973 "(b) When any distributor fails to pay the tax or any part of the tax due under Code Section  
 3974 48-9-3 or ~~48-9-14~~, the distributor shall be subject to a penalty of 10 percent of the amount  
 3975 of unpaid taxes due."

3976 "(d) When any distributor fails to pay the tax or any part of the tax due under Code Section  
 3977 48-9-3 or ~~48-9-14~~, the distributor shall pay interest on the unpaid tax at the rate specified  
 3978 in Code Section 48-2-40 from the time the tax became due until paid."

## 3979 PART VI

### 3980 SECTION 6-1.

3981 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 3982 amended by revising paragraph (3) of subsection (a) of Code Section 48-11-2, relating to  
 3983 excise taxes on tobacco products, as follows:

3984 "(3) Cigarettes: ~~37¢~~ 68¢ per pack of 20 cigarettes and a like rate, pro rata, for other size  
 3985 packages. The tax rate enumerated in this paragraph shall be annually adjusted by the  
 3986 commissioner to reflect the effect of economic inflation or deflation on individual  
 3987 taxpayers. The commissioner shall establish and maintain rules governing excise tax rate  
 3988 adjustments. Such rules shall include the determination and use of an appropriate  
 3989 cost-of-living index which reflects the effects of inflation and deflation on individual  
 3990 taxpayers in the State of Georgia. The rules may use for this purpose the Consumer Price  
 3991 Index as reported by the Bureau of Labor Statistics of the United States Department of  
 3992 Labor or any other similar index established by the federal government, if the

3993 commissioner determines that such federal index reflects the effects of inflation and  
 3994 deflation on individual taxpayers in the State of Georgia; and"

3995 **PART VII**

3996 **SECTION 7-1.**

3997 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by  
 3998 revising subsection (a) of Code Section 33-8-4, relating to the amount and method of  
 3999 computing state insurance premium tax, as follows:

4000 "(a) All foreign, alien, and domestic insurance companies doing business in this state shall  
 4001 pay a tax of ~~2-1/4~~ .875 percent upon the gross direct premiums received by them on and  
 4002 after July 1, 1955. The tax shall be levied upon persons, property, or risks in Georgia, from  
 4003 January 1 to December 31, both inclusive, of each year without regard to business ceded  
 4004 to or assumed from other companies. The tax shall be imposed upon gross premiums  
 4005 received from direct writings without any deductions allowed for premium abatements of  
 4006 any kind or character or for reinsurance or for cash surrender values paid, or for losses or  
 4007 expenses of any kind; provided, however, deductions shall be allowed for premiums  
 4008 returned on change of rate or canceled policies; provided, further, that deductions may be  
 4009 permitted for return premiums or assessments, including all policy dividends, refunds, or  
 4010 other similar returns paid or credited to policyholders and not reapplied as premium for  
 4011 additional or extended life insurance. The term 'gross direct premiums' shall not include  
 4012 annuity considerations."

4013 **SECTION 7-2.**

4014 Said title is further amended by revising subsection (b) of Code Section 33-8-8.1, relating to  
 4015 county and municipal life insurance premium taxes, as follows:

4016 "(b) Life insurance companies are subject to county and municipal corporation taxes levied  
 4017 as follows:

4018 (1) There is imposed a county tax for county purposes on each life insurance company  
 4019 doing business within the state, which tax shall be based solely upon gross direct  
 4020 premiums, as defined in Code Section 33-8-4, which are received during the preceding  
 4021 calendar year from policies insuring persons residing within the unincorporated area of  
 4022 the counties pursuant to the provisions of this Code section. The rate of such tax shall be  
 4023 ~~†~~ .875 percent of such premiums, except that such tax shall not apply to the gross direct  
 4024 premiums of an insurance company which qualifies, pursuant to Code Section 33-8-5, for  
 4025 the reduction to one-half of 1 percent of the state tax imposed by Code Section 33-8-4.  
 4026 The tax imposed by this Code section shall not apply to annuity considerations; and



4027 (2) Municipal corporations whose ordinances have been filed with the Commissioner are  
 4028 authorized to impose a tax on each life insurance company doing business within the  
 4029 state, which tax shall be based solely upon the gross direct premiums, as defined in Code  
 4030 Section 33-8-4, which are received during the preceding calendar year from policies  
 4031 insuring persons residing within the corporate limits of the municipal corporation  
 4032 pursuant to the provisions of this Code section; provided, however, that the rate of the tax  
 4033 may not exceed  $\pm$  .875 percent of the premiums. The tax imposed shall not apply to  
 4034 annuity considerations."

### 4035 SECTION 7-3.

4036 Said title is further amended by revising subsections (a) and (d) of Code Section 33-8-8.2,  
 4037 relating to county and municipal insurance premium taxes on insurance other than life  
 4038 insurance, as follows:

4039 "(a) Counties and municipal corporations are authorized to levy tax at a rate not to exceed  
 4040 ~~2.5~~ .875 percent upon the gross direct premiums of all foreign, alien, and domestic  
 4041 insurance companies doing business in this state other than life insurance companies. The  
 4042 tax shall be in addition to the taxes levied by Code Section 33-8-4, and it may be levied  
 4043 upon the gross direct premiums received by such companies during the preceding calendar  
 4044 year. The tax shall be levied upon premiums derived from policies insuring persons,  
 4045 property, or risks in Georgia from January 1 to December 31, both inclusive, of each year  
 4046 without regard to business ceded to or assumed from other companies. The tax shall be  
 4047 imposed upon gross premiums received during the preceding calendar year from direct  
 4048 writing without any deductions allowed from premium abatement of any kind or character  
 4049 or for reinsurance or for losses or expenses of any kind; provided, however, deductions  
 4050 shall be allowed for premiums returned or change of rate or canceled policies; provided,  
 4051 further, that deductions shall be permitted for returned premiums or assessments, including  
 4052 all policy dividends, refunds, or other similar returns paid or credited to policyholders."

4053 "~~(d) Any county or municipal corporation which, on January 1, 1983, levied a tax on all~~  
 4054 ~~premiums of insurance companies, other than life insurance companies, at a rate in excess~~  
 4055 ~~of 2.5 percent may continue to levy the tax at a rate in excess of 2.5 percent, provided that~~  
 4056 ~~the rate of such tax shall not exceed the rate which was in effect in such county or~~  
 4057 ~~municipal corporation on January 1, 1983, reduced annually beginning January 1, 1984,~~  
 4058 ~~by one-third of the difference between such January 1, 1983, rate and 2.5 percent, so that~~  
 4059 ~~the rate levied on January 1, 1986, shall not exceed 2.5 percent~~ Reserved."

## 4060 PART VIII

### 4061 SECTION 8-1.

4062 Title 28 of the Official Code of Georgia Annotated, relating to the General Assembly, is  
 4063 amended by repealing Article 3 of Chapter 5, relating to fiscal bills generally, and enacting  
 4064 a new Article 3 to read as follows:

4065 "ARTICLE 3

4066 28-5-40.

4067 (a) This article shall be known and may be cited as the 'Fiscal Impact Standards Law.'

4068 (b) It is the purpose of this article to comply with the provisions of Article III, Section V,  
 4069 Paragraph IIA of the Constitution of Georgia requiring the General Assembly to enact  
 4070 legislation to define fiscal impact standards to assure the fiscal soundness of the state and  
 4071 to control legislative procedures so that any general revenue bill or general revenue  
 4072 resolution creating or amending any tax exemption or tax credit passed by the General  
 4073 Assembly shall comply with the defined fiscal impact standards.

4074 28-5-41.

4075 As used in this article, the term:

4076 (1) 'Amendment' means any amendment, including a substitute bill, made to a revenue  
 4077 bill by any committee of the House or Senate or by the House or Senate.

4078 (2) 'LC number' means that number preceded by the letters 'LC' assigned to a bill by the  
 4079 Office of Legislative Counsel when that office prepares a bill for a member of the  
 4080 General Assembly.

4081 (3) 'Nonfiscal amendment' means an amendment to a revenue bill that does not change  
 4082 any factor of a fiscal impact analysis specified in subsection (a) of Code  
 4083 Section 28-5-46.1.

4084 (4) 'Nonfiscal revenue bill' means a general revenue bill or resolution that does not meet  
 4085 the requirements of paragraph (6) of this Code section.

4086 (5) 'Reduction in cost amendment' means an amendment to a revenue bill that reduces  
 4087 the cost of the bill as such cost is determined by the fiscal impact analysis for the bill  
 4088 prepared pursuant to Code Section 28-5-46.1.

4089 (6) 'Revenue bill' means any general bill or resolution that enacts or amends a tax  
 4090 exemption or tax credit.

4091 28-5-42.

4092 (a) No revenue bill or nonfiscal revenue bill may be introduced by any member of the  
 4093 General Assembly unless, at the time of its introduction, the bill has printed thereon in the  
 4094 upper right portion of each page of the bill an LC number. Once a revenue bill is presented  
 4095 by the Office of Legislative Counsel to a member of the General Assembly, neither the

4096 Office of Legislative Counsel nor any person shall make any change in the revenue bill  
 4097 prior to its introduction into the General Assembly unless the bill is returned to the Office  
 4098 of Legislative Counsel and that office assigns a new LC number to the bill.

4099 (b) No revenue bill may be introduced unless it contains a stated sunset date which  
 4100 specifies the date upon which the tax exemption or tax credit will expire automatically  
 4101 without further action of the General Assembly.

4102 28-5-43.

4103 As a condition precedent to the introduction of any revenue bill or nonfiscal revenue bill,  
 4104 the member of the General Assembly who intends to be the primary sponsor of the bill  
 4105 must present an exact copy of the proposed bill, which must bear an LC number, to the  
 4106 state auditor. The state auditor shall determine whether the proposed bill is a revenue bill  
 4107 or a nonfiscal revenue bill and provide a written certification of that determination to the  
 4108 member of the General Assembly who intends to be the primary sponsor of the bill. Such  
 4109 certification shall specifically identify the proposed bill by reference to the LC number.  
 4110 If the proposed bill is introduced into the General Assembly, it shall have attached thereto  
 4111 the original of the certification of the state auditor. If the LC number on the bill as offered  
 4112 for introduction is different from the LC number shown on the state auditor's certification  
 4113 or if the bill as offered for introduction does not bear an LC number on each page of the  
 4114 bill, the bill shall not be accepted for introduction by the Clerk of the House of  
 4115 Representatives, and the bill shall not be considered by any committee of the House or  
 4116 Senate or by the House or Senate. If the bill is certified as a revenue bill, its introduction  
 4117 shall also be limited by the provisions of subsection (a) of Code Section 28-5-45.

4118 28-5-44.

4119 (a) A nonfiscal revenue bill may be introduced at any time during the first 20 days of any  
 4120 regular session of the General Assembly in either the Senate or House of Representatives.  
 4121 After its introduction into the General Assembly, a nonfiscal revenue bill shall not be  
 4122 amended in any manner to cause the bill to become a revenue bill. Any amendment to such  
 4123 a bill shall be submitted to the state auditor by the chairperson of the committee, if a  
 4124 committee amendment, or by the presiding officer of the Senate or House if the amendment  
 4125 was made by the Senate or House. If the state auditor certifies in writing that the  
 4126 amendment does not cause the bill to become a revenue bill, the bill, as amended, may  
 4127 continue in the legislative process as any other bill. If the state auditor will not issue such  
 4128 a certification for the amendment, the bill's progress in the legislative process will end, and  
 4129 the bill shall not be considered further by either the Senate or the House, and, if passed by  
 4130 the General Assembly, the bill shall not become law and shall stand repealed in its entirety  
 4131 on the first day of July immediately following its enactment.

4132 (b) An amendment to a nonfiscal revenue bill which is prohibited by subsection (a) of this  
4133 Code section may be withdrawn by the committee which made the amendment, if a  
4134 committee amendment, or by the Senate, if that body made the amendment, or by the  
4135 House, if that body made the amendment. If the amendment is withdrawn, the bill may  
4136 continue in the legislative process as any other bill, unless it is subsequently amended, and,  
4137 in that event, this Code section shall apply to the subsequent amendment.

4138 (c) A nonfiscal revenue bill which is not amended during the legislative process may be  
4139 considered as any other bill.

4140 28-5-45.

4141 (a) Any revenue bill may be introduced in the House of Representatives only during the  
4142 regular session which is held during the first year of the term of office of members of the  
4143 General Assembly. Any such revenue bill may be passed by the General Assembly only  
4144 during the regular session which is held during the second year of the term of office of  
4145 members of the General Assembly unless such requirement is waived by a two-thirds vote  
4146 of each house of the General Assembly voting in a roll-call vote.

4147 (b) When a revenue bill is introduced, it shall be assigned by the presiding officer of the  
4148 House to the House Committee on Ways and Means or other appropriate committee. If a  
4149 majority of the total membership of the appropriate committee is opposed to the bill on its  
4150 merits, no fiscal impact analysis provided for in Code Section 28-5-46.1 shall be necessary,  
4151 and the bill shall not be reported out by the committee and shall not be adopted or  
4152 considered by the House. If a majority of the committee wishes to consider the bill further  
4153 and votes in favor of a fiscal impact analysis of the bill, a fiscal impact analysis shall be  
4154 required as provided in Code Section 28-5-46.1. Except as otherwise provided by  
4155 subsection (c) of this Code section, no revenue bill shall be reported out of the committee  
4156 to which it is assigned or may be considered or adopted by the House unless a fiscal impact  
4157 analysis of the bill is made.

4158 (c) The committee to which a revenue bill is assigned following its introduction may at  
4159 any time amend the bill to become a nonfiscal revenue bill. If the bill is so amended, an  
4160 exact copy of the amended version shall be submitted by the chairperson of the committee  
4161 to the state auditor. If the state auditor issues a written certification that the committee  
4162 amendment has converted the status of the bill to a nonfiscal revenue bill, the bill shall be  
4163 a nonfiscal revenue bill for all purposes under this article as of the date of the state auditor's  
4164 certification. Only the committee to which a revenue bill is originally assigned following  
4165 its introduction may convert the bill to a nonfiscal revenue bill as authorized in this  
4166 subsection.

4167 28-5-46.

4168 (a) A revenue bill that the committee wishes to consider shall first be perfected, if  
4169 necessary, by the committee. The committee may delay further consideration of the bill  
4170 until after the close of the regular session during which the bill was introduced, but the  
4171 committee shall complete its consideration of the bill for submission to the state auditor  
4172 under Code Section 28-5-46.1 by not later than July 15 immediately following the close  
4173 of the legislative session. The committee shall be authorized to meet for not more than five  
4174 days, unless additional days are authorized by the Speaker of the House, during the period  
4175 beginning with the day following the close of the session and ending on July 1 immediately  
4176 following the close of the session for the purpose of considering and perfecting the bill.  
4177 The House Committee on Ways and Means, or other appropriate committee, shall be  
4178 authorized to meet with the Senate Finance Committee, or other appropriate committee,  
4179 to consider and perfect a bill during the period following the close of a regular session.  
4180 The committees may adopt such procedures as they find appropriate for conducting  
4181 meetings at which both committees are present as authorized by this subsection. For  
4182 attending meetings of their respective committees as authorized by this subsection, the  
4183 members of such Senate and House committees shall receive the expenses and allowances  
4184 provided by law for members of legislative interim committees. If a revenue bill is  
4185 changed by the committee to which it is assigned, such change shall be accomplished only  
4186 by a substitute bill, and no committee amendment to the bill, except by substitute, shall be  
4187 authorized.

4188 (b) Immediately after a revenue bill has been considered and perfected as provided in  
4189 subsection (a) of this Code section, the chairperson of the committee to which the bill was  
4190 assigned shall transmit an exact copy of the bill, as perfected by the committee, when  
4191 applicable, to the state auditor. The copy submitted to the state auditor shall bear an LC  
4192 number. The submission of the bill to the state auditor shall have attached thereto a letter  
4193 signed by the chairperson of the committee requesting the state auditor to make or cause  
4194 to be made a fiscal impact analysis on the bill.

4195 28-5-46.1.

4196 (a) If a fiscal impact analysis of a revenue bill is requested under Code Section 28-5-46,  
4197 it shall be the duty of the state auditor to complete or cause to be completed such fiscal  
4198 impact analysis by not later than November 1 of the same year during which the request  
4199 for the fiscal impact analysis was made. The fiscal impact analysis shall include, but shall  
4200 not be limited to, findings on the following factors as such factors are relevant to the  
4201 revenue bill under consideration:

4202 (1) The dollar amount of the increase or decrease in state revenues which will result from  
4203 the bill; and

4204 (2) The dollar amount of the annual administrative cost which will result from the bill.

4205 (b) By not later than November 1 of the same year that the request for a fiscal impact  
 4206 analysis was made, the completed fiscal impact analysis shall be submitted by the state  
 4207 auditor to the chairperson of the committee who requested it along with a summary of the  
 4208 fiscal impact analysis which shall include the relevant findings specified in subsection (a)  
 4209 of this Code section.

4210 (c) The chairperson of the committee, upon receipt of the information provided for under  
 4211 subsection (b) of this Code section, shall cause the summary of the fiscal impact analysis  
 4212 to be printed by the Clerk of the House of Representatives in sufficient quantity to attach  
 4213 a copy thereof to all printed copies of the bill. The original summary of the fiscal impact  
 4214 analysis shall be attached by the Clerk of the House of Representatives to the original  
 4215 version of the substitute bill, as perfected by the committee under Code Section 28-5-46,  
 4216 if applicable, or to the original version of the bill as introduced if the bill was not changed  
 4217 by the committee prior to its submission to the state auditor for a fiscal impact analysis.

4218 28-5-46.2.

4219 (a) When a revenue bill has had a fiscal impact analysis pursuant to Code Section  
 4220 28-5-46.1, the bill may be considered at the next regular session of the General Assembly.  
 4221 If the bill as originally introduced was not changed by the committee and the original  
 4222 version was submitted to the state auditor for a fiscal impact analysis, then the original  
 4223 version of the bill is the only one, except as otherwise provided by subsection (b) of this  
 4224 Code section, that may be considered by any committee or by the Senate or House. If the  
 4225 original bill was substituted by the committee and the substitute version was the one  
 4226 submitted to the state auditor, then that substitute bill is the only one, except as otherwise  
 4227 provided by subsection (b) of this Code section, that may be considered by any committee  
 4228 or by the Senate or House.

4229 (b) After completion of a fiscal impact analysis, any amendment to a revenue bill shall be  
 4230 out of order and shall not be allowed either by a committee or by the Senate or House,  
 4231 except for a nonfiscal or a reduction in cost amendment. Any amendment to a revenue bill  
 4232 shall be submitted to the state auditor by the chairperson of the committee, if a committee  
 4233 amendment, or by the presiding officer of the Senate or House if the amendment was made  
 4234 by the Senate or House. If the state auditor certifies in writing that the amendment is a  
 4235 nonfiscal amendment or a reduction in cost amendment and the state auditor provides a  
 4236 fiscal impact analysis as required in subsection (a) of Code Section 28-5-46.1, then the bill  
 4237 as amended, with the state auditor's certification or fiscal impact analysis attached to the  
 4238 original of the amendment, may continue in the legislative process. If the state auditor will  
 4239 not issue such a certification for the amendment or if there is no fiscal impact analysis  
 4240 showing the reduced cost of the amendment, the bill's progress in the legislative process  
 4241 will end, and the bill shall not be considered further by either the Senate or House and, if

4242 passed by the General Assembly, the bill shall not become law and shall stand repealed in  
 4243 its entirety on the first day of July immediately following its enactment.

4244 (c) An amendment to a revenue bill that is prohibited by subsection (b) of this Code  
 4245 section may be withdrawn by the committee which made the amendment, if a committee  
 4246 amendment, or by the Senate, if that body made the amendment, or by the House, if that  
 4247 body made the amendment. If the amendment is withdrawn, the bill may continue in the  
 4248 legislative process as any other bill, unless it is subsequently amended, and, in that event,  
 4249 this Code section shall apply to the subsequent amendment.

4250 28-5-46.3.

4251 (a) The state auditor shall be authorized to employ or contract with actuaries and other  
 4252 personnel to carry out the duties assigned to that officer by this article. Upon their approval  
 4253 by the Legislative Services Committee, expenses incurred by the state auditor in carrying  
 4254 out such duties shall be paid from funds appropriated or available to the legislative branch  
 4255 of the state government. When authorized to do so by the Legislative Services Committee,  
 4256 and such authorization may be on a continuing basis by direction of the Legislative  
 4257 Services Committee entered upon its minutes, the legislative fiscal officer, upon  
 4258 certification by the state auditor of expenses incurred to carry out the duties assigned to that  
 4259 officer by this article, is authorized to expend legislative funds to pay such expenses.

4260 (b) State officials and employees and officials and employees of political subdivisions are  
 4261 authorized and directed to cooperate with and assist the state auditor in carrying out the  
 4262 duties assigned to that officer by this article.

4263 28-5-46.4.

4264 The enrolled Act resulting from a bill subject to the legislative procedures provided by this  
 4265 article shall have attached thereto the original or a true and correct copy of all certificates  
 4266 and summaries of fiscal impact analyses submitted by the state auditor pursuant to the  
 4267 requirements of this article."

4268 **PART IX**

4269 **SECTION 9-1.**

4270 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 4271 amended in Code Section 48-7-1, relating to definitions regarding income taxes, by revising  
 4272 subparagraph (D) of paragraph (11) as follows:

4273 "(D) Every individual who is not a resident of this state for income tax purposes and  
 4274 who makes a withdrawal as provided for in paragraph ~~(10)~~ (8) of subsection ~~(b)~~ (c) of  
 4275 Code Section 48-7-27; and"

**SECTION 9-2.**

4276

4277 Said Title 48 is further amended in Code Section 48-7-30, relating to taxation of nonresident  
4278 income, by revising subsection (a) as follows:

4279 "(a) The tax imposed by this chapter shall apply to the entire net income of a taxable  
4280 nonresident derived from employment, trade, business, professional, or other activity for  
4281 financial gain or profit performed or carried on within this state including, but not limited  
4282 to, the rental of real or personal property located within this state or for use within this  
4283 state, the sale, exchange, or other disposition of tangible or intangible property having a  
4284 situs in this state, the receipt of proceeds of any lottery prize awarded by the Georgia  
4285 Lottery Corporation, and withdrawals of contributions to a savings trust account under  
4286 Article 11 of Chapter 3 of Title 20 which are required to be included in taxable net income  
4287 as provided in subparagraph ~~(b)(10)(C)~~ (c)(8)(C) of Code Section 48-7-27."

**SECTION 9-3.**

4288

4289 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in Code  
4290 Section 33-1-18, relating to an insurance premium tax credit for certain qualified projects,  
4291 by revising paragraph (1) of subsection (b) as follows:

4292 "(b)(1) A tax credit against the taxes imposed under Code Sections 33-5-31, 33-8-4, and  
4293 33-40-5, to be termed the Georgia housing tax credit, shall be allowed with respect to  
4294 each qualified Georgia project placed in service after January 1, 2001. The amount of  
4295 such credit shall, ~~when combined with the total amount of credit authorized under Code~~  
4296 ~~Section 48-7-29.6,~~ in no event exceed an amount equal to the federal housing tax credit  
4297 allowed with respect to such qualified Georgia project."

**SECTION 9-4.**

4298

4299 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
4300 amended in Code Section 48-6-93, relating to local business license taxes on depository  
4301 financial institutions, by revising subsection (e) as follows:

4302 "(e) Any tax paid by a depository financial institution pursuant to this Code section shall  
4303 be credited dollar for dollar against any state income tax liability of such institution for the  
4304 tax year during which any business or occupation tax authorized by this Code section is  
4305 paid. ~~Such credit shall be subject to the provisions of Code Section 48-7-29.7."~~

**SECTION 9-5.**

4306

4307 Said Title 48 is further amended in Code Section 48-6-95, relating to the special state  
4308 occupation tax on depository financial institutions, by revising subsection (e) as follows:

4309 "(e) Any tax paid by a depository financial institution pursuant to this Code section shall  
4310 be credited dollar for dollar against any state income tax liability of such institution for the



4311 tax year during which any business or occupation tax authorized by this Code section is  
 4312 paid. ~~Such credit shall be subject to the provisions of Code Section 48-7-29.7."~~

4313 **SECTION 9-6.**

4314 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
 4315 in Code Section 50-23-21, relating to grants for clean energy property, by revising  
 4316 paragraphs (2) and (3) of subsection (b) as follows:

4317 "(2) A person that receives a grant allowed under this Code section shall not be eligible  
 4318 to claim ~~any tax credit under Code Section 48-7-29.14~~ or any other grant under this Code  
 4319 section with respect to the same clean energy property.

4320 (3) A person shall not receive a grant allowed in this Code section for clean energy  
 4321 property the person leases from another unless such person obtains the lessor's written  
 4322 certification that the lessor will not receive a grant under this Code section ~~or claim a~~  
 4323 ~~credit under Code Section 48-7-29.14~~ with respect to the same clean energy property."

4324 **SECTION 9-7.**

4325 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by  
 4326 repealing Chapter 2A, relating to student scholarship organizations.

4327 **SECTION 9-8.**

4328 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 4329 amended in Code Section 48-7-21, relating to taxation of corporations, by revising paragraph  
 4330 (13) of subsection (b) as follows:

4331 "~~(13) If the taxpayer claims the tax credit provided for in subsection (d) of Code Section~~  
 4332 ~~48-7-40.6 with respect to qualified child care property, Georgia taxable income shall be~~  
 4333 ~~increased by any depreciation deductions attributable to such property to the extent such~~  
 4334 ~~deductions are used in determining federal taxable income~~ Reserved."

4335 **SECTION 9-9.**

4336 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
 4337 in Code Section 36-62-5.1, relating to joint development authorities, by revising subsection  
 4338 (e) as follows:

4339 "~~(e)(1)~~ A joint authority created by two or more contiguous counties pursuant to this Code  
 4340 section must be an active, bona fide joint authority; must have a board of directors; must  
 4341 meet at least quarterly; and must develop an operational business plan. A county may  
 4342 belong to more than one such joint authority.

4343 ~~(2) A business enterprise as defined under subsection (a) of Code Section 48-7-40~~  
 4344 ~~located within the jurisdiction of a joint authority established by two or more contiguous~~

4345 ~~counties shall qualify for an additional \$500.00 tax credit for each new full-time~~  
4346 ~~employee position created. The \$500.00 job tax credit authorized by this paragraph shall~~  
4347 ~~be subject to all the conditions and limitations specified under Code Section 48-7-40, as~~  
4348 ~~amended; provided, however, that a business enterprise located in a county that belongs~~  
4349 ~~to more than one joint authority shall not qualify for an additional tax credit in excess of~~  
4350 ~~\$500.00 for each new full-time employee position created."~~

4351

**SECTION 9-10.**

4352 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
4353 in Code Section 50-16-41, relating to certain rental agreements not requiring competitive  
4354 bidding, by revising paragraph (2) of subsection (h) as follows:

4355 "(2) When all factors are reasonably equivalent, preferences will be given to location of  
4356 state government programs and facilities in those counties which are determined by the  
4357 Department of Community Affairs to be the most economically depressed, ~~meaning those~~  
4358 ~~71 tier 1 counties of the state designated as least developed under paragraph (2) of~~  
4359 ~~subsection (b) of Code Section 48-7-40."~~

4360

**PART X**

4361

**SECTION 10-1.**

4362 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
 4363 in Chapter 7, relating to the Department of Economic Development, by adding a new article  
 4364 to read as follows:

4365

**"ARTICLE 8**4366 50-7-100.

4367 (a) Pursuant to the authority of Article III, Section IX, Paragraph VI of the Constitution,  
 4368 there is created the Economic Development Trust Fund. The fund shall be operated and  
 4369 administered by the commissioner of economic development and the Department of  
 4370 Economic Development. Moneys of the fund shall consist of those which may be annually  
 4371 appropriated into the fund or moneys otherwise deposited into the fund.

4372 (b) The purposes of the fund shall include the attraction, location, or expansion of new or  
 4373 existing businesses in this state.

4374 (c) The commissioner and the department shall be authorized to provide by rule or  
 4375 regulation for the use of fund moneys to provide for an economic development tax credit  
 4376 based upon the creation of jobs and an economic development tax credit based upon  
 4377 specified levels of capital investment. Such credits shall be made available to any  
 4378 qualifying company whether large or small or existing or new to Georgia.

4379 (d) Credit amounts shall be administered and allocated directly by the commissioner or the  
 4380 department. Revenues appropriated to or deposited into the fund shall not lapse as  
 4381 otherwise required by Article III, Section IX, Paragraph IV(c) of the Constitution and shall  
 4382 not be subject to the limitations of Article III, Section IX, Paragraph VI(a) or of Article  
 4383 VII, Section III, Paragraph II of the Constitution."

4384

**PART XI**

4385

**SECTION 11-1.**

4386 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
 4387 amended in Code Section 48-2-6, relating to organization of the Department of Revenue, by  
 4388 adding a new subsection to read as follows:

4389 "(f) The commissioner is authorized to provide by contract for the collecting and remitting  
 4390 of sales and use taxes by nonresident businesses who sell products to buyers located in this  
 4391 state and who are not otherwise obligated to collect and remit sales and use taxes. The  
 4392 commissioner may engage the services of a recruiting coordinator to solicit such

4393 nonresident businesses to participate in a voluntary program to collect and remit to the  
 4394 department sales and use taxes on their sales to buyers located in this state or provide for  
 4395 other appropriate methods of collecting and remitting such taxes in a voluntary program."

4396 **PART XII**

4397 **SECTION 12-1.**

4398 (a)(1) Except as otherwise provided in this section, Parts I and II of this Act shall become  
 4399 effective upon this Act's approval by the Governor or upon its becoming law without such  
 4400 approval and shall be applicable to all taxable years beginning on or after January 1,  
 4401 2012.

4402 (2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall  
 4403 not be affected by the passage of the sections of this Act specified in this subsection and  
 4404 shall continue to be governed by the provisions of general law as it existed immediately  
 4405 prior to January 1, 2012.

4406 (3) The sections of this Act specified in this subsection shall not abate any prosecution,  
 4407 punishment, penalty, administrative proceedings or remedies, or civil action related to  
 4408 any violation of law committed prior to January 1, 2012.

4409 (b)(1) Sections 1-4, 1-5, 1-6, 1-7, 1-8, 1-9, 1-10, 1-11, 1-12, 1-13, 1-14, 1-15, 1-16, 1-17,  
 4410 1-18, 1-19, 1-20, and 1-21 shall become effective on January 1, 2014. Any taxpayer who  
 4411 has claimed and been allowed any tax credit prior to the repeal of such credit shall be  
 4412 allowed to carry forward any unused credit amount to future tax years in the manner  
 4413 authorized under the applicable prior law until such amount has been applied fully.

4414 (2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall  
 4415 not be affected by the passage of the sections of this Act specified in this subsection and  
 4416 shall continue to be governed by the provisions of general law as it existed immediately  
 4417 prior to January 1, 2014.

4418 (3) The sections of this Act specified in this subsection shall not abate any prosecution,  
 4419 punishment, penalty, administrative proceedings or remedies, or civil action related to  
 4420 any violation of law committed prior to January 1, 2014.

4421 (c)(1) Sections 2-5, 2-7, 2-8, 2-9, 2-10, 2-11, 2-14, 2-15, 2-16, 2-19, 2-20, 2-22, 2-23,  
 4422 2-28, 2-29, 2-34, and 2-35 shall become effective on January 1, 2012. Any taxpayer who  
 4423 has claimed and been allowed any tax credit prior to the repeal of such credit shall be  
 4424 allowed to carry forward any unused credit amount to future tax years in the manner  
 4425 authorized under the applicable prior law until such amount has been applied fully.

4426 (2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall  
 4427 not be affected by the passage of the sections of this Act specified in this subsection and

4428 shall continue to be governed by the provisions of general law as it existed immediately  
4429 prior to January 1, 2012.

4430 (3) The sections of this Act specified in this subsection shall not abate any prosecution,  
4431 punishment, penalty, administrative proceedings or remedies, or civil action related to  
4432 any violation of law committed prior to January 1, 2012.

4433 (d)(1) Sections 2-12, 2-13, 2-17, 2-18, 2-21, 2-24, 2-25, 2-26, 2-27, 2-30, 2-31, 2-32,  
4434 2-33, 2-36, 2-37, 2-38, 2-39 and 2-40 shall become effective on January 1, 2014. Any  
4435 taxpayer who has claimed and been allowed any tax credit prior to the repeal of such  
4436 credit shall be allowed to carry forward any unused credit amount to future tax years in  
4437 the manner authorized under the applicable prior law until such amount has been applied  
4438 fully.

4439 (2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall  
4440 not be affected by the passage of the sections of this Act specified in this subsection and  
4441 shall continue to be governed by the provisions of general law as it existed immediately  
4442 prior to January 1, 2014.

4443 (3) The sections of this Act specified in this subsection shall not abate any prosecution,  
4444 punishment, penalty, administrative proceedings or remedies, or civil action related to  
4445 any violation of law committed prior to January 1, 2014.

4446 **SECTION 12-2.**

4447 (a) Except as otherwise provided in this section, Part III of this Act shall become effective  
4448 upon this Act's approval by the Governor or upon its becoming law without such approval.

4449 (b) Sections 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, and 3-8 of this Act shall become effective on  
4450 January 1, 2012.

4451 (c) Sections 3-9, 3-10, 3-11, 3-12, and 3-13 of this Act shall become effective on July 1,  
4452 2012.

4453 **SECTION 12-3.**

4454 Part IV of this Act shall become effective on January 1, 2013; provided, however, that Part  
4455 IV of this Act shall only become effective on January 1, 2013, upon the ratification at the  
4456 November, 2012, state-wide general election of a resolution that amends the Constitution of  
4457 the State of Georgia so as to authorize the General Assembly to provide by general law for  
4458 the direct allocation to local governments of a portion of the proceeds of a state-wide tax on  
4459 communications services rather than the deposit of such portion in the general fund of the  
4460 state treasury and that such general law may preempt the field of taxation of communications  
4461 services and prohibit any local taxes, fees, or charges thereon or the enforcement of  
4462 ordinances or agreements requiring payment of such local taxes, fees, assessments, or other  
4463 charges on communications services. If such resolution is not ratified, Part IV of this Act

4464 shall not become effective and said part shall stand repealed in its entirety on January 1,  
4465 2013.

4466 **SECTION 12-4.**

4467 (a) Part V of this Act shall become effective on January 1, 2012.

4468 (b) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall  
4469 not be affected by the passage of Part V of this Act and shall continue to be governed by  
4470 the provisions of general law as it existed immediately prior to January 1, 2012.

4471 (c) Part V of this Act shall not abate any prosecution, punishment, penalty, administrative  
4472 proceedings or remedies, or civil action related to any violation of law committed prior to  
4473 January 1, 2012.

4474 **SECTION 12-5.**

4475 Part VI of this Act shall become effective on January 1, 2012.

4476 **SECTION 12-6.**

4477 Part VII of this Act shall become effective on January 1, 2012.

4478 **SECTION 12-7.**

4479 Part VIII of this Act shall become effective on January 1, 2013; provided, however, that Part  
4480 VIII of this Act shall only become effective on January 1, 2013, upon the ratification at the  
4481 November, 2012, state-wide general election of a resolution that amends the Constitution of  
4482 the State of Georgia so as to require the General Assembly to enact general law fiscal impact  
4483 standards, and to require any general bill or resolution that enacts or amends a tax exemption  
4484 or tax credit to comply with such fiscal impact standards. If such resolution is not ratified,  
4485 Part VIII of this Act shall not become effective and shall stand repealed in its entirety on  
4486 January 1, 2013.

4487 **SECTION 12-8.**

4488 (a) Sections 9-1, 9-2, 9-9, and 9-10 of this Act shall become effective on January 1, 2012.

4489 (b) Sections 9-3, 9-4, 9-5, 9-6, 9-7, and 9-8 of this Act shall become effective on January 1,  
4490 2014.

4491 **SECTION 12-9.**

4492 Part X of this Act shall become effective on January 1, 2013; provided, however, that Part  
4493 X of this Act shall only become effective on January 1, 2013, upon the ratification at the  
4494 November, 2012, state-wide general election of a resolution that amends the Constitution of  
4495 the State of Georgia so as to create the Economic Development Trust Fund to provide tax  
4496 credits for job creation and capital investment by qualifying business. If such resolution is  
4497 not ratified, Part X of this Act shall not become effective and shall stand repealed in its  
4498 entirety on January 1, 2013.

4499 **SECTION 12-10.**

4500 Part XI of this Act shall become effective on January 1, 2012.

4501 **PART XIII**

4502 **SECTION 13-1.**

4503 All laws and parts of laws in conflict with this Act are repealed.