House Bill 385  
By: Representatives Channell of the 116th and O’Neal of the 146th

A BILL TO BE ENTITLED  
AN ACT

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

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I

SECTION 1-1.

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

"48-7-20.
(a) A tax is imposed upon every resident of this state with respect to the Georgia taxable
net income of the taxpayer as defined in Code Section 48-7-27. A tax is imposed upon
every nonresident with respect to such nonresident's Georgia taxable net income not
otherwise exempted which is received by the taxpayer from services performed, property
owned, proceeds of any lottery prize awarded by the Georgia Lottery Corporation, or from
business carried on in this state. Except as otherwise provided in this chapter, the tax
imposed by this subsection shall be levied, collected, and paid annually.

(b) (1) For taxable years prior to January 1, 2012:
(1) The tax imposed pursuant to subsection (a) of this Code section shall be computed
in accordance with the following tables:

<table>
<thead>
<tr>
<th>SINGLE PERSON</th>
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<tbody>
<tr>
<td></td>
<td>If Georgia Taxable</td>
<td>The Tax Is:</td>
</tr>
<tr>
<td></td>
<td>Net Income Is:</td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>Not over $750.00</td>
<td>1%</td>
</tr>
<tr>
<td>72</td>
<td>Over $750.00 but</td>
<td>$7.50 plus 2%</td>
</tr>
<tr>
<td></td>
<td>not over $2,250.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$750.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>73</td>
<td>Over $2,250.00 but</td>
<td>$37.50 plus 3%</td>
</tr>
<tr>
<td></td>
<td>not over $3,750.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$2,250.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>74</td>
<td>Over $3,750.00 but</td>
<td>$82.50 plus 4%</td>
</tr>
<tr>
<td></td>
<td>not over $5,250.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$3,750.00</td>
<td>$3,750.00</td>
</tr>
<tr>
<td>75</td>
<td>Over $5,250.00 but</td>
<td>$142.50 plus 5%</td>
</tr>
<tr>
<td></td>
<td>not over $7,000.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$5,250.00</td>
<td>$5,250.00</td>
</tr>
<tr>
<td>76</td>
<td>Over $7,000.00</td>
<td>$230.00 plus 6%</td>
</tr>
<tr>
<td></td>
<td>$7,000.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$7,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MARRIED PERSON FILING A SEPARATE RETURN</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If Georgia Taxable</td>
<td>The Tax Is:</td>
</tr>
<tr>
<td></td>
<td>Net Income Is:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not over $500.00</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Over $500.00 but</td>
<td>$5.00 plus 2%</td>
</tr>
<tr>
<td></td>
<td>not over $1,500.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$500.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td></td>
<td>Over $1,500.00 but</td>
<td>$25.00 plus 3%</td>
</tr>
<tr>
<td></td>
<td>not over $2,500.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$1,500.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td></td>
<td>Over $2,500.00 but</td>
<td>$55.00 plus 4%</td>
</tr>
<tr>
<td></td>
<td>not over $3,500.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$2,500.00</td>
<td>$2,500.00</td>
</tr>
<tr>
<td></td>
<td>Over $3,500.00 but</td>
<td>$95.00 plus 5%</td>
</tr>
<tr>
<td></td>
<td>not over $5,000.00</td>
<td>of amount over</td>
</tr>
<tr>
<td></td>
<td>$3,500.00</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>Over $5,000.00</td>
<td>$170.00 plus 6% of amount over $5,000.00</td>
<td></td>
</tr>
</tbody>
</table>

**HEAD OF HOUSEHOLD AND MARRIED PERSONS**
**FILING A JOINT RETURN**

<table>
<thead>
<tr>
<th>If Georgia Taxable Net Income Is:</th>
<th>The Tax Is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over $1,000.00 ..................</td>
<td>1%</td>
</tr>
<tr>
<td>Over $1,000.00 but not over $3,000.00</td>
<td>$10.00 plus 2% of amount over $1,000.00</td>
</tr>
<tr>
<td>Over $3,000.00 but not over $5,000.00</td>
<td>$50.00 plus 3% of amount over $3,000.00</td>
</tr>
<tr>
<td>Over $5,000.00 but not over $7,000.00</td>
<td>$110.00 plus 4% of amount over $5,000.00</td>
</tr>
<tr>
<td>Over $7,000.00 but not over $10,000.00</td>
<td>$190.00 plus 5% of amount over $7,000.00</td>
</tr>
<tr>
<td>Over $10,000.00 ....................</td>
<td>$340.00 plus 6% of amount over $10,000.00</td>
</tr>
</tbody>
</table>

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

(c)(1) For taxable years beginning on or after January 1, 2012, and prior to 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.
(2) For taxable years beginning on or after January 1, 2013, and prior to January 1, 2014, 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 4.5 percent and reducing that amount by any credit allowed pursuant to Chapter 7A of this title for that same taxable year.

(3) For all taxable years beginning on or after January 1, 2014, 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 the applicable taxable year and then multiplying that resulting amount by 4 percent and reducing that amount by any credit allowed pursuant to Chapter 7A of this title for that same taxable year.

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

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

SECTION 1-2.

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

48-7-26.

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

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

(2) An exemption of $2,700.00 shall be allowed as a deduction in computing Georgia taxable income for each taxpayer other than a taxpayer who files a joint return.
(3)(A) For taxable years beginning on or after January 1, 1994, and prior to January 1, 1995, an exemption of $2,000.00 for each dependent of a taxpayer shall be allowed as a deduction in computing Georgia taxable income of the taxpayer.

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

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

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

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

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

(1) An estate - $2,700.00; and

(2) A trust - $1,350.00.

SECTION 1-3.

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

"48-7-27.

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

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

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

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

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

(C) In the case of a married couple filing a joint return, $3,000.00;
(D) An additional deduction of $1,300.00 for the taxpayer if the taxpayer has attained the age of 65 before the close of the taxpayer's taxable year. An additional deduction of $1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by the taxpayer and the taxpayer's spouse and the spouse has attained the age of 65 before the close of the taxable year, and

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

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

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

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

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

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

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

(i) For taxable years beginning on or after January 1, 1989, and prior to January 1, 1990, retirement income not to exceed an exclusion amount of $8,000.00 per year received from any source;
(ii) For taxable years beginning on or after January 1, 1990, and prior to January 1, 1994, retirement income not to exceed an exclusion amount of $10,000.00 per year received from any source;

(iii) For taxable years beginning on or after January 1, 1994, and prior to January 1, 1995, retirement income from any source not to exceed an exclusion amount of $11,000.00;

(iv) For taxable years beginning on or after January 1, 1995, and prior to January 1, 1999, retirement income from any source not to exceed an exclusion amount of $12,000.00;

(v) For taxable years beginning on or after January 1, 1999, and prior to January 1, 2000, retirement income from any source not to exceed an exclusion amount of $13,000.00;

(vi) For taxable years beginning on or after January 1, 2000, and prior to January 1, 2001, retirement income not to exceed an exclusion amount of $13,500.00 per year received from any source;

(vii) For taxable years beginning on or after January 1, 2001, and prior to January 1, 2002, retirement income from any source not to exceed an exclusion amount of $14,000.00;

(viii) For taxable years beginning on or after January 1, 2002, and prior to January 1, 2003, retirement income from any source not to exceed an exclusion amount of $14,500.00;

(ix) For taxable years beginning on or after January 1, 2003, and prior to January 1, 2006, retirement income from any source not to exceed an exclusion amount of $15,000.00;

(x) For taxable years beginning on or after January 1, 2006, and prior to January 1, 2007, retirement income from any source not to exceed an exclusion amount of $25,000.00;

(xi) For taxable years beginning on or after January 1, 2007, and prior to January 1, 2008, retirement income from any source not to exceed an exclusion amount of $30,000.00;

(xii) For taxable years beginning on or after January 1, 2008, and prior to January 1, 2012, retirement income from any source not to exceed an exclusion amount of $35,000.00;

(xiii) For taxable years beginning on or after January 1, 2012, and prior to January 1, 2013, retirement income from any source not to exceed an exclusion amount of $35,000.00 for each taxpayer meeting the eligibility requirement set forth in division (i) or (ii) of subparagraph (D) of this paragraph or an amount of $65,000.00 for each
taxpayer meeting the eligibility requirement set forth in division (iii) of subparagraph (D) of this paragraph $28,000.00; and

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

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

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

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

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

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

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

(i) Is 62 years of age or older but less than 65 years of age during any part of the taxable year; or
(ii) Is permanently and totally disabled in that the taxpayer has a medically demonstrable disability which is permanent and which renders the taxpayer incapable of performing any gainful occupation within the taxpayer's competence; or

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

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

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

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

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

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

(v) For taxable years beginning on or after January 1, 2015, no earned income amount shall be included as retirement income;

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

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

(6) A portion of the qualified payments to minority subcontractors, as provided in Code Section 48-7-38;
(5) Social security benefits and tier 1 railroad retirement benefits, to the extent included in federal taxable income;

(6) The amount of a dependent's unearned income included in federal adjusted gross income of a parent's return;

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

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

(9) For taxable years beginning on or after January 1, 2002, and prior to January 1, 2007:

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

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

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

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

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

(iii) Such parent or guardian must be the account owner of the designated beneficiary's account;
(D) The maximum deduction authorized by this paragraph for each beneficiary shall
decrease by $400.00 for each $1,000.00 of federal adjusted gross income over
$100,000.00 for a joint return or $50,000.00 for a separate or single return; and

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

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

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

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

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

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

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

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

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

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

(B) In order to qualify for the exclusion under subparagraph (A) of this paragraph, such
taxpayer must, while living, donate all or part of such person's liver, pancreas, kidney,
intestine, lung, or bone marrow. In the taxable year in which the donation is made, the
taxpayer shall be entitled to claim the exclusion provided in subparagraph (A) of this
paragraph only with respect to unreimbursed travel expenses, lodging expenses, and
lost wages incurred as a direct result of the organ donation;

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

(+4)(10) The deduction for school teachers provided and allowed by Section 62(a)(2)(D)
of the Internal Revenue Code of 1986 as enacted on or before January 1, 2005, to the
extent the deduction has not been included in federal adjusted gross income, as defined
under the Internal Revenue Code of 1986, and the expenses have not been included in
itemized nonbusiness deductions; and

(+5)(11) The deduction provided and allowed by Section 179 of the Internal Revenue
Code of 1986 as enacted on or before January 1, 2005, to the extent the deduction has not
been included in federal adjusted gross income, as defined under the Internal Revenue
Code of 1986, and the expenses have not been included in itemized nonbusiness
deductions.

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

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

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

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

(2) There shall be subtracted from taxable income interest or dividends on obligations
of the United States and its territories and possessions or of any authority, commission,
or instrumentality of the United States to the extent includable in gross income for federal
income tax purposes but exempt from state income taxes under the laws of the United
States. Any amount subtracted under this paragraph shall be reduced by any interest
expenses directly or indirectly attributable to the production of the interest or dividend
income.
(3) There shall be added to taxable income any income taxes imposed by any tax jurisdiction except the State of Georgia to the extent deducted in determining federal taxable income.

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

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

(6) Reserved.

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

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

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

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

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

(C) For withdrawals other than qualified withdrawals from such a savings trust account and for withdrawals from such a savings trust account which are rolled over to a qualified tuition program other than the qualified tuition program established under Article 11 of Chapter 3 of Title 20, the proportion of the contributions in an account balance at the time of a withdrawal which previously have been used to reduce taxable net income pursuant to subsection (a)(b) of this Code section shall be applied to the
nonearnings portion of the total funds withdrawn to determine an amount to be included in the account owner's taxable net income in the same taxable year.

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

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

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

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

As used in this paragraph, the term 'individual' shall mean the same as is defined in Code Section 48-1-2.

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

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

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

(2) Nonresident shareholders of a Georgia Subchapter 'S' corporation shall execute a consent agreement to pay Georgia income tax on their portion of the corporate income in order for such Subchapter 'S' corporation to be recognized for Georgia purposes. A consent agreement for each shareholder shall be filed by the corporation with its corporate tax return in the year in which the Subchapter 'S' corporation is first required to file a Georgia income tax return. For a Subchapter 'S' corporation in existence prior to January 1, 2008, the consent agreement shall be filed for each shareholder in the first Georgia tax return filed for a year beginning on or after January 1, 2008. A consent agreement shall also be filed in any subsequent year for any additional nonresident who first becomes a shareholder of the Subchapter 'S' corporation in that year. Shareholders of a federal Subchapter 'S' corporation which is not recognized for Georgia purposes may make an adjustment to federal adjusted gross income in order to avoid double taxation.
on this type of income. Adjustments shall not be allowed unless tax was actually paid by
such corporation.”

SECTION 1-4.
Said Title 48 is further amended by repealing Code Section 48-7-29, relating to tax for
rural physicians, and designating said Code section as reserved.

SECTION 1-5.
Said Title 48 is further amended by repealing Code Section 48-7-29.1, relating to
accessibility feature retrofit of homes tax credits.

SECTION 1-6.
Said Title 48 is further amended by repealing Code Section 48-7-29.2, relating to tax for
qualified caregiving expenses.

SECTION 1-7.
Said Title 48 is further amended by repealing Code Section 48-7-29.3, relating to tax for
federal qualified transportation fringe benefits.

SECTION 1-8.
Said Title 48 is further amended by repealing Code Section 48-7-29.4, relating to tax for
disaster assistance funds.

SECTION 1-9.
Said Title 48 is further amended by repealing Code Section 48-7-29.5, relating to tax for
private driver education courses of minors.

SECTION 1-10.
Said Title 48 is further amended by repealing Code Section 48-7-29.6, relating to tax for
qualified low-income buildings.

SECTION 1-11.
Said Title 48 is further amended by repealing Code Section 48-7-29.7, relating to tax for
depository financial institutions.
SECTION 1-12.
Said Title 48 is further amended by repealing Code Section 48-7-29.8, relating to tax credits for rehabilitation of historic structures.

SECTION 1-13.
Said Title 48 is further amended by repealing Code Section 48-7-29.9, relating to tax credits for qualified life insurance premiums for National Guard and Air National Guard members.

SECTION 1-14.
Said Title 48 is further amended by repealing Code Section 48-7-29.10, relating to tax credits for qualified child and dependent care expenses.

SECTION 1-15.
Said Title 48 is further amended by repealing Code Section 48-7-29.11, relating to tax credits for teleworking.

SECTION 1-16.
Said Title 48 is further amended by repealing Code Section 48-7-29.12, relating to tax credits for donation of real property.

SECTION 1-17.
Said Title 48 is further amended by repealing Code Section 48-7-29.13, relating to tax credits for qualified health insurance expenses.

SECTION 1-18.
Said Title 48 is further amended by repealing Code Section 48-7-29.14, relating to tax credits for clean energy property.

SECTION 1-19.
Said Title 48 is further amended by repealing Code Section 48-7-29.15, relating to tax credits for adoption of foster children.

SECTION 1-20.
Said Title 48 is further amended by repealing Code Section 48-7-29.16, relating to tax credits for qualified education.
SECTION 1-21

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

SECTION 1-22.

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

"48-7A-3.

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

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

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

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

TAX CREDIT SCHEDULE

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<th>Married Filing Separate</th>
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<td>Fee 3</td>
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<td>0</td>
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<td>0</td>
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<tr>
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<td>$74.00</td>
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<tr>
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<tr>
<td>$74,000.00 but not more</td>
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<tr>
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<td>0</td>
<td>$34.00</td>
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<td>$0.00</td>
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<tr>
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</table>
(b.1) For taxable years beginning on or after January 1, 2013, and prior to January 1, 2014, each taxpayer may claim a tax credit in the amount indicated for each adjusted gross income bracket as shown in the schedule below:

<table>
<thead>
<tr>
<th>Adjusted Gross Income</th>
<th>Single</th>
<th>Married Filing Joint</th>
<th>Head of Household</th>
<th>Married Filing Separate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $750.00</td>
<td>$84.00</td>
<td>$84.00</td>
<td>$84.00</td>
<td>$84.00</td>
</tr>
<tr>
<td>$750.00 but not more than $999.00</td>
<td>$95.00</td>
<td>$95.00</td>
<td>$95.00</td>
<td>$95.00</td>
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<tr>
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<td>$140.00</td>
<td>$140.00</td>
<td>$140.00</td>
</tr>
<tr>
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<td>$185.00</td>
<td>$185.00</td>
<td>$185.00</td>
</tr>
<tr>
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<td>$230.00</td>
<td>$230.00</td>
<td>$230.00</td>
</tr>
<tr>
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<td>$275.00</td>
<td>$275.00</td>
<td>$270.00</td>
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<tr>
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<td>$320.00</td>
<td>$310.00</td>
<td>$295.00</td>
</tr>
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<td>$365.00</td>
<td>$335.00</td>
<td>$310.00</td>
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<td>$315.00</td>
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<td>$300.00</td>
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<td>$503.00</td>
<td>$395.00</td>
<td>$285.00</td>
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<td>$522.00</td>
<td>$400.00</td>
<td>$270.00</td>
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<td>$537.00</td>
<td>$395.00</td>
<td>$255.00</td>
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<td>$546.00</td>
<td>$390.00</td>
<td>$240.00</td>
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<td>Amount Range</td>
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<td>Tax 2</td>
<td>Tax 3</td>
<td>Tax 4</td>
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<td>-------</td>
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<td>$550.00</td>
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<td>$210.00</td>
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<td>$195.00</td>
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<td>$180.00</td>
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<td>$529.00</td>
<td>$325.00</td>
<td>$165.00</td>
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<td>$150.00</td>
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<tr>
<td>$20,000.00 but not more than $20,999.00</td>
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<td>$499.00</td>
<td>$295.00</td>
<td>$135.00</td>
</tr>
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<td>-----------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
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<tr>
<td>$50,000.00 or more</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(b.2) For all taxable years beginning on or after January 1, 2014, each taxpayer may claim a tax credit in the amount indicated for each adjusted gross income bracket as shown in the schedule below:
<table>
<thead>
<tr>
<th>Adjusted Gross Income</th>
<th>Single</th>
<th>Married Filing Joint</th>
<th>Head of Household</th>
<th>Married Filing Separate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $750.00</td>
<td>$80.00</td>
<td>$80.00</td>
<td>$80.00</td>
<td>$80.00</td>
</tr>
<tr>
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<td>$90.00</td>
<td>$90.00</td>
<td>$90.00</td>
<td>$90.00</td>
</tr>
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<td>$130.00</td>
<td>$130.00</td>
<td>$130.00</td>
</tr>
<tr>
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<td>$170.00</td>
<td>$170.00</td>
<td>$170.00</td>
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<tr>
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<td>$210.00</td>
<td>$210.00</td>
<td>$210.00</td>
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<td>$245.00</td>
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<tr>
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<td>$265.00</td>
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<tr>
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<td>$275.00</td>
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<td>$275.00</td>
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<td>$404.00</td>
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<td>$265.00</td>
</tr>
<tr>
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<td>$428.00</td>
<td>$340.00</td>
<td>$250.00</td>
</tr>
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<td>$448.00</td>
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<td>$230.00</td>
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than $37,999.00 0 $54.00 0 0

$38,000.00 or more 0 0 0 0

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

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

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

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

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

PART II
SECTION 2-1.

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

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

(B) For taxable years beginning on or after January 1, 2012, and prior to January 1, 2013, every domestic corporation and every foreign corporation shall pay annually an income tax equivalent to 5 percent of its Georgia taxable net income."
(C) For taxable years beginning on or after January 1, 2013, and prior to January 1, 2014, every domestic corporation and every foreign corporation shall pay annually an income tax equivalent to 4.5 percent of its Georgia taxable net income.

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

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

SECTION 2-2.

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

"48-7-27.1.
(a) This Code section shall not apply to all taxable years beginning on or after January 1, 2012, and shall apply only to business income.
(b) Georgia taxable net income of an individual shall be the taxpayer's federal adjusted gross income, as defined in the United States Internal Revenue Code of 1986, less:
(1) A portion of the qualified payments to minority subcontractors, as provided in Code Section 48-7-38; and
(2) An amount equal to 100 percent of the premium paid by the taxpayer during the taxable year for high deductible health plans as defined by Section 223 of the Internal Revenue Code to the extent the deduction has not been included in federal adjusted gross income, as defined under the Internal Revenue Code of 1986, and the expenses have not been provided from a health reimbursement arrangement and have not been included in itemized nonbusiness deductions."

SECTION 2-3.

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

"48-7-28.1.
(a) This Code section shall apply to all taxable years beginning on or after January 1, 2012, and shall apply only to business income.
(b) A resident individual who has an established business in another state, has investment in property having a taxable situs in another state, or engages in employment in another state may deduct from the tax due upon the entire net income of the resident individual the
tax paid upon the net income of the business, investment, or employment in another state when the business, investment, or employment is in a state that levies a tax upon net income. In no case shall the credit permitted under this Code section exceed the tax which would be payable to this state upon a like amount of taxable income."

SECTION 2-4.

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

"48-7-28.2.

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

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

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

SECTION 2-5.

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

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

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

   (A) Twenty percent above such average wage for projects located in tier 1 counties;
   (B) Ten percent above such average wage for projects located in tier 2 counties; or
   (C) Five percent above such average wage for projects located in tier 3 or tier 4 counties;

2. The project invests in qualified investment property, as defined in Regulation 560-7-8-.37 of the department, which is valued at over $10 million in tier 1 counties, over $35 million in tier 2 counties, and over $75 million in tier 3 or tier 4 counties. Past investment will not be considered;
(3) The proposal creates a minimum of 50 new full-time jobs that meet the requirements contained in Regulations 110-9-1-.01, 110-9-1-.02, and 110-9-1-.03 of the Department of Community Affairs, relating to job tax credits, in a tier 1 county, 150 such jobs in a tier 2 county, or 300 such jobs in a tier 3 or tier 4 county; or

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

SECTION 2-6.

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

"48-7-38.

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

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

(A) Black;
(B) Hispanic;
(C) Asian-Pacific American;
(D) Native American; or
(E) Asian-Indian American.

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

(A) An individual who is a member of a minority who reports as his or her personal income for Georgia income tax purposes the income of such business;
(B) A partnership in which a majority of the ownership interest is owned by one or more members of a minority who report as their personal income for Georgia income tax purposes more than 50 percent of the income of the partnership; or
(C) A corporation organized under the laws of this state in which a majority of the common stock is owned by one or more members of a minority who report as their personal income for Georgia income tax purposes more than 50 percent of the distributed earnings of the corporation.

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

(b) This Code section shall apply to all taxable years beginning on or after January 1, 2012, and shall apply only to business income.
In computing Georgia taxable net income of a corporation, partnership, or individual, there shall be subtracted from federal taxable income or federal adjusted gross income 10 percent of the amount of qualified payments to minority subcontractors. A payment to a minority subcontractor shall be a qualified payment if:

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

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

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

The total amount which may be subtracted under this Code section from federal taxable income or federal adjusted gross income of any taxpayer shall be limited to $100,000.00 per taxable year.

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

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

SECTION 2-7.

Said Title 48 is further amended by repealing Code Section 48-7-40, relating to tax credits for business enterprises in certain designated less developed areas.
SECTION 2-8.
Said Title 48 is further amended by repealing Code Section 48-7-40.1, relating to tax credits for business enterprises in less developed areas.

SECTION 2-9.
Said Title 48 is further amended by repealing Code Section 48-7-40.2, relating to tax credits for existing manufacturing and telecommunications facilities in tier 1 counties.

SECTION 2-10.
Said Title 48 is further amended by repealing Code Section 48-7-40.3, relating to tax credits for existing manufacturing and telecommunications facilities in tier 2 counties.

SECTION 2-11.
Said Title 48 is further amended by repealing Code Section 48-7-40.4, relating to tax credits for existing manufacturing and telecommunications facilities or manufacturing and telecommunications support facilities in tier 3 or 4 counties.

SECTION 2-12.
Said Title 48 is further amended by repealing Code Section 48-7-40.5, relating to tax credits for employers providing approved retraining programs.

SECTION 2-13.
Said Title 48 is further amended by repealing Code Section 48-7-40.6, relating to tax credits for employers providing child care.

SECTION 2-14.
Said Title 48 is further amended by repealing Code Section 48-7-40.7, relating to optional tax credits for existing manufacturing and telecommunications facilities in tier 1 counties.

SECTION 2-15.
Said Title 48 is further amended by repealing Code Section 48-7-40.8, relating to optional tax credits for existing manufacturing and telecommunications facilities in tier 2 counties.

SECTION 2-16.
Said Title 48 is further amended by repealing Code Section 48-7-40.9, relating to optional credits for existing manufacturing and telecommunications facilities or manufacturing and telecommunications support facilities in tier 3 or 4 counties.
SECTION 2-17.
Said Title 48 is further amended by repealing Code Section 48-7-40.10, relating to tax credits for water conservation facilities and qualified water conservation investment property.

SECTION 2-18.
Said Title 48 is further amended by repealing Code Section 48-7-40.11, relating to tax credits for shifts from ground-water usage.

SECTION 2-19.
Said Title 48 is further amended by repealing Code Section 48-7-40.12, relating to tax credits for qualified research expenses.

SECTION 2-20.
Said Title 48 is further amended by repealing Code Section 48-8-40.13 which is reserved.

SECTION 2-21.
Said Title 48 is further amended by repealing Code Section 48-7-40.14, relating to calculation of new full-time jobs for tax credit purposes.

SECTION 2-22.
Said Title 48 is further amended by repealing Code Section 48-7-40.15, relating to alternative tax credits for base year port traffic increases.

SECTION 2-23.
Said Title 48 is further amended by repealing Code Section 48-7-40.15A, relating to additional job tax credits based on increases in port traffic.

SECTION 2-24.
Said Title 48 is further amended by repealing Code Section 48-7-40.16, relating to income tax credits for low-emission vehicles.

SECTION 2-25.
Said Title 48 is further amended by repealing Code Section 48-7-40.17, relating to tax credits for establishing new quality jobs or relocating quality jobs.

SECTION 2-26.
Said Title 48 is further amended by repealing Code Section 48-7-40.18, relating to tax credits for establishing or relocating headquarters to this state.
SECTION 2-27.

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

SECTION 2-28.

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

SECTION 2-29.

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

SECTION 2-30.

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

SECTION 2-31.

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

SECTION 2-32.

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

SECTION 2-33.

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

SECTION 2-34.

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

SECTION 2-35.

Said Title 48 is further amended by repealing Code Section 48-7-40.27, relating to tax credits for qualified businesses.
SECTION 2-36.
Said Title 48 is further amended by repealing Code Section 48-7-40.28, relating to limitations on tax credits for qualified investment.

SECTION 2-37.
Said Title 48 is further amended by repealing Code Section 48-7-40.29, relating to tax credits for qualified equipment reducing business or domestic energy or water usage.

SECTION 2-38.
Said Title 48 is further amended by repealing Code Section 48-7-40.30, relating to tax credits for qualified business.

SECTION 2-39.
Said Title 48 is further amended by repealing Code Section 48-7-41, relating to tax credits for basic skills education programs.

SECTION 2-40.
Said Title 48 is further amended by repealing Code Section 48-7-42, relating to assignment of corporate income tax credits.

PART III

SECTION 3-1.
Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended in Code Section 48-8-2, relating to definitions regarding sales and use tax, by adding a new subparagraph in paragraph (8), to read as follows:

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

SECTION 3-2.
Said Title 48 is further amended in said Code section by adding a new subparagraph in paragraph (31), to read as follows:

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

SECTION 3-3.
Said Title 48 is further amended by adding a new Code section to read as follows:

48-8-2.1.
(a) Services provided for under subparagraph (D.1) of paragraph (31) of Code Section 48-8-2 means the following:

1. Clothing services, including:
   (A) Shoe repair and other shoe services;
   (B) Repair, alteration, and tailoring for clothing and accessories;
   (C) Watch or jewelry repair;
   (D) Clothing storage; and
   (E) Laundry and dry cleaning;

2. Household services, including:
   (A) Garbage and trash pickup;
   (B) Septic cleaning;
   (C) Water softening;
   (D) Household appliance and equipment service contracts;
   (E) Housekeeping services;
   (F) Gardening or lawn care services, including, but not limited to, tree pruning and removal;
   (G) Household appliance and equipment repair;
   (H) Other household services and small repair jobs around the house;
   (I) Home security system service fees; and
   (J) Installation charges for home electronics;

3. Membership services, including:
   (A) Global positioning services;
   (B) Golf courses, country clubs, and other social organizations, health clubs, swimming pools, and fitness and weight loss centers;
   (C) Credit card membership fees;
   (D) Shopping club membership; and
   (E) Direct or online dating services;

4. Automotive maintenance, repair, and equipment installation services, including:
   (A) Tire purchases and mounting;
   (B) Audio equipment and installation;
   (C) Video equipment and installation;
   (D) Body work and painting;
   (E) Clutch or transmission work;
   (F) Drive shaft or rear-end work;
   (G) Brake work;
   (H) Steering or front-end work;
   (I) Engine cooling system work;
   (J) Motor tune-up.
(K) Oil change, lubrication, and oil filter;
(L) Front-end alignment, wheel balancing, and wheel rotation;
(M) Shock absorber replacement;
(N) Battery purchase and installation, tire repair, miscellaneous repairs;
(O) Exhaust system work;
(P) Electrical system work;
(Q) Engine repair or replacement;
(R) Vehicle accessories and customization;
(S) Vehicle cleaning and detailing services;
(T) Auto repair service policies;
(U) Towing charges; and
(V) Automobile service clubs.

(5) Residential moving, storage and freight express;
(6) Professional photography fees;
(7) Pet services, including, but not limited to, boarding, training, and grooming;
(8) Veterinarian expenses for pets;
(9) Haircuts, styling, coloring, and other related services; and
(10) Safe deposit box rental.

(b)(1) As used in this subsection, the term:
(A) 'Digital code' means a code that gives a purchaser of the code a right to receive a
digital product. A digital code may be obtained electronically or by tangible means.
Such term shall not include a gift certificate or a gift card.
(B) 'Digital product' means an intangible product delivered electronically, including
any of the following specified digital products:
(i) Ring tone which means a digitized sound file that is downloaded onto a device and
that may be used to alert the customer with respect to communication;
(ii) Digital audio-visual works which means a series of related images which, when
shown in succession, impart an impression of motion, together with accompanying
sounds, if any;
(iii) Digital audio works which means works that result from the fixation of a series
of musical, spoken, or other sounds, including ring tones; or
(iv) Digital books which means works that are generally recognized in the ordinary
and usual sense as books.

(2) Sales and use tax under subparagraph (D.1) of paragraph (31) of Code Section 48-8-2
shall be applied to the sale or use of either a digital product or a digital code used to
obtain a digital product.”

SECTION 3-4.
Said Title 48 is further amended by revising Code Section 48-8-3, relating to exemptions from sales and use tax, as follows:

"48-8-3.

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

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

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

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

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

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

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

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

(ii) 'Urban transit system' means a public transit system primarily urban in character which is operated by a street railroad company or a motor common carrier, is subject to the jurisdiction of the Public Service Commission, and whose fares and charges are regulated by the Public Service Commission, or is operated pursuant to a franchise contract with a municipality of this state so that its fares and charges are regulated by or are subject to the approval of the municipality. An urban transit system certificate shall be issued by the Public Service Commission, or by the municipality which has regulatory authority, upon an affirmative showing that the applicant operates an urban transit system. The certificate shall be obtained and filed with the commissioner and
shall continue in effect so long as the holder of such certificate qualifies as an urban
transit system. Any urban transit system certificate granted prior to January 1, 2002,
shall be deemed valid as of the date it was issued.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   (A) Is tax exempt under Section 501(c)(3) of the Internal Revenue Code;

   (B) Furnishes at least 50 percent of its programs through universities and other institutions of higher education in support of their educational programs;

   (C) Is paid for by government funds of a foreign country; and
(D) Is an instrumentality, agency, department, or branch of a foreign government operating through a permanent location in this state.

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

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

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

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

(15) Sales:

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

(B) By religious institutions or denominations when:

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

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

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

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

(I) Relief to the aged;

(II) Church related youth activities;

(III) Religious instruction or worship; or

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

This paragraph shall stand repealed in its entirety on July 1, 2014;
Sales of pipe organs or steeple bells to any church which is qualified as an exempt religious organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. This paragraph shall stand repealed in its entirety on July 1, 2014; the sale or use of Holy Bibles, testaments, and similar books commonly recognized as being Holy Scripture regardless of by or to whom sold; the sale of fuel and supplies for use or consumption aboard ships plying the high seas either in intercoastal trade between ports in this state and ports in other states of the United States or its possessions or in foreign commerce between ports in this state and ports of foreign countries; charges made for the transportation of tangible personal property including, but not limited to, charges for accessorrial services such as refrigeration, switching, storage, and demurrage made in connection with interstate and intrastate transportation of the property; all tangible personal property purchased outside of this state by persons who at the time of purchase are not domiciled in this state but who subsequently become domiciled in this state and bring the property into this state for the first time as a result of the change of domicile, if the property is not brought into this state for use in a trade, business, or profession; the sale of water delivered to consumers through water mains, lines, or pipes. This paragraph shall stand repealed in its entirety on July 1, 2011; sales, transfers, or exchanges of tangible personal property made as a result of a business reorganization when the owners, partners, or stockholders of the business being reorganized maintain the same proportionate interest or share in the newly formed business reorganization; professional, or insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made; fees or charges for services rendered by repairmen for which a separate charge is made. This paragraph shall stand repealed in its entirety on January 1, 2012; the rental of videotape or motion picture film to any person who charges an admission fee to view such film or videotape; the sale of seed; fertilizers; insecticides; fungicides; rodenticides; herbicides; defoliants; soil fumigants; plant growth regulating chemicals; desiccants including, but not limited to, shavings and sawdust from wood, peanut hulls, fuller's earth, straw, and hay; and feed for livestock, fish, or poultry when used either directly in tilling the soil or in animal, fish, or poultry husbandry. This paragraph shall stand repealed in its entirety on January 1, 2012; the sale to persons engaged primarily in producing farm crops for sale of machinery and equipment which is used exclusively for irrigation of farm crops.
including, but not limited to, fruit, vegetable, and nut crops. This paragraph shall stand repealed in its entirety on January 1, 2012;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The sale of tangible personal property manufactured or assembled in this state for export when delivery is taken outside this state;

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

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

In lieu of any tax under this article which would apply to the purchase, sale, use, storage, or consumption of the tangible personal property described in this paragraph but for this exemption, the tax under this article shall apply with respect to all fuel purchased and delivered within this state by or to any common carrier and with respect to all fuel purchased outside this state and stored in this state irrespective, in either case, of the place of its subsequent use;
The sale or use of jet fuel to or by a qualifying airline at a qualifying airport, to the extent provided in subparagraphs (B), (C), and (D) of this paragraph.

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

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

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

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

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

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

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

The sale of the following types of manufacturing machinery:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) Any corporation, partnership, limited liability company, or any other entity or person that qualifies for this exemption must conduct at least a majority of its business with entities or persons with which it has no affiliation.
(E) The exemption provided for under subparagraph (A) of this paragraph shall not apply to sales of tangible personal property that occur after the production and processing of biodiesel, ethanol, butanol, and their by-products has begun at the alternative fuel facility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(39) Sales by any public or private school containing any combination of grades kindergarten through 12 of tangible personal property, concessions, or tickets for admission to a school event or function, provided that the net proceeds from such sales...
are used solely for the benefit of such public or private school or its students. This paragraph shall stand repealed in its entirety on July 1, 2013.

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

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

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

and

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

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

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

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

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

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

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

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

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

(43)-(51) Gross revenues generated from all bona fide coin operated amusement machines which vend or dispense music or are operated for skill, amusement, entertainment, or pleasure which are in commercial use and are provided to the public for play which will require a permit fee under Chapter 17 of this title;
Sales of motor vehicles, as defined in Code Section 48-5-440, to nonresident purchasers for immediate transportation to and use in another state in which the vehicles are required to be registered, provided the seller obtains from the purchaser and retains an affidavit stating the name and address of the purchaser, the state in which the vehicle will be registered and operated, the make, model, and serial number of the vehicle, and such other information as the commissioner may require. This paragraph shall stand repealed in its entirety on July 1, 2014.

The sale, use, storage, or consumption of paper stock which is manufactured in this state into catalogs intended to be delivered outside this state for use outside this state; Sales to blood banks having a nonprofit status pursuant to Section 501(c)(3) of the Internal Revenue Code. This paragraph shall stand repealed in its entirety on July 1, 2014.

The sale or use of controlled substances and drugs which are lawfully dispensed by prescription for the treatment of natural persons, and sales of prescription eyeglasses and contact lenses including, without limitation, prescription contact lenses distributed by the manufacturer to licensed dispensers as free samples not intended for resale and labeled as such.

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

For purposes of this paragraph, the term:

(i) 'Controlled substance' means the same as provided in Code Section 16-13-1.
(ii) 'Drug' means the same as provided in Code Section 48-8-2.
(iii) 'Institutional review board' means an institutional review board as provided in 21 C.F.R. Section 56.
(iv) 'Medical device' means a device as defined in subsection (h) of 21 U.S.C. Section 321(h).
(v) 'New animal drug' means a new animal drug as defined in subsection (v) of 21 U.S.C. Section 321(v).

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

This paragraph shall stand repealed in its entirety on July 1, 2012.
Sales to licensed commercial fishermen of bait for taking crabs and the use by licensed commercial fishermen of bait for taking crabs;

Sales of liquefied petroleum gas or other fuel used in a structure in which broilers, pullets, or other poultry are raised.

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

From July 1, 2008, until June 30, 2010, the sale or use of liquefied petroleum gas or other fuel used in a structure in which swine are raised.

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

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

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

Sales of blood measuring devices, other monitoring equipment, or insulin delivery systems used exclusively by diabetics and sales of insulin, insulin syringes, and blood glucose level measuring strips dispensed without a prescription.

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

Sales of oxygen prescribed by a licensed physician.

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

Sales transactions for which food stamps or WIC coupons are used as the medium of exchange;

The sale or use of any durable medical equipment or prosthetic device prescribed by a physician.

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

The sale of lottery tickets authorized by Chapter 27 of Title 50.

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

Sales by any parent-teacher organization qualified as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.

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

The sale of food and food ingredients, to the extent provided in subparagraph (B) of this paragraph.
(B) For the purposes of this paragraph, 'food and food ingredients' shall not include prepared food, alcoholic beverages, or tobacco.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(58) Repealed;
(A) Sales of food and food ingredients to and by member councils of the Girl Scouts of the U.S.A. in connection with fundraising activities of any such council.

(B) Sales of food and food ingredients to and by member councils of the Boy Scouts of America in connection with fundraising activities of any such council.

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

(60)(A) The sale of machinery and equipment which is incorporated into any telecommunications manufacturing facility and used for the primary purpose of improving air quality in advanced technology clean rooms of Class 100,000 or less, provided such clean rooms are used directly in the manufacture of tangible personal property. This paragraph shall stand repealed in its entirety on July 1, 2014.

(61)(A) The sale of grass sod of all kinds and character when such sod is in the original state of production or condition of preparation for sale. The exemption provided for by this paragraph shall only apply to a sale made by the sod producer, a member of such producer's family, or an employee of such producer. The exemption provided for by this paragraph shall not apply to sales of grass sod by a person engaged in the business of selling plants, seedlings, nursery stock, or floral products.

(62)(A) The sale or use of funeral merchandise, outer burial containers, and cemetery markers as defined in Code Section 43-18-1, which are purchased with funds received from the Georgia Crime Victims Emergency Fund under Chapter 15 of Title 17. This paragraph shall stand repealed in its entirety on July 1, 2014.

(63)(A) The sale of electricity or other fuel for the operation of an irrigation system which is used on a farm exclusively for the irrigation of crops. This paragraph shall stand repealed in its entirety on January 1, 2012.

(64)(A) Sales of dyed diesel fuel exclusively used to operate vessels or boats in the commercial fishing trade by licensed commercial fishermen.

(B) Any person making a sale of dyed diesel fuel for the purposes specified in this paragraph shall collect the tax imposed on the sale by this article unless the purchaser furnishes such person with a certificate issued by the commissioner certifying that the purchaser is entitled to purchase the dyed diesel fuel without paying the tax.

(65)(A) Sales of gold, silver, or platinum bullion or any combination of such bullion, provided that the dealer maintains proper documentation, as specified by rule or regulation to be promulgated by the department, to identify each sale or portion of a sale which is exempt under this paragraph.

(66)(A) Sales of coins or currency or a combination of coins and currency, provided that the dealer maintains proper documentation, as specified by rule or regulation to be
promulgated by the department, to identify each sale or portion of a sale which is exempt under this paragraph;

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

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

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

(ii) The term shall not include:

(I) Telephone central office equipment or other voice data transport technology; or

(II) Equipment with imbedded computer hardware or software which is primarily used for training, product testing, or in a manufacturing process.

(D) Any corporation, partnership, limited liability company, or any other similar entity which qualifies for the exemption and is affiliated in any manner with a nonqualified corporation, partnership, limited liability company, or any other similar entity must conduct at least a majority of its business with entities with which it has no affiliation;
The sale of machinery, equipment, and materials incorporated into and used in the construction or operation of a clean room of Class 100 or less in this state, not to include the building or any permanent, nonremovable component of the building that houses such clean room, provided that such clean room is used directly in the manufacture of tangible personal property in this state. This paragraph shall stand repealed in its entirety on July 1, 2014;

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

The sale of natural or artificial gas used directly in the production of electricity which is subsequently sold.

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

The commissioner shall adopt rules and regulations to carry out the provisions of this paragraph.

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

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

The exemption provided for in subparagraph (A) of this paragraph shall not apply to the first $7.60 per decatherm of the sales price or cost price of natural or artificial gas, the first $2.48 per gallon of the sales price or cost price of No. 2 fuel oil, the first $1.72 per gallon of the sales price or cost price of No. 6 fuel oil, the first $1.44 per gallon of the sales price or cost price of propane, the first $57.90 per ton of petroleum coke, the first $57.90 per ton of coal, or the first 3.44¢ per kilowatt hour of the fuel cost recovery component of retail electricity rates whether such fuel recovery charges are charged separately or are embedded in such electric rates. Dealers with such embedded rates may exempt from the electricity sales upon which the sales tax is calculated no more than the amount, if any, by which the fuel cost recovery charge approved by the
Georgia Public Service Commission for transmission customers of electric utilities regulated by the Georgia Public Service Commission exceeds 3.44¢ per kilowatt hour.

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

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

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

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

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

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

(72) The sale or use of all mobility enhancing equipment prescribed by a physician;

(73)(A) The sale or lease of production equipment or production services for use in this state by a certified film producer or certified film production company for qualified production activities.

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

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

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

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

(iv) 'Production services' means services purchased for use exclusively in qualified production activities in Georgia, including, but not limited to, digital or tape editing,
film processing, transfers of film to tape or digital format, sound mixing, computer
graphics services, special effects services, animation services, and script production.

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

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

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

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

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

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

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

(i) 'Digital broadcast equipment' means equipment purchased, leased, or used for the
origination or integration of program materials for broadcast over the airwaves or
transmission by cable, satellite, or fiber optic line which uses or produces an
electronic signal where the signal carries data generated, stored, and processed as
strings of binary data. Data transmitted or stored as digital data consists of strings of
positive or nonpositive elements of a transmission expressed in strings of 0's and 1's which a computer or processor can reconstruct as an electronic signal.

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

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

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

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

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

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

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

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

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

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

(ii) A single purchase, with a sales price $1,500.00 or less, of personal computers and personal computer related accessories purchased for noncommercial home or personal use, including personal computer base units and keyboards, personal digital assistants, handheld computers, monitors, other peripheral devices, modems for Internet and network access, and nonrecreational software, whether or not they are to be utilized in association with the personal computer base unit. Computer and computer related accessories shall not include furniture and any systems, devices, software, or peripherals designed or intended primarily for recreational use; and
(iii) Noncommercial purchases of general school supplies to be utilized in the classroom or in classroom related activities, such as homework, up to a sales price of $20.00 per item including pens, pencils, notebooks, paper, book bags, calculators, dictionaries, thesauruses, and children's books and books listed on approved school reading lists for pre-kindergarten through twelfth grade.

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

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

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

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

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

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

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

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

(80)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from May 17, 2004, until December 31, 2007, sales of tangible personal property to, or used in or for the new construction of an eligible corporate attraction.
(B) As used in this paragraph, the term: 'corporate attraction' means any tourist attraction facility constructed on or after May 17, 2004, dedicated to the history and products of a corporation which costs exceeds $50 million, is greater than 60,000 square feet of space, and has associated facilities, including but not limited to parking decks and landscaping owned by the same owner as the eligible corporate attraction.

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

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

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

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

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

(ii) 'Water efficient product' means any product used for the conservation or efficient use of water which has been designated by the United States Environmental...
Protection Agency as meeting or exceeding such agency's water saving efficiency
requirements or which has been designated as meeting or exceeding such
requirements under such agency's Water Sense program.

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

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

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

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

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

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

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

(85) Repealed;

(86)(89) For the period commencing on July 1, 2007, and ending on June 30, 2011, the
sale or use of engines, parts, equipment, and other tangible personal property used
in the maintenance or repair of aircraft when such engines, parts, equipment, and other
tangible personal property are installed on such aircraft that is being repaired or
maintained in this state so long as such aircraft is not registered in this state;

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

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

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

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

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

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

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

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

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

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

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

(89)(92) For the period commencing on July 1, 2009, and ending on June 30, 2011, the
sale or use of an airplane flight simulation training device approved by the Federal
Aviation Administration under Appendices A and B, 14 C.F.R. Part 60; This paragraph shall stand repealed in its entirety on July 1, 2011;

(90) (93) The sale of electricity to a manufacturer located in this state used directly in the manufacture of a product if the direct cost of such electricity exceeds 50 percent of the cost of all materials, including electricity, used directly in the product. This paragraph shall stand repealed in its entirety on July 1, 2011; or

(94) The sale of prewritten software which has been delivered to the purchaser electronically or by means of load and leave. This paragraph shall stand repealed in its entirety on January 1, 2012."

SECTION 3-5.

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

"48-8-3.2.

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

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

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

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

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

(5) 'Industrial materials' means materials for future processing, manufacture, or conversion into articles of tangible personal property for resale when the industrial
materials become a component part of the finished product. The term also means materials that are coated upon or impregnated into the product at any stage of its processing, manufacture, or conversion, even though such materials do not remain a component part of the finished product for sale. The term includes raw materials.

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

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

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

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

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

(B) Generally regarded as being a manufacturer.
Businesses that are primarily engaged in providing personal or professional services, or in the operation of retail outlets, generally including, but not limited to, grocery stores, pharmacies, bakeries, or restaurants, are not considered manufacturers.

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

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

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

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

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

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

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

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

(1) The manufacture of tangible personal property commences as industrial materials are received at a manufacturing plant and concludes once the packaging operation is complete and the tangible personal property is ready for sale or shipment, regardless of whether the manufacture of tangible personal property occurs at one or more separate manufacturing plants:
(2) For machinery or equipment that has multiple purposes, some purposes necessary and integral to the manufacture of tangible personal property, and some purposes not necessary and integral to the manufacture of tangible personal property, the substantial purpose of such machinery or equipment will prevail for purposes of determining the eligibility for exemption. The commissioner shall consider any reasonable methodology for measuring the substantial purpose of machinery or equipment for which the substantial purpose is not readily identifiable;

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

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

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

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

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

(2) Machinery or equipment used to gather, arrange, sort, mix, measure, blend, heat, cool, clean, or otherwise treat, prepare, or store industrial materials for further manufacturing:
(3) Machinery or equipment used to control, regulate, heat, cool, or produce energy for other machinery or equipment that is necessary and integral to the manufacture of tangible personal property. Specific examples may include, but are not limited to, boilers, chillers, condensers, water towers, dehumidifiers, humidifiers, heat exchangers, generators, transformers, motor control centers, solar panels, air dryers, and air compressors;

(4) Testing and quality control machinery or equipment located at a manufacturing plant used to test the quality of industrial materials, work in process, or finished goods;

(5) Starters, switches, circuit breakers, transformers, wiring, piping, and other electrical components, including associated cable trays, conduit, and insulation, located between a motor control center and exempt machinery or equipment, or between separate units of exempt machinery or equipment;

(6) Machinery or equipment used to maintain, clean, or repair exempt machinery or equipment;

(7) Machinery or equipment used to provide safety for the employees working at a manufacturing plant including, but not limited to, safety machinery and equipment required by federal or state law, gloves, ear plugs, face masks, protective eyewear, hard hats or helmets, or breathing apparatuses, regardless of whether the items would otherwise be considered consumable supplies;

(8) Machinery or equipment used to condition air or water to produce conditions necessary for the manufacture of tangible personal property, including pollution control machinery or equipment and water treatment systems;

(9) Pollution control, sanitizing, sterilizing, or recycling machinery or equipment;

(10) Industrial materials bought for further processing in the manufacture of tangible personal property for sale or further processing or any part of the industrial material or by-product thereof which becomes a wasteful product contributing to pollution problems and which is used up in a recycling or burning process;

(11) Machinery or equipment used to manufacture tangible personal property to be used for promotional use;

(12) Machinery or equipment used in quarrying and mining activities, including blasting, extraction, and crushing; and

(13) Energy used at a manufacturing plant.
SECTION 3-6.

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

"48-8-3.3.

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

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

(B) 'Agricultural machinery and equipment' also means farm tractors and attachments to the tractors; off-road vehicles used primarily in the production of nursery and horticultural crops; self-propelled fertilizer or chemical application equipment sold to persons engaged primarily in producing agricultural products for sale and which are used exclusively in tilling, planting, cultivating, and harvesting agricultural products, including, but not limited to, growing, harvesting, or processing onions, peaches, blackberries, blueberries, or other orchard crops, nursery, and other horticultural crops; devices and containers used in the transport and shipment of agricultural products; pecan sprayers, pecan shakers, and other equipment used in harvesting pecans sold to persons engaged in the growing, harvesting, and production of pecans; and off-road equipment and related attachments which are sold to or used by persons engaged primarily in the growing or harvesting of timber and which are used exclusively in site preparation, planting, cultivating, or harvesting timber. Equipment used in harvesting shall include all off-road equipment and related attachments used in every forestry procedure starting with the severing of a tree from the ground until and including the point at which the tree or its parts in any form has been loaded in the field in or on a
truck or other vehicle for transport to the place of use. Such off-road equipment shall include, but not be limited to, skidders, feller bunchers, debarkers, delimbers, chip harvesters, tub-grinders, woods cutters, chippers of all types, loaders of all types, dozers, mid-motor graders, and the related attachments; grain bins and attachments to grain bins; any repair, replacement, or component parts installed on agricultural machinery and equipment; trailers used to transport agricultural products; all-terrain vehicles and multipassenger rough-terrain vehicles; and any other off-road vehicles used directly and principally in the production of agricultural or horticultural products.

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

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

(4) "Energy used in agriculture" means fuels used for agricultural purposes, including, but not limited to, off-road diesel, propane, butane, electricity, natural gas, wood, wood products, or wood byproducts; liquefied petroleum gas or other fuel used in structures in which broilers, pullets, or other poultry are raised, in which swine are raised, in which...
dairy animals are raised or milked or where dairy products are stored on a farm, and in
which plants, seedlings, nursery stock, or floral products are raised primarily for the
purposes of making sales of such plants, seedlings, nursery stock, or floral products for
resale; electricity or other fuel for the operation of an irrigation system which is used on
a farm exclusively for the irrigation of agricultural products; and electricity or other fuel
used in the drying, cooking, or further processing of raw agricultural products, including,
but not limited to, food processing of raw agricultural products.

(5) ‘Qualified agriculture producer’ includes producers of agricultural products that meet
one of the following criteria:

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

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

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

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

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

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

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

(1) Business activity on IRS schedule F (Profit or Loss from Farming); or
(2) Farm rental activity on IRS form 4835 (Farm Rental Income and Expenses) or schedule B (Supplemental Income and Loss).

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

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

SECTION 3-7.

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

“2-1-5.

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

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

SECTION 3-8.

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

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

SECTION 3-9.

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

"48-8-82. When the imposition of a joint county and municipal sales and use tax is authorized according to the procedures provided in this article within a special district, the county whose geographical boundary is conterminous with that of the special district and each qualified municipality located wholly or partially within the special district shall levy a joint sales and use tax at the rate of 1 percent. Except as to rate, the joint tax shall correspond to the tax imposed and administered by Article 1 of this chapter. No item or transaction which is not subject to taxation by Article 1 of this chapter shall be subject to the tax levied pursuant to this article, except that the joint tax provided in this article shall be applicable to sales of motor fuels as prepaid local tax as that term is defined in Code Section 48-8-2 and shall be applicable to the sale of food and food ingredients and alcoholic beverages only to the extent provided for in paragraph (57) of Code Section 48-8-3."

SECTION 3-10.

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

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

SECTION 3-11.

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

"(c) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter. No item or transaction which is not subject to taxation under Article 1 of this chapter shall be subject to a tax imposed under this part, except that a tax imposed under this part shall apply to sales of motor fuels as prepaid local tax as that term is defined in Code Section..."
48-8-2 and shall be applicable to the sale of food and food ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

SECTION 3-12.
Said Title 48 is further amended by revising subparagraph (c)(1)(B) of Code Section 48-8-201, relating to approval and imposition of the water and sewer projects and costs tax, as follows:

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

SECTION 3-13.
Said Title 48 is further amended by revising subsection (d) of Code Section 48-8-241, relating to creation of special districts for regional transportation funding, as follows:

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

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

The tax imposed pursuant to this article shall only be levied on the first $5,000.00 of any transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant to this article shall be subject to any sales and use tax exemption which is otherwise imposed by law; provided, however, that the tax levied by this article shall be applicable to the sale of food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3."
The General Assembly recognizes that the communications industry has become increasingly competitive and that the distinctions among the providers of the various types of communications services have become blurred. The General Assembly desires to treat similar services consistently under the tax laws of this state. Accordingly, the General Assembly finds that it is no longer appropriate for the providers of certain types of communications services to be required to pay a myriad of local taxes, licenses, and fees while other communications service providers are not required to pay some or all of such taxes, licenses, and fees. The General Assembly finds, however, that it is in the best interests of the state and its political subdivisions that the tax revenues available to such political subdivisions not be diminished by the elimination of certain local taxes, licenses, and fees imposed on communications service providers; and that a state level communications services tax imposed equitably on communications services is expected at a minimum to provide to each such political subdivision comparable tax revenues to the local taxes, licenses, and fees that should be eliminated. The General Assembly further finds that, in order to promote investment in Georgia's communications infrastructure and since the communications services sold will be taxed, the equipment purchased to provide such communications services should be exempt from state and local sales tax. The General Assembly further finds that a state-wide communications services tax in lieu of other taxes on communications would promote simplicity, uniformity, and efficiency in the administration of and compliance with the taxes on communications services which is in the best interests of the state.

SECTION 4-2.

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

SECTION 4-3.

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

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

"(5.1) 'Communications services' means telecommunications services, ancillary services, and video programming services."
"(18.1) 'Mobile telecommunications service' has the same meaning given to such term in Section 124(7) of the Mobile Telecommunications Sourcing Act, P.L.106-252, 4 U.S.C. 124(7)."

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

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

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

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

(i) Billiard and pool rooms;

(ii) Bowling alleys;

(iii) Amusement devices;

(iv) Musical devices;

(v) Theaters;

(vi) Opera houses;

(vii) Moving picture shows;

(viii) Vaudeville;

(ix) Amusement parks;

(x) Athletic contests including, but not limited to, wrestling matches, prize fights, boxing and wrestling exhibitions, football games, and baseball games;

(xi) Skating rinks;

(xii) Race tracks;

(xiii) Public bathing places;

(xiv) Public dance halls; and
Any other place at which any exhibition, display, amusement, or entertainment is offered to the public or any other place where an admission fee is charged;

Charges made for participation in games and amusement activities;

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

(i) Of the operation of the business;

(ii) Of the very nature of the business;

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

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

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

(vi) Of the lack of adequate records;

(vii) The persons are minors or transients;

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

(ix) Of any other reasonable reason.

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

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

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

(ii) If the price is attributable to products or services that are subject to tax at different tax rates or subject to different taxes, the total price may be treated as attributable to the products or services subject to tax at the highest tax higher rate or the higher-rate tax unless the provider can identify by reasonable and verifiable standards the portion of the price attributable to the products subject to tax at the lower rate or the lower-rate tax from the provider's books and records that are kept in the regular course of business for other purposes, including, but not limited to, nontax purposes."
'(34)(A) 'Sales price' applies to the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in money, whether received in money or otherwise without any deduction for the following:

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

(B) 'Sales price' shall not include:

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

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

(i) The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;
(ii) The seller has an obligation to pass the price reduction or discount through to the purchaser;
(iii) The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and
(iv) One of the following criteria is met:
(I) The purchaser presents a coupon, certificate, or other documentation to the seller to claim a price reduction or discount where the coupon, certificate, or documentation is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate, or documentation is presented;

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

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

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

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

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

(C) Tangible personal property;

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

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

(F) Internet access service;

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

(H) Ancillary services; or

(I) Digital products delivered electronically, including, but not limited to, software, music, video, reading materials, or ring tones."
"(42.1) 'Video programming service' means the sale, offering, transmission, conveyance, or routing of audio or video programming services for purchase by subscribers or customers, regardless of the medium, technology, or method of display, including the furnishing of transmission, conveyance, and routing of such programming by the programming service provider. Such term shall include, but not be limited to:

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

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

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

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

SECTION 4-4.

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

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

(93) The sale of equipment used in the business of providing communications services.

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

SECTION 4-5.
Said Title 48 is further amended in Code Section 48-8-32, relating to collectability and rates of sales and use tax, as follows:

"48-8-32.

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

SECTION 4-6.

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

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

SECTION 4-7.

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

"(c) Any communications services provider that erroneously but in good faith pays the tax imposed by Chapter 18 of this title on an item of tangible personal property or a service subject to the tax imposed by this chapter shall be allowed a credit against the tax imposed by this chapter to the extent of the amount of such tax paid."
SECTION 4-8.
Said Title 48 is further amended by repealing subsection (e) of Code Section 48-8-77, relating to sourcing of local telecommunications services.

SECTION 4-9.
Said Title 48 is further amended by adding a new Code Section to read as follows:

"48-8-78.
(a) As used in this chapter and Chapter 18 of this title, the term:
(1) 'Air-to-ground radiotelephone service' means a radio service, as that term is defined in 47 C.F.R. 22.99, in which common carriers are authorized to offer and provide radio telecommunications services for hire to subscribers in an aircraft.
(2) 'Call-by-call basis' means any method of charging for telecommunications services where the price is measured by individual calls.
(3) 'Communications channel' means a physical or virtual path of communications over which signals are transmitted between or among customer channel termination points.
(4) 'Customer' means the person or entity that contracts with the seller of telecommunications services. If the end user of the telecommunications service is not the contracting party, the end user of the telecommunications service is the customer of the telecommunications service but only for the purpose of sourcing sales of telecommunications services. Customer does not include a reseller of telecommunications service or for mobile telecommunications service of a serving carrier under an agreement to serve the customer outside the home service provider's licensed service area.
(5) 'Customer channel termination point' means, in the context of a private communications service, the location where the customer either inputs or receives communications.
(6) 'End user' means the person who utilizes the telecommunications service. In the case of an entity, end user means the individual who utilizes the service on behalf of the entity.
(7) 'Home service provider' has the same meaning given to such term in Section 124(5) of the Mobile Telecommunications Sourcing Act, P.L. 106-252, 4 U.S.C. 124(5).
(8) 'Postpaid calling service' means a telecommunications service obtained by making a payment on a call-by-call basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by charge made to a telephone number which is not associated with the origination or termination of the telecommunications service. A postpaid calling service includes a telecommunications service, except a prepaid wireless calling service, that would be a prepaid calling service, except that the right provided is not exclusively to access telecommunications services.
(9) 'Private communication service' means a telecommunications service that entitles the customer to exclusive or priority use of a communications channel or group of channels..."
between or among termination points, regardless of the manner in which such channel
or channels are connected, and includes switching capacity, extension lines, stations, and
any other associated services that are provided in connection with the use of such channel
or channels.

(10) 'Service address' means:

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

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

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

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

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

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

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

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

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

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

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

(A) Air-to-ground radio telephone services shall be sourced to this state if the
customer's place of primary use is located in this state;
(B) Postpaid calling services shall be sourced to this state if the origination point of the telecommunications signal is located in this state, as first identified by either of the following:

(i) The seller's telecommunications system; or

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

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

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

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

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

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

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

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

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

SECTION 4-10.

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

"CHAPTER 18

48-18-1.

(a) Except as otherwise provided in this Code section, there is imposed a tax on the sales price, as defined in paragraph (34) of Code Section 48-8-2, paid for the retail purchase of communications services, as defined in paragraph (5.1) of Code Section 48-8-2, that are
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sourced to this state under Code Section 48-8-78 at a rate equal to the sum of the rate at
which state sales tax is imposed by paragraph (1) of subsection (b) of Code Section 48-8-30
plus the maximum combined rate of sales tax, not to exceed 3 percent, that any county is
authorized to levy under the provisions of Chapter 8 of this title.

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

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

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

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

(2) Coin operated telephone service;

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

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

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

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

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

48-18-2.

(a) Notwithstanding any provision of law to the contrary, with respect to sales of
telecommunications services to any person for use in the operation of one or more call
centers, the tax imposed by this chapter shall not exceed $25,000.00 per calendar year.
(b) The limitation set forth in subsection (a) of this Code section shall apply only to
holders of a direct payment number issued by the department. In order to obtain such
direct payment number, the applicant shall establish that the applicant satisfies the criteria
for a call center as defined in paragraph (4.1) of Code Section 48-8-2.
(c) The department shall not issue any refunds of taxes paid prior to receiving a direct
payment number.
(d) All entities wholly owned by the same person or entity shall be considered a single
person.

48-18-3.
(a) To prevent multistate taxation of a communications service subject to taxation under
this chapter, any taxpayer, upon proof that such taxpayer has paid a tax in another state on
such service, shall be allowed a credit against the tax imposed by this chapter to the extent
of the amount of such tax paid in such other state.
(b) Any communications services provider that erroneously but in good faith pays the tax
imposed by Chapter 8 of this title on the provision of communications services shall be
allowed credit against the tax imposed by this chapter to the extent of the amount of such
tax paid.

48-18-4.
All procedural and administrative provisions of Chapters 2 and 8 of this title, including
those which set forth the limitations periods and procedures for assessment, collection,
refunds, and credits, and those which fix penalties and interest for nonpayment of tax and
for noncompliance with the provisions of this title, and all other requirements and duties
imposed upon the taxpayer, shall apply to all taxpayers liable for the communications
services tax imposed under the provisions of this chapter and to all providers of
communications services required to collect and remit such taxes. In addition, all
definitions, sourcing rules, customer remedy rules, and bundled transaction rules, which
have been enacted in compliance with the Streamlined Sales Tax Agreement and codified
in Chapter 8 of this title, shall apply to the communications services tax imposed under the
provisions of this chapter. The commissioner shall exercise all power and authority and
perform all duties with respect to persons obligated under this chapter as are provided in
Chapters 2 and 8, except where there is a conflict, in which case, the provisions of this
chapter shall control. The commissioner may from time to time make such rules and
regulations not inconsistent with this chapter as may be deemed necessary to carry out its
provisions.
(a) A communications services provider shall be permitted to deduct and retain 2 percent
of total communications services taxes that are collected and remitted by the provider on
a timely basis to the department.

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

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

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

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

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

(3) After the distributions required by paragraphs (1) and (2) of this subsection, an
amount equal to the average monthly revenues that were received from communications
services providers during 2010 by each city and county pursuant to taxes, charges, and
fees, other than local option sales taxes prohibited by Code Section 48-18-6, which were
validly imposed and in effect during that time, shall be granted and distributed to each
such city and county.

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

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

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

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

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

48-18-6.

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

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

(A) Levy any tax, charge, fee, or other imposition on or with respect to
communications services, or collect any such tax, charge, fee, or other imposition, from
providers of communications services:
(B) Require any provider of communications services, including, but not limited to, cable service providers or video service providers, to enter into or extend the term of a franchise or other agreement which requires the payment of a tax, charge, fee, or other imposition; or

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

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

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

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

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

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

(4) This subsection shall not apply to:

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

(B) Emergency telephone surcharges;

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

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

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

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

(b) In establishing guidelines and conditions for placing, constructing, repairing, or maintaining communications lines or facilities over, on, under, through, or along any public...
highways, public roads, public streets, or other public places or rights of way, neither the
state nor any agency or political subdivision thereof shall:

(1) Discriminate between or among communications services providers in violation of
Section 253(c) of the Communications Act of 1934, 47 U.S.C. Section 253(c); or
(2) Impose any conditions on the placement, construction, repair, or maintenance of such
facilities, except to the extent necessary to ensure the public health and safety and to
prevent the unreasonable interference with the use of such rights of way by the traveling
public."

SECTION 4-11.

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

"(1) ‘Advertising and home shopping services revenues’ means the amount of a cable
service provider or video service provider’s nonsubscriber revenues from advertising
disseminated through cable service or video service and home shopping services. The
amount of such revenues that are allocable to a municipality or county shall be equal to
the total amount of the cable service provider or video service provider’s revenue received
from such advertising and home shopping services multiplied by the ratio of the number
of such provider’s subscribers located in such municipality or in the unincorporated area
of such county to the total number of such provider’s subscribers. Such ratio shall be
based on the number of such provider’s subscribers as of January 1 of the current year,
except that in the first year in which services are provided, such ratio shall be computed
as of the earliest practical date Revised."

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

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

(B) Any revenue, such as bad debt, not actually received, even if billed;
(E) Any revenue received by any affiliate or any other person in exchange for supplying goods or services used by the provider to provide cable service or video programming;

(D) Any amounts attributable to refunds, rebates, or discounts;

(E) Any revenue from services provided over the network that are associated with or classified as noneable or nonvideo services under federal law, including, without limitation, revenues received from telecommunications services, information services other than cable service or video service, Internet access services, or directory or Internet advertising revenue, including, without limitation, yellow pages, white pages, banner advertisements, and electronic publishing advertising. Where the sale of any such noneable or nonvideo service is bundled with the sale of one or more cable services or video services and sold for a single nonitemized price, the term 'gross revenues' shall include only those revenues that are attributable to cable service or video service based on the provider's books and records; such revenues shall be allocated in a manner consistent with generally accepted accounting principles;

(F) Any revenue from late fees not initially booked as revenues, returned check fees, or interest;

(G) Any revenue from sales or rental of property, except such property as the subscriber shall be required to buy or rent exclusively from the cable service provider or video service provider to receive cable service or video service;

(H) Any revenue received from providing or maintaining inside wiring;

(I) Any revenue from sales for resale with respect to which the purchaser shall be required to pay a franchise fee, provided the purchaser certifies in writing that it shall resell the service and pay a franchise fee with respect thereto; or

(J) Any amounts attributable to a reimbursement of costs including, but not limited to, the reimbursements by programmers of marketing costs incurred for the promotion or introduction of video programming. Reserved.

SECTION 4-12.

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

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

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

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

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

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

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

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

"(8) Each holder of a state franchise shall have the obligation to provide access to the
same number of PEG channels pursuant to Code Section 36-76-8 and the additional PEG
support cash payments specified in this paragraph for PEG access facilities in a service
area as the incumbent service provider with the most subscribers in such service area as
of January 1, 2007, which obligation shall continue until the local franchise would have
expired under its own terms as specified in paragraph (4) of this subsection; provided,
however, that if a local franchise would have expired before July 1, 2012, the holder of
a state franchise shall continue to provide access to the same number of PEG channels
until July 1, 2012, as provided in paragraph (5) of this subsection. To the extent such
incumbent service provider provides PEG access support during said period in the form
of periodic payments to the municipal or county governing authority equal to a
percentage of gross revenue or a prescribed per subscriber amount, the state franchise
holder shall be obligated to make the same periodic payments to the governing authority
at the same time and equal to the same percentage of gross revenue or prescribed per
subscriber amount. To the extent such incumbent service provider provides PEG access
support to the applicable governing authority during said period in the form of a lump
sum payment that remains unsatisfied as of January 1, 2008, the holder of a state
franchise shall be obligated to provide a lump sum payment to said authority based on its
proportion of the total number of cable service and video service subscribers of all service
providers in such service area. No payments shall be due under this paragraph until the
municipality or county notifies the respective providers, in writing, of the percentage of
gross revenues, the per subscriber amount, or the lump sum payment amount and the
expiration date of the local franchise obtaining such obligations. The holder of a state
franchise may designate that portion of the subscriber's bill attributable to any fee
imposed pursuant to this paragraph as a separate item on the bill and recover such amount
from the subscriber."

SECTION 4-13.

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

"36-76-6.

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

(2) Each affected local governing authority or its authorized designee shall provide
written notice to the Secretary of State and each applicant for or holder of a state
franchise with a service area located within that affected local governing authority's
jurisdiction of the franchise fee rate that applies to the applicant for or holder of such state
franchise. The applicant for or holder of a state franchise shall start assessing the
franchise fee within 15 days of receipt of written notice from the affected local governing
authority or its authorized designee and shall not be required to pay such franchise fee
until the expiration of 15 days after receipt of such written notice. Any incumbent service
provider who obtains a state franchise under paragraph (1) of subsection (g) of Code
Section 36-76-4 shall pay its existing franchise fee during the 15 day period after receipt
of written notice of the new fee. The franchise fee rate shall be uniformly applicable to
all cable service providers and video service providers that obtain a state franchise within
the affected local governing authority. For purposes of this Code section, an authorized
designee is an agent authorized by charter or other act of the affected local governing
authority:
Any affected local governing authority may change the franchise fee applicable to holders of a state franchise once every two years. The affected local governing authority or its authorized designee shall provide written notice to the Secretary of State and the applicants for or holders of a state franchise with a service area within that affected local governing authority’s jurisdiction of the new franchise fee rate. The holder of a state franchise shall start assessing the new franchise fee within 45 days of receipt of written notice of the change from the affected local governing authority or its authorized designee. The franchise fee rate shall be uniformly applicable to all cable service providers and video service providers that obtain a state franchise within the affected local governing authority’s jurisdiction.

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

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

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

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

(c) Each affected local governing authority may, no more than once annually, audit the business records of the state franchise holder to the extent necessary to ensure payment in accordance with this Code section. For purposes of this subsection, an audit shall be defined as a comprehensive review of the records of the holder of a state franchise. Once any audited period of a state franchise holder has been the subject of a requested audit, such audited period of such state franchise holder shall not again be the subject of any audit. In the event of a dispute concerning the amount of the franchise fee due to an affected local governing authority under this Code section, an action may be brought in a court of
competent jurisdiction by an affected local governing authority seeking to recover an additional amount alleged to be due or by a state franchise holder seeking a refund of an alleged overpayment; provided, however, that any such action shall be brought within three years following the end of the quarter to which the disputed amount relates. Such time period may be extended by written agreement between the state issued franchise holder and such affected local governing authority. Each party shall bear the party's own costs incurred in connection with any such examination or dispute. In the event that an affected local governing authority files an action to recover alleged underpayments of franchise fees and a court of competent jurisdiction determines the cable service provider or video service provider has underpaid franchise fees due for any 12-month period by 10 percent or more, the cable service provider or video service provider may be required to pay the affected local governing authority its reasonable costs associated with the audit along with any franchise fee underpayments; provided, however, late payments shall not apply.

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

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

(f) Any amounts overpaid by the holder of a state franchise shall be deducted from future franchise payments:

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

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

SECTION 4-14.

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

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

SECTION 4-15.

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

"46-5-1.

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

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

(A) Require any telegraph or telephone company to apply for or enter into an individual license, franchise, or other agreement with such municipal authority or county; or
(B) Impose any occupational license tax or fee as a condition of placing or maintaining
d lines and facilities in its public roads and highways or rights of way, except as
specifically set forth in this Code section.

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

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

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

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

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

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

(C) Proof of insurance or self-insurance of such telegraph or telephone company
adequate to defend and cover claims of third parties and of municipal authorities;
(D) A description of the telegraph or telephone company's service area, which
description shall be sufficiently detailed so as to allow a municipal authority to respond
to subscriber inquiries. For the purposes of this paragraph, a telegraph or telephone
company may, in lieu of or as supplement to a written description, provide a map on 8
1/2 by 11 inch paper that is clear and legible and that fairly depicts the service area
within the boundaries of the municipal authority. If such service area is less than the
boundaries of an entire municipal authority, the map shall describe the boundaries of
the geographic area to be served in clear and concise terms;

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

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

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

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

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

(4) If it modifies its service area or provisioned services identified in the original
application, the telegraph or telephone company shall notify the municipal authority of
changes to the service area or the services provided. Such notice shall be given at least
20 days prior to the effective date of such change. Such notification shall contain a
geographic description of the new service area or areas and new services to be provided
within the jurisdiction of the affected municipal authority, if any. The municipal
authority shall provide to all telegraph and telephone companies located in its rights of
way written notice of annexations and changes in municipal corporate boundaries which,
for the purposes of this Code section, shall become effective 30 days following receipt.
(5) An application adopted pursuant to this Code section may be terminated by a telegraph or telephone company by submitting a notice of termination to the affected municipal authority. For purposes of this Code section, such notice shall identify the telegraph or telephone company, the affected service area, and the effective date of such termination, which shall not be less than 60 calendar days from the date of filing the notice of termination.

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

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

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

(B) In the event any telegraph or telephone company is paying an existing occupational license tax or fee, based on actual recurring local services revenues, as of January 1, 2008, such payment shall be considered the payment of due compensation without further action on the part of the municipal authority. In the event that the rate of such
(9) As used in this Code section, ‘due compensation’ for a municipal authority means an amount equal to no more than 3 percent of actual recurring local service revenues received by such company from its retail, end user customers located within the boundaries of such municipal authority. ‘Actual recurring local service revenues’ means those revenues customarily included in the Uniform System of Accounts as prescribed by the Federal Communications Commission for Class ‘A’ and ‘B’ companies; provided, however, that only the local service portion of the following accounts shall be included:

(1) Basic local service revenue, as defined in 47 C.F.R. 32.5000;
(2) Basic area revenue, as defined in 47 C.F.R. 32.5001;
(3) Optional extended area revenue, as defined in 47 C.F.R. 32.5002;
(4) Public telephone revenue, as defined in 47 C.F.R. 32.5010;
(5) Local private line revenue, as defined in 47 C.F.R. 35.5040; provided, however, that the portion of such accounts attributable to audio and video program transmission service where both terminals of the private line are within the corporate limits of the municipal authority shall not be included;
(6) Other local exchange revenue, as defined in 47 C.F.R. 32.5060;
(7) Local exchange service, as defined in 47 C.F.R. 32.5069;
(8) Network access revenue, as defined in 47 C.F.R. 32.5080;
(9) Directory revenue, as defined in 47 C.F.R. 32.5320; provided, however, that the portion of such accounts attributable to revenue derived from listings in portion of directories not considered white pages shall not be included;
(10) Nonregulated operating revenue, as defined in 47 C.F.R. 32.5280; provided, however, that the portion of such accounts attributable to revenues derived from private lines shall not be included; and
(11) Uncollectible revenue, as defined in 47 C.F.R. 32.5300.

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

(12) Each municipal authority may, no more than once annually, audit the business records of a telegraph or telephone company to the extent necessary to ensure payment in accordance with this Code section. As used in this Code section, 'audit' means a comprehensive review of the records of a company which is reasonably related to the calculation and payment of due compensation. Once any audited period of a company has been the subject of a requested audit, such audited period of such company shall not again be the subject of any audit. In the event of a dispute concerning the amount of due compensation due to an affected municipal authority under this Code section, an action may be brought in a court of competent jurisdiction by an affected municipal authority seeking to recover an additional amount alleged to be due or by a company seeking a refund of an alleged overpayment; provided, however, that any such action shall be brought within three years following the end of the quarter to which the disputed amount relates, although such time period may be extended by written agreement between the company and such affected municipal authority. Each party shall bear the party's own costs incurred in connection with any dispute. The auditing municipal authority shall bear the cost of the audit; provided, however, that if an affected municipal authority files an action to recover alleged underpayments of due compensation and a court of competent jurisdiction determines the company has underpaid due compensation due for any 12-month period by 10 percent or more, such company shall be required to pay such municipal authority's reasonable costs associated with such audit along with any due compensation underpayments; provided, further, that late payments shall not apply. All
undisputed amounts due to a municipal authority resulting from an audit shall be paid to the municipal authority within 45 days, or interest shall accrue.

(13) The information provided pursuant to paragraph (1) of this subsection and any records or information furnished or disclosed by a telegraph or telephone company to an affected municipal authority pursuant to paragraph (12) of this subsection shall be exempt from public inspection under Code Section 50-18-70. It shall be the duty of such telegraph or telephone company to mark all such documents as exempt from Code Section 50-18-70, et seq., and the telegraph or telephone company shall defend, indemnify, and hold harmless any municipal authority and any municipal officer or employee in any request for, or in any action seeking, access to such records.

(14) No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim an affected municipal authority may have for further or additional sums payable as due compensation.

(15) Any amounts overpaid by a company as due compensation shall be deducted from future due compensation owed.

(16) A telegraph or telephone company paying due compensation pursuant to this Code section may designate that portion of a subscriber's bill attributable to such charge as a separate line item of the bill and recover such amount from the subscriber.

(17) Nothing in this Code section shall affect the authority of a municipal authority to require telegraph or telephone companies accessing the public roads and highways and rights of way of a municipal authority to obtain permits and otherwise comply with the reasonable regulations established pursuant to paragraph (10) of subsection (a) of Code Section 32-4-92.

(18) If a telegraph or telephone company does not have retail, end user customers located within the boundaries of a municipal authority, then the payment by such company at the same rates that such payments were being made as of January 1, 2008, to a municipal authority for the use of its rights of way shall be considered the payment of due compensation; provided, however, that at the expiration date of any existing agreement for use of such municipal rights of way or December 31, 2012, whichever is earlier, the payment at rates in accordance with the rates set by regulations promulgated by the Department of Transportation shall be considered the payment of due compensation. Provided, further, that if a telegraph or telephone company begins providing service after January 1, 2008, and such telegraph or telephone company does not have retail, end user customers located within the boundaries of a municipal authority, the payment by such company at rates in accordance with the rates set by regulations promulgated by the Department of Transportation to a municipal authority for the use of its rights of way shall be considered the payment of due compensation.
(19) Nothing in this Code section shall be construed to affect any franchise fee payments which were in dispute on or before January 1, 2008.

(c) If a telegraph or telephone company accesses the public roads and highways and rights of way of a county and such county requires such telegraph or telephone company to pay due compensation, such due compensation shall be limited to an administrative cost recoupment fee which shall not exceed such county's direct, actual costs incurred in its permitting process, including issuing and processing permits, plan reviews, physical inspection, and direct administrative costs; and such costs shall be demonstrable and shall be equitable among applicable users of such county's roads and highways or rights of way. Permit fees shall not include the costs of highway or rights of way acquisition or any general administrative, management, or maintenance costs of the roads and highways or rights of way and shall not be imposed for any activity that does not require the physical disturbance of such public roads and highways or rights of way or does not impair access to or full use of such public roads and highways or rights of way. Nothing in this Code section shall affect the authority of a county to require a telegraph or telephone company to comply with reasonable regulations for construction of telephone lines and facilities in public highways or rights of way pursuant to the provisions of paragraph (6) of Code Section 32-4-42."

PART V

SECTION 5-1.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended in Code Section 48-8-2, relating to definitions regarding sales and use taxes, by revising paragraphs (23) and (24) as follows:

"(23) 'Prepaid local tax' means any local sales and use tax which is levied on the sale or use of motor fuel and imposed in an area consisting of less than the entire state, however authorized, including, but not limited to, such taxes authorized by or pursuant to constitutional amendment; by or pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended, known as the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; or by or pursuant to Article 2, 2A, 3, or 4 of this chapter. Such tax is based on the same average retail sales price as set forth in subparagraph (b)(2)(B) of Code Section 48-9-14. Such price shall be used to compute the prepaid sales tax rate for local jurisdictions by multiplying such retail price by the applicable rate imposed by the jurisdiction. The person collecting and reporting the prepaid local tax for the local jurisdiction shall provide a schedule as to which jurisdiction these collections relate. This determination shall be based upon the shipping papers of the conveyance that delivered the motor fuel to the dealer or consumer in the local jurisdiction. A seller may
rely upon the representation made by the purchaser as to which jurisdiction the shipment is bound and prepare shipping papers in accordance with those instructions.

(24) 'Prepaid state tax' means the tax levied under Code Section 48-8-30 in conjunction with Code Section 48-8-3.1 and Code Section 48-9-14 on the retail sale of motor fuels for highway use and collected prior to that retail sale. This tax is based upon the average retail sales price as set forth in Code Section 48-9-14."

SECTION 5-2.

Said Title 48 is further amended by revising Code Section 48-8-17, relating to ratification of an executive order regarding gasoline taxes, as follows:

"48-8-17.

(a) The General Assembly finds that:

(1) Motor fuels and aviation gasoline are essential commodities used by Georgians for transportation;

(2) The price of gasoline has increased dramatically since the adjournment of the 2008 General Assembly, namely rising in price by approximately 10 percent from one month ago and almost 24 percent since last year at this time;

(3) The increases in the cost of gasoline and other motor fuels have and will continue to impose significant financial burdens on all Georgians and Georgia's businesses;

(4) This inflated cost can prevent Georgians from spending on other necessary goods and business expansion; and

(5) The significant increase in motor fuel prices will result in a windfall to the state in the form of surplus state taxes on these commodities:

(b) The General Assembly of Georgia ratifies the Executive Order of the Governor dated June 2, 2008, and filed in the official records of the Office of the Governor as Executive Order 06.02.08.01 which suspended the collection of any rate of prepaid state taxes as defined in Code Section 48-8-2 to the extent it differs from the rate levied as of January 1, 2008, pursuant to Code Section 48-9-14 as it applies to sales of motor fuel and aviation gasoline as those terms are defined in Code Section 48-9-2:

(c) For the time period commencing on June 2, 2008, as specified in the Executive Order of the Governor dated June 2, 2008, and filed in the official records of the Office of the Governor as Executive Order 06.02.08.01, the collection of any rate of prepaid state taxes as defined in Code Section 48-8-2 to the extent it differs from the rate levied as of January 1, 2008, pursuant to Code Section 48-9-14 as it applies to sales of motor fuel and aviation gasoline as those terms are defined in Code Section 48-9-2 shall be governed by the provisions of this Code section notwithstanding any provisions of Code Section 48-9-14 or any other law to the contrary.
(d) The temporary prepaid state tax exemption provided for in this Code section shall not apply to prepaid local taxes as defined in paragraph (22) of Code Section 48-8-2.

(e) The commissioner is authorized to prescribe forms and promulgate rules and regulations deemed necessary in order to administer and effectuate this Code section Reserved.

SECTION 5-3.

Said Title 48 is further amended by repealing Code Section 48-8-17.1, relating to ratification of an executive order regarding certain prepaid taxes.

SECTION 5-4.

Said Title 48 is further amended by revising subsection (k) of Code Section 48-8-30, relating to imposition of sales and use tax, as follows:

“(k) The prepaid local tax shall be imposed at the time the prepaid state tax is imposed under subparagraph (b)(2)(B) paragraph (2) of subsection (a) of Code Section 48-9-14.”

SECTION 5-5.

Said Title 48 is further amended by revising paragraph (2) of subsection (b) of Code Section 48-8-49, relating to dealers' sales and use tax returns, as follows:

“(2) If the tax liability of a dealer in the preceding calendar year was greater than $30,000.00 excluding local sales taxes, the dealer shall file a return and remit to the commissioner not less than 50 percent of the estimated tax liability for the taxable period on or before the twentieth day of the period. The amount of the payment of the estimated tax liability shall be credited against the amount to be due on the return required under subsection (a) of this Code section. This subsection shall not apply to any dealer whose primary business is the sale of motor fuels who is remitting prepaid state tax under paragraph (2) of subsection (b) (a) of Code Section 48-9-14.”

SECTION 5-6.

Said Title 48 is further amended by revising Code Section 48-9-3, relating to motor fuel tax, as follows:

“48-9-3. (a)(1)(A) Prior to January 1, 2012, an excise tax is imposed at the rate of 7 1/2¢ per gallon on distributors who sell or use motor fuel within this state. It is the intention of the General Assembly that the legal incidence of the tax be imposed upon the distributor.

(B) On or after January 1, 2012, an excise tax is imposed at the rate of 15.1¢ per gallon on distributors who sell or use motor fuel within this state. It is the intention of the
General Assembly that the legal incidence of the tax be imposed upon the distributor.

The rate specified in this subparagraph shall be adjusted on January 1 of each
subsequent year by the commissioner. The commissioner shall establish and maintain
rules governing motor fuel price adjustments. Such rules shall include the
determination and use of an appropriate national highway construction index, such as
the National Highway Construction Cost Index, or similar national index which reflects
the effects of inflation and deflation on highway construction in this state if the
commissioner determines that such national index accurately reflects such inflation and
deflation.

(2) In the event any motor fuels which are not commonly sold or measured by the gallon
are used in any motor vehicles on the public highways of this state, the commissioner
may assess, levy, and collect a tax upon such fuels, under such regulations as the
commissioner may promulgate, in accordance with and measured by the nearest power
potential equivalent to that of one gallon of regular grade gasoline. Any determination
by the commissioner of the power potential equivalent of such motor fuels shall be
prima-facie correct. Upon each such quantity of such fuels used upon the public
highways of this state, a tax at the same rate per gallon imposed on motor fuel under
paragraph (1) of this subsection shall be assessed and collected.

(3) No county, municipality, or other political subdivision of this state shall levy any fee,
license, or other excise tax on a gallonage basis upon the sale, purchase, storage, receipt,
distribution, use, consumption, or other disposition of motor fuel. Nothing contained in
this article Code section shall be construed to prevent a county, municipality, or other
political subdivision of this state from levying license fees or taxes upon any business
selling motor fuel.

(4) For purposes of this subsection, and notwithstanding the provisions of paragraph (2)
of this subsection and any provision contained in the National Bureau of Standards
Handbook or any other national standard that may be adopted by law or regulation, the
gallon equivalent of compressed natural gas shall be not less than 110,000 British thermal
units. As used in this paragraph, the term 'compressed natural gas' means a mixture of
hydrocarbon gases and vapors, consisting principally of methane in gaseous form, that
has been compressed for use as a motor fuel.

(b) No tax is imposed by this article Code section upon or with respect to the following
sales by duly licensed distributors:

(1) Bulk sales to a duly licensed distributor;

(2) Sales of motor fuel for export from this state when exempted by any provisions of
the Constitutions of the United States or this state;

(3) Sales of motor fuel to a licensed distributor for export from this state;
(4) Sales of motor fuel to the United States for the exclusive use of the United States when the motor fuel is purchased and paid for by the United States;

(5) Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for 4¢ per gallon of the tax imposed by paragraph (1) of subsection (a) of this Code section and all of the tax imposed by Code Section 48-9-14;

(6) Bulk sales of compressed petroleum gas or special fuel to a duly licensed consumer distributor;

(7)(A) Sales of compressed petroleum gas or special fuel to a consumer who has no highway use of the fuel at the time of the sale and does not resell the fuel. Consumers of compressed petroleum gas or special fuel who have both highway and nonhighway use of the fuel and resellers of such fuel must be licensed as distributors in order for sales of the fuel to be tax exempt. Each type of motor fuel is to be considered separately under this exemption.

(B)(i) In instances where a sale of compressed petroleum gas has been made to an ultimate consumer who has both highway and nonhighway use of that type of motor fuel and no tax has been paid by the distributor on the sale, the consumer shall become licensed as a consumer distributor of that type of motor fuel. After the consumer is licensed as a consumer distributor and if it is demonstrated to the satisfaction of the commissioner that the motor fuel purchased prior to the licensee's becoming licensed as a consumer distributor was used for nonhighway purposes, such sales shall be exempt from the tax imposed by this article; provided, however, that, if at the time of demonstration the ultimate consumer does not have both highway and nonhighway use of such fuel but it can be demonstrated by the distributor to the satisfaction of the commissioner that the motor fuel was used for nonhighway purposes, the sales shall be exempt from the tax imposed by this article; and

(ii)(I) Any special fuel sold by a distributor to a purchaser who has a storage receptacle which has a connection to a withdrawal outlet that may be used for highway use, as defined in paragraph (8) of Code Section 48-9-2, is not exempt from the motor fuel and road taxes imposed by this article unless: (1) the purchaser is at the time of sale a valid licensed distributor of that type of motor fuel, or (2) an exemption certificate has been obtained from the purchaser on forms furnished by the Department of Revenue showing that the purchaser has no highway use of such fuels and is not a reseller of such fuels. Each exemption certificate shall be valid for a period of not more than three years and shall be kept by the distributor as one of the records specified in Code Section 48-9-8. It shall be the responsibility of the purchaser to notify the distributor when the purchaser is no longer qualified for the nonhighway exemption. All applicable taxes must be charged the purchaser until the purchaser is granted a valid distributor's license for that type of motor fuel.
Any such purchaser granted an exemption under subdivision (I) of this division who falsely claims the exemption or fails to rescind the purchaser's exemption certificate to the distributor in writing when he or she is no longer eligible for the exemption shall be deemed a distributor for purposes of taxation and is subject to all provisions of this article relating to distributors. This division in no way shall restrict the option of the purchaser to become licensed as a distributor. If the distributor sells special fuel to a purchaser who has a storage receptacle which has a connection to a withdrawal outlet that may be used for highway use, as defined in paragraph (8) of Code Section 48-9-2, and the purchaser is not a valid licensed distributor and has not executed a valid signed exemption certificate, the taxes imposed by this article are due from the distributor and not the purchaser on all sales of that type of fuel to that purchaser;

(8) Sales of fuel oils, compressed petroleum gas, or special fuel directly to an ultimate consumer to be used for heating purposes only. The delivery of fuel oils, compressed petroleum gas, or special fuel directly to an ultimate consumer to be used for heating purposes only shall be made directly into the storage receptacle of the heating unit of the consumer by the licensed distributor. To qualify for this exemption, sales must be delivered into storage receptacles that are not equipped with any secondary withdrawal outlets for the motor fuel;

(9) Sales of dyed fuel oils to a consumer for other than highway use as defined in paragraph (8) of Code Section 48-9-2; or

(10)(A) During the period of July 1, 2010, through June 30, 2012, sales of motor fuel, as defined in paragraph (9) of Code Section 48-9-2, for public mass transit vehicles which are owned by public transportation systems which receive or are eligible to receive funds pursuant to 49 U.S.C. Sections 5307 and 5311 for which passenger fares are routinely charged and which vehicles are used exclusively for revenue generating purposes which motor fuel sales occur at bulk purchase facilities approved by the department.

(B) During the period of July 1, 2010, through June 30, 2012, sales of motor fuel, as defined in paragraph (9) of Code Section 48-9-2, for vehicles operated by a public campus transportation system, provided that such system has a policy which provides for free transfer of passengers from the public transportation system operated by the jurisdiction in which the campus is located; makes the general public aware of such free transfer policy; and receives no state or federal funding to assist in the operation of such public campus transportation system and which motor fuel sales occur at bulk purchase facilities approved by the department.
(C) For purposes of this paragraph, the term 'vehicle' or 'vehicles' means buses, vans, minibuses, or other vehicles which have the capacity to transport seven or more passengers.

(c) Fuel oils, compressed petroleum gas, or special fuel used by a duly licensed distributor for nonhighway purposes is exempt from the tax imposed by this article.

(d) No export from this state shall be recognized as being exempt from tax under paragraphs (2) and (3) of subsection (b) of this Code section unless the exporter informs the seller and the terminal operator of the intention to export and causes to be set out the minimum information specified in subsection (e) of Code Section 48-9-17 on the bill of lading or equivalent documentation under which the motor fuel is transported. In the event that the motor fuel is delivered to any point other than that which is set out on the bill of lading or equivalent documentation, the legal incidence of the tax shall continue to be imposed exclusively upon the exporter who caused the export documentation to be issued and no exemption shall be recognized until suitable proof of exportation has been provided to the commissioner.

SECTION 5-7.

Said Title 48 is further amended by revising Code Section 48-9-14, relating to the second motor fuel tax, as follows:

"48-9-14.

(a) In addition to the motor fuel tax imposed by Code Section 48-9-3, there is imposed a second motor fuel tax:

(b)(1) The motor fuel tax imposed by this Code section is levied at the rate of 3 percent of the retail sale price less the tax imposed by Code Section 48-9-3 upon the sale, use, or consumption, as defined in Code Section 48-8-2, of motor fuel in this state. This tax shall be subject only to the exemptions provided in Code Section 48-9-3.

(2)(A)(a)(1) As used in this paragraph subsection, the term 'prepaid state tax' shall have the same meaning as provided in paragraph (5.2)(24) of Code Section 48-8-2.

(B)(2) At the time the tax imposed by Code Section 48-9-3 attaches to a sale or transfer of motor fuels, a prepaid state tax shall be collected. The same person remitting the tax imposed under Code Section 48-9-3, but on a separate schedule, shall remit the prepaid state tax to the state. The tax shall be separately invoiced throughout the chain of distribution until it reaches the dealer who makes the retail sale. The commissioner shall issue the rate of prepaid state tax on a semiannual basis, rounded to the nearest $.001 per gallon for use in the following semiannual period shall be the same rate as specified for the tax under Code Section 48-9-3. The rate shall be calculated at 4 percent of the state wide average retail price by motor fuel type as compiled by the Energy Information Agency of the United States Department of Energy, the Oil Pricing Information Service;
or a similar reliable published index less taxes imposed under Code Section 48-9-3, this
subsection, and all local sales and use taxes. In the event that the retail price changes by
25 percent or more within a semiannual period, the commissioner shall issue a revised
prepaid state tax rate for the remainder of that period.

(c)(1) Except as otherwise provided in paragraph (2) of this subsection, in all other
respects, the tax imposed by this Code section shall be administered and collected and
penalties and interest shall be imposed in the same manner as the sales and use tax
collected pursuant to Article 1 of Chapter 8 of this title.

(2) Dealers shall be allowed a percentage of the amount of the tax due and accounted for
and shall be reimbursed in the form of a deduction in submitting, reporting, and paying
the amount due. The deduction shall be at the rate and subject to the requirements
specified under subsections (b) through (f) of Code Section 48-8-50."

SECTION 5-8.

Said Title 48 is further amended by revising subsections (b) and (d) of Code Section 48-9-16,
relating to motor fuel tax reports and returns, as follows:

"(b) When any distributor fails to pay the tax or any part of the tax due under Code Section
48-9-3 or 48-9-14, the distributor shall be subject to a penalty of 10 percent of the amount
of unpaid taxes due."

"(d) When any distributor fails to pay the tax or any part of the tax due under Code Section
48-9-3 or 48-9-14, the distributor shall pay interest on the unpaid tax at the rate specified
in Code Section 48-2-40 from the time the tax became due until paid."

PART VI

SECTION 6-1.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
amended by revising paragraph (3) of subsection (a) of Code Section 48-11-2, relating to
excise taxes on tobacco products, as follows:

"(3) Cigarettes: $0.37¢ 68¢ per pack of 20 cigarettes and a like rate, pro rata, for other size
packages. The tax rate enumerated in this paragraph shall be annually adjusted by the
commissioner to reflect the effect of economic inflation or deflation on individual
taxpayers. The commissioner shall establish and maintain rules governing excise tax rate
adjustments. Such rules shall include the determination and use of an appropriate
cost-of-living index which reflects the effects of inflation and deflation on individual
taxpayers in the State of Georgia. The rules may use for this purpose the Consumer Price
Index as reported by the Bureau of Labor Statistics of the United States Department of
Labor or any other similar index established by the federal government, if the
commissioner determines that such federal index reflects the effects of inflation and
deflation on individual taxpayers in the State of Georgia; and”

PART VII
SECTION 7-1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
revising subsection (a) of Code Section 33-8-4, relating to the amount and method of
computing state insurance premium tax, as follows:

“(a) All foreign, alien, and domestic insurance companies doing business in this state shall
pay a tax of 2 1/4 .875 percent upon the gross direct premiums received by them on and
after July 1, 1955. The tax shall be levied upon persons, property, or risks in Georgia, from
January 1 to December 31, both inclusive, of each year without regard to business ceded
to or assumed from other companies. The tax shall be imposed upon gross premiums
received from direct writings without any deductions allowed for premium abatements of
any kind or character or for reinsurance or for cash surrender values paid, or for losses or
expenses of any kind; provided, however, deductions shall be allowed for premiums
returned on change of rate or canceled policies; provided, further, that deductions may be
permitted for return premiums or assessments, including all policy dividends, refunds, or
other similar returns paid or credited to policyholders and not reapplied as premium for
additional or extended life insurance. The term 'gross direct premiums' shall not include
annuity considerations.”

SECTION 7-2.

Said title is further amended by revising subsection (b) of Code Section 33-8-8.1, relating to
county and municipal life insurance premium taxes, as follows:

“(b) Life insurance companies are subject to county and municipal corporation taxes levied
as follows:

(1) There is imposed a county tax for county purposes on each life insurance company
doing business within the state, which tax shall be based solely upon gross direct
premiums, as defined in Code Section 33-8-4, which are received during the preceding
calendar year from policies insuring persons residing within the unincorporated area of
the counties pursuant to the provisions of this Code section. The rate of such tax shall be
± .875 percent of such premiums, except that such tax shall not apply to the gross direct
premiums of an insurance company which qualifies, pursuant to Code Section 33-8-5, for
the reduction to one-half of 1 percent of the state tax imposed by Code Section 33-8-4.
The tax imposed by this Code section shall not apply to annuity considerations; and
(2) Municipal corporations whose ordinances have been filed with the Commissioner are authorized to impose a tax on each life insurance company doing business within the state, which tax shall be based solely upon the gross direct premiums, as defined in Code Section 33-8-4, which are received during the preceding calendar year from policies insuring persons residing within the corporate limits of the municipal corporation pursuant to the provisions of this Code section; provided, however, that the rate of the tax may not exceed $0.875 percent of the premiums. The tax imposed shall not apply to annuity considerations.

SECTION 7-3.

Said title is further amended by revising subsections (a) and (d) of Code Section 33-8-8.2, relating to county and municipal insurance premium taxes on insurance other than life insurance, as follows:

"(a) Counties and municipal corporations are authorized to levy tax at a rate not to exceed 2.5 $0.875 percent upon the gross direct premiums of all foreign, alien, and domestic insurance companies doing business in this state other than life insurance companies. The tax shall be in addition to the taxes levied by Code Section 33-8-4, and it may be levied upon the gross direct premiums received by such companies during the preceding calendar year. The tax shall be levied upon premiums derived from policies insuring persons, property, or risks in Georgia from January 1 to December 31, both inclusive, of each year without regard to business ceded to or assumed from other companies. The tax shall be imposed upon gross premiums received during the preceding calendar year from direct writing without any deductions allowed from premium abatement of any kind or character or for reinsurance or for losses or expenses of any kind; provided, however, deductions shall be allowed for premiums returned or change of rate or canceled policies; provided, further, that deductions shall be permitted for returned premiums or assessments, including all policy dividends, refunds, or other similar returns paid or credited to policyholders.

"(d) Any county or municipal corporation which, on January 1, 1983, levied a tax on all premiums of insurance companies, other than life insurance companies, at a rate in excess of 2.5 percent may continue to levy the tax at a rate in excess of 2.5 percent, provided that the rate of such tax shall not exceed the rate which was in effect in such county or municipal corporation on January 1, 1983, reduced annually beginning January 1, 1984, by one third of the difference between such January 1, 1983, rate and 2.5 percent, so that the rate levied on January 1, 1986, shall not exceed 2.5 percent Reserved.

PART VIII

SECTION 8-1.
Title 28 of the Official Code of Georgia Annotated, relating to the General Assembly, is amended by repealing Article 3 of Chapter 5, relating to fiscal bills generally, and enacting a new Article 3 to read as follows:

"ARTICLE 3

28-5-40.

(a) This article shall be known and may be cited as the 'Fiscal Impact Standards Law.'
(b) It is the purpose of this article to comply with the provisions of Article III, Section V, Paragraph IIA of the Constitution of Georgia requiring the General Assembly to enact legislation to define fiscal impact standards to assure the fiscal soundness of the state and to control legislative procedures so that any general revenue bill or general revenue resolution creating or amending any tax exemption or tax credit passed by the General Assembly shall comply with the defined fiscal impact standards.

28-5-41.

As used in this article, the term:

(1) 'Amendment' means any amendment, including a substitute bill, made to a revenue bill by any committee of the House or Senate or by the House or Senate.
(2) 'LC number' means that number preceded by the letters 'LC' assigned to a bill by the Office of Legislative Counsel when that office prepares a bill for a member of the General Assembly.
(3) 'Nonfiscal amendment' means an amendment to a revenue bill that does not change any factor of a fiscal impact analysis specified in subsection (a) of Code Section 28-5-46.1.
(4) 'Nonfiscal revenue bill' means a general revenue bill or resolution that does not meet the requirements of paragraph (6) of this Code section.
(5) 'Reduction in cost amendment' means an amendment to a revenue bill that reduces the cost of the bill as such cost is determined by the fiscal impact analysis for the bill prepared pursuant to Code Section 28-5-46.1.
(6) 'Revenue bill' means any general bill or resolution that enacts or amends a tax exemption or tax credit.

28-5-42.

(a) No revenue bill or nonfiscal revenue bill may be introduced by any member of the General Assembly unless, at the time of its introduction, the bill has printed thereon in the upper right portion of each page of the bill an LC number. Once a revenue bill is presented by the Office of Legislative Counsel to a member of the General Assembly, neither the
Office of Legislative Counsel nor any person shall make any change in the revenue bill prior to its introduction into the General Assembly unless the bill is returned to the Office of Legislative Counsel and that office assigns a new LC number to the bill.

(b) No revenue bill may be introduced unless it contains a stated sunset date which specifies the date upon which the tax exemption or tax credit will expire automatically without further action of the General Assembly.

28-5-43.

As a condition precedent to the introduction of any revenue bill or nonfiscal revenue bill, the member of the General Assembly who intends to be the primary sponsor of the bill must present an exact copy of the proposed bill, which must bear an LC number, to the state auditor. The state auditor shall determine whether the proposed bill is a revenue bill or a nonfiscal revenue bill and provide a written certification of that determination to the member of the General Assembly who intends to be the primary sponsor of the bill. Such certification shall specifically identify the proposed bill by reference to the LC number. If the proposed bill is introduced into the General Assembly, it shall have attached thereto the original of the certification of the state auditor. If the LC number on the bill as offered for introduction is different from the LC number shown on the state auditor's certification or if the bill as offered for introduction does not bear an LC number on each page of the bill, the bill shall not be accepted for introduction by the Clerk of the House of Representatives, and the bill shall not be considered by any committee of the House or Senate or by the House or Senate. If the bill is certified as a revenue bill, its introduction shall also be limited by the provisions of subsection (a) of Code Section 28-5-45.

28-5-44.

(a) A nonfiscal revenue bill may be introduced at any time during the first 20 days of any regular session of the General Assembly in either the Senate or House of Representatives. After its introduction into the General Assembly, a nonfiscal revenue bill shall not be amended in any manner to cause the bill to become a revenue bill. Any amendment to such a bill shall be submitted to the state auditor by the chairperson of the committee, if a committee amendment, or by the presiding officer of the Senate or House if the amendment was made by the Senate or House. If the state auditor certifies in writing that the amendment does not cause the bill to become a revenue bill, the bill, as amended, may continue in the legislative process as any other bill. If the state auditor will not issue such a certification for the amendment, the bill's progress in the legislative process will end, and the bill shall not be considered further by either the Senate or the House, and, if passed by the General Assembly, the bill shall not become law and shall stand repealed in its entirety on the first day of July immediately following its enactment.
(b) An amendment to a nonfiscal revenue bill which is prohibited by subsection (a) of this Code section may be withdrawn by the committee which made the amendment, if a committee amendment, or by the Senate, if that body made the amendment, or by the House, if that body made the amendment. If the amendment is withdrawn, the bill may continue in the legislative process as any other bill, unless it is subsequently amended, and, in that event, this Code section shall apply to the subsequent amendment.

(c) A nonfiscal revenue bill which is not amended during the legislative process may be considered as any other bill.

28-5-45.

(a) Any revenue bill may be introduced in the House of Representatives only during the regular session which is held during the first year of the term of office of members of the General Assembly. Any such revenue bill may be passed by the General Assembly only during the regular session which is held during the second year of the term of office of members of the General Assembly unless such requirement is waived by a two-thirds vote of each house of the General Assembly voting in a roll-call vote.

(b) When a revenue bill is introduced, it shall be assigned by the presiding officer of the House to the House Committee on Ways and Means or other appropriate committee. If a majority of the total membership of the appropriate committee is opposed to the bill on its merits, no fiscal impact analysis provided for in Code Section 28-5-46.1 shall be necessary, and the bill shall not be reported out by the committee and shall not be adopted or considered by the House. If a majority of the committee wishes to consider the bill further and votes in favor of a fiscal impact analysis of the bill, a fiscal impact analysis shall be required as provided in Code Section 28-5-46.1. Except as otherwise provided by subsection (c) of this Code section, no revenue bill shall be reported out of the committee to which it is assigned or may be considered or adopted by the House unless a fiscal impact analysis of the bill is made.

(c) The committee to which a revenue bill is assigned following its introduction may at any time amend the bill to become a nonfiscal revenue bill. If the bill is so amended, an exact copy of the amended version shall be submitted by the chairperson of the committee to the state auditor. If the state auditor issues a written certification that the committee amendment has converted the status of the bill to a nonfiscal revenue bill, the bill shall be a nonfiscal revenue bill for all purposes under this article as of the date of the state auditor's certification. Only the committee to which a revenue bill is originally assigned following its introduction may convert the bill to a nonfiscal revenue bill as authorized in this subsection.
(a) A revenue bill that the committee wishes to consider shall first be perfected, if necessary, by the committee. The committee may delay further consideration of the bill until after the close of the regular session during which the bill was introduced, but the committee shall complete its consideration of the bill for submission to the state auditor under Code Section 28-5-46.1 by not later than July 15 immediately following the close of the legislative session. The committee shall be authorized to meet for not more than five days, unless additional days are authorized by the Speaker of the House, during the period beginning with the day following the close of the session and ending on July 1 immediately following the close of the session for the purpose of considering and perfecting the bill. The House Committee on Ways and Means, or other appropriate committee, shall be authorized to meet with the Senate Finance Committee, or other appropriate committee, to consider and perfect a bill during the period following the close of a regular session. The committees may adopt such procedures as they find appropriate for conducting meetings at which both committees are present as authorized by this subsection. For attending meetings of their respective committees as authorized by this subsection, the members of such Senate and House committees shall receive the expenses and allowances provided by law for members of legislative interim committees. If a revenue bill is changed by the committee to which it is assigned, such change shall be accomplished only by a substitute bill, and no committee amendment to the bill, except by substitute, shall be authorized.

(b) Immediately after a revenue bill has been considered and perfected as provided in subsection (a) of this Code section, the chairperson of the committee to which the bill was assigned shall transmit an exact copy of the bill, as perfected by the committee, when applicable, to the state auditor. The copy submitted to the state auditor shall bear an LC number. The submission of the bill to the state auditor shall have attached thereto a letter signed by the chairperson of the committee requesting the state auditor to make or cause to be made a fiscal impact analysis on the bill.

28-5-46.1.

(a) If a fiscal impact analysis of a revenue bill is requested under Code Section 28-5-46, it shall be the duty of the state auditor to complete or cause to be completed such fiscal impact analysis by not later than November 1 of the same year during which the request for the fiscal impact analysis was made. The fiscal impact analysis shall include, but shall not be limited to, findings on the following factors as such factors are relevant to the revenue bill under consideration:

(1) The dollar amount of the increase or decrease in state revenues which will result from the bill; and

(2) The dollar amount of the annual administrative cost which will result from the bill.
(b) By not later than November 1 of the same year that the request for a fiscal impact analysis was made, the completed fiscal impact analysis shall be submitted by the state auditor to the chairperson of the committee who requested it along with a summary of the fiscal impact analysis which shall include the relevant findings specified in subsection (a) of this Code section.

(c) The chairperson of the committee, upon receipt of the information provided for under subsection (b) of this Code section, shall cause the summary of the fiscal impact analysis to be printed by the Clerk of the House of Representatives in sufficient quantity to attach a copy thereof to all printed copies of the bill. The original summary of the fiscal impact analysis shall be attached by the Clerk of the House of Representatives to the original version of the substitute bill, as perfected by the committee under Code Section 28-5-46, if applicable, or to the original version of the bill as introduced if the bill was not changed by the committee prior to its submission to the state auditor for a fiscal impact analysis.

28-5-46.2.
(a) When a revenue bill has had a fiscal impact analysis pursuant to Code Section 28-5-46.1, the bill may be considered at the next regular session of the General Assembly. If the bill as originally introduced was not changed by the committee and the original version was submitted to the state auditor for a fiscal impact analysis, then the original version of the bill is the only one, except as otherwise provided by subsection (b) of this Code section, that may be considered by any committee or by the Senate or House. If the original bill was substituted by the committee and the substitute version was the one submitted to the state auditor, then that substitute bill is the only one, except as otherwise provided by subsection (b) of this Code section, that may be considered by any committee or by the Senate or House.

(b) After completion of a fiscal impact analysis, any amendment to a revenue bill shall be out of order and shall not be allowed either by a committee or by the Senate or House, except for a nonfiscal or a reduction in cost amendment. Any amendment to a revenue bill shall be submitted to the state auditor by the chairperson of the committee, if a committee amendment, or by the presiding officer of the Senate or House if the amendment was made by the Senate or House. If the state auditor certifies in writing that the amendment is a nonfiscal amendment or a reduction in cost amendment and the state auditor provides a fiscal impact analysis as required in subsection (a) of Code Section 28-5-46.1, then the bill as amended, with the state auditor's certification or fiscal impact analysis attached to the original of the amendment, may continue in the legislative process. If the state auditor will not issue such a certification for the amendment or if there is no fiscal impact analysis showing the reduced cost of the amendment, the bill's progress in the legislative process will end, and the bill shall not be considered further by either the Senate or House and, if
passed by the General Assembly, the bill shall not become law and shall stand repealed in
its entirety on the first day of July immediately following its enactment.

(c) An amendment to a revenue bill that is prohibited by subsection (b) of this Code
section may be withdrawn by the committee which made the amendment, if a committee
amendment, or by the Senate, if that body made the amendment, or by the House, if that
body made the amendment. If the amendment is withdrawn, the bill may continue in the
legislative process as any other bill, unless it is subsequently amended, and, in that event,
this Code section shall apply to the subsequent amendment.

28-5-46.3.

(a) The state auditor shall be authorized to employ or contract with actuaries and other
personnel to carry out the duties assigned to that officer by this article. Upon their approval
by the Legislative Services Committee, expenses incurred by the state auditor in carrying
out such duties shall be paid from funds appropriated or available to the legislative branch
of the state government. When authorized to do so by the Legislative Services Committee,
and such authorization may be on a continuing basis by direction of the Legislative
Services Committee entered upon its minutes, the legislative fiscal officer, upon
certification by the state auditor of expenses incurred to carry out the duties assigned to that
officer by this article, is authorized to expend legislative funds to pay such expenses.

(b) State officials and employees and officials and employees of political subdivisions are
authorized and directed to cooperate with and assist the state auditor in carrying out the
duties assigned to that officer by this article.

28-5-46.4.
The enrolled Act resulting from a bill subject to the legislative procedures provided by this
article shall have attached thereto the original or a true and correct copy of all certificates
and summaries of fiscal impact analyses submitted by the state auditor pursuant to the
requirements of this article.

PART IX
SECTION 9-1.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
amended in Code Section 48-7-1, relating to definitions regarding income taxes, by revising
subparagraph (D) of paragraph (11) as follows:

"(D) Every individual who is not a resident of this state for income tax purposes and
who makes a withdrawal as provided for in paragraph (8) of subsection (c) of
Code Section 48-7-27; and"
SECTION 9-2.

Said Title 48 is further amended in Code Section 48-7-30, relating to taxation of nonresident income, by revising subsection (a) as follows:

"(a) The tax imposed by this chapter shall apply to the entire net income of a taxable nonresident derived from employment, trade, business, professional, or other activity for financial gain or profit performed or carried on within this state including, but not limited to, the rental of real or personal property located within this state or for use within this state, the sale, exchange, or other disposition of tangible or intangible property having a situs in this state, the receipt of proceeds of any lottery prize awarded by the Georgia Lottery Corporation, and withdrawals of contributions to a savings trust account under Article 11 of Chapter 3 of Title 20 which are required to be included in taxable net income as provided in subparagraph (b)(10)(C) (c)(8)(C) of Code Section 48-7-27."

SECTION 9-3.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in Code Section 33-1-18, relating to an insurance premium tax credit for certain qualified projects, by revising paragraph (1) of subsection (b) as follows:

"(b)(1) A tax credit against the taxes imposed under Code Sections 33-5-31, 33-8-4, and 33-40-5, to be termed the Georgia housing tax credit, shall be allowed with respect to each qualified Georgia project placed in service after January 1, 2001. The amount of such credit shall, when combined with the total amount of credit authorized under Code Section 48-7-29.6, in no event exceed an amount equal to the federal housing tax credit allowed with respect to such qualified Georgia project."

SECTION 9-4.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended in Code Section 48-6-93, relating to local business license taxes on depository financial institutions, by revising subsection (e) as follows:

"(e) Any tax paid by a depository financial institution pursuant to this Code section shall be credited dollar for dollar against any state income tax liability of such institution for the tax year during which any business or occupation tax authorized by this Code section is paid. Such credit shall be subject to the provisions of Code Section 48-7-29.7."

SECTION 9-5.

Said Title 48 is further amended in Code Section 48-6-95, relating to the special state occupation tax on depository financial institutions, by revising subsection (e) as follows:

"(e) Any tax paid by a depository financial institution pursuant to this Code section shall be credited dollar for dollar against any state income tax liability of such institution for the
tax year during which any business or occupation tax authorized by this Code section is paid. Such credit shall be subject to the provisions of Code Section 48-7-29.7.”

SECTION 9-6.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended in Code Section 50-23-21, relating to grants for clean energy property, by revising paragraphs (2) and (3) of subsection (b) as follows:

“(2) A person that receives a grant allowed under this Code section shall not be eligible to claim any tax credit under Code Section 48-7-29.14 or any other grant under this Code section with respect to the same clean energy property.

(3) A person shall not receive a grant allowed in this Code section for clean energy property the person leases from another unless such person obtains the lessor's written certification that the lessor will not receive a grant under this Code section or claim a credit under Code Section 48-7-29.14 with respect to the same clean energy property.”

SECTION 9-7.

Title 20 of the Official Code of Georgia Annotated, relating to education, is amended by repealing Chapter 2A, relating to student scholarship organizations.

SECTION 9-8.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended in Code Section 48-7-21, relating to taxation of corporations, by revising paragraph (13) of subsection (b) as follows:

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

SECTION 9-9.

Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended in Code Section 36-62-5.1, relating to joint development authorities, by revising subsection (e) as follows:

“(e)(4) A joint authority created by two or more contiguous counties pursuant to this Code section must be an active, bona fide joint authority; must have a board of directors; must meet at least quarterly; and must develop an operational business plan. A county may belong to more than one such joint authority.

(2) A business enterprise as defined under subsection (a) of Code Section 48-7-40 located within the jurisdiction of a joint authority established by two or more contiguous counties...
counties shall qualify for an additional $500.00 tax credit for each new full-time employee position created. The $500.00 job tax credit authorized by this paragraph shall be subject to all the conditions and limitations specified under Code Section 48-7-40, as amended; provided, however, that a business enterprise located in a county that belongs to more than one joint authority shall not qualify for an additional tax credit in excess of $500.00 for each new full-time employee position created.”

SECTION 9-10.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended in Code Section 50-16-41, relating to certain rental agreements not requiring competitive bidding, by revising paragraph (2) of subsection (h) as follows:

“(2) When all factors are reasonably equivalent, preferences will be given to location of state government programs and facilities in those counties which are determined by the Department of Community Affairs to be the most economically depressed, meaning those 71 tier 1 counties of the state designated as least developed under paragraph (2) of subsection (b) of Code Section 48-7-40.”
PART X

SECTION 10-1.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended in Chapter 7, relating to the Department of Economic Development, by adding a new article to read as follows:

"ARTICLE 8

50-7-100.

(a) Pursuant to the authority of Article III, Section IX, Paragraph VI of the Constitution, there is created the Economic Development Trust Fund. The fund shall be operated and administered by the commissioner of economic development and the Department of Economic Development. Moneys of the fund shall consist of those which may be annually appropriated into the fund or moneys otherwise deposited into the fund.

(b) The purposes of the fund shall include the attraction, location, or expansion of new or existing businesses in this state.

(c) The commissioner and the department shall be authorized to provide by rule or regulation for the use of fund moneys to provide for an economic development tax credit based upon the creation of jobs and an economic development tax credit based upon specified levels of capital investment. Such credits shall be made available to any qualifying company whether large or small or existing or new to Georgia.

(d) Credit amounts shall be administered and allocated directly by the commissioner or the department. Revenues appropriated to or deposited into the fund shall not lapse as otherwise required by Article III, Section IX, Paragraph IV(c) of the Constitution and shall not be subject to the limitations of Article III, Section IX, Paragraph VI(a) or of Article VII, Section III, Paragraph II of the Constitution."

PART XI

SECTION 11-1.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended in Code Section 48-2-6, relating to organization of the Department of Revenue, by adding a new subsection to read as follows:

"(f) The commissioner is authorized to provide by contract for the collecting and remitting of sales and use taxes by nonresident businesses who sell products to buyers located in this state and who are not otherwise obligated to collect and remit sales and use taxes. The commissioner may engage the services of a recruiting coordinator to solicit such businesses."
nonresident businesses to participate in a voluntary program to collect and remit to the
department sales and use taxes on their sales to buyers located in this state or provide for
other appropriate methods of collecting and remitting such taxes in a voluntary program."

**PART XII**

**SECTION 12-1.**

(a)(1) Except as otherwise provided in this section, Parts I and II of this Act shall become
effective upon this Act's approval by the Governor or upon its becoming law without such
approval and shall be applicable to all taxable years beginning on or after January 1, 2012.

(2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall
not be affected by the passage of the sections of this Act specified in this subsection and
shall continue to be governed by the provisions of general law as it existed immediately
prior to January 1, 2012.

(3) The sections of this Act specified in this subsection shall not abate any prosecution,
punishment, penalty, administrative proceedings or remedies, or civil action related to
any violation of law committed prior to January 1, 2012.

(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,
1-18, 1-19, 1-20, and 1-21 shall become effective on January 1, 2014. Any taxpayer who
has claimed and been allowed any tax credit prior to the repeal of such credit shall be
allowed to carry forward any unused credit amount to future tax years in the manner
authorized under the applicable prior law until such amount has been applied fully.

(2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall
not be affected by the passage of the sections of this Act specified in this subsection and
shall continue to be governed by the provisions of general law as it existed immediately
prior to January 1, 2014.

(3) The sections of this Act specified in this subsection shall not abate any prosecution,
punishment, penalty, administrative proceedings or remedies, or civil action related to
any violation of law committed prior to January 1, 2014.

(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,
2-28, 2-29, 2-34, and 2-35 shall become effective on January 1, 2012. Any taxpayer who
has claimed and been allowed any tax credit prior to the repeal of such credit shall be
allowed to carry forward any unused credit amount to future tax years in the manner
authorized under the applicable prior law until such amount has been applied fully.

(2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall
not be affected by the passage of the sections of this Act specified in this subsection and
shall continue to be governed by the provisions of general law as it existed immediately prior to January 1, 2012.

(3) The sections of this Act specified in this subsection shall not abate any prosecution, penalty, administrative proceedings or remedies, or civil action related to any violation of law committed prior to January 1, 2012.

(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, 2-33, 2-36, 2-37, 2-38, 2-39 and 2-40 shall become effective on January 1, 2014. Any taxpayer who has claimed and been allowed any tax credit prior to the repeal of such credit shall be allowed to carry forward any unused credit amount to future tax years in the manner authorized under the applicable prior law until such amount has been applied fully.

(2) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall not be affected by the passage of the sections of this Act specified in this subsection and shall continue to be governed by the provisions of general law as it existed immediately prior to January 1, 2014.

(3) The sections of this Act specified in this subsection shall not abate any prosecution, penalty, administrative proceedings or remedies, or civil action related to any violation of law committed prior to January 1, 2014.

**SECTION 12-2.**

(a) Except as otherwise provided in this section, Part III of this Act shall become effective upon this Act's approval by the Governor or upon its becoming law without such approval.

(b) Sections 3-1, 3-2, 3-3, 3-5, 3-6, 3-7, and 3-8 of this Act shall become effective on January 1, 2012.

(c) Sections 3-9, 3-10, 3-11, 3-12, and 3-13 of this Act shall become effective on July 1, 2012.

**SECTION 12-3.**

Part IV of this Act shall become effective on January 1, 2013; provided, however, that Part IV of this Act shall only become effective on January 1, 2013, upon the ratification at the November, 2012, state-wide general election of a resolution that amends the Constitution of the State of Georgia so as to authorize the General Assembly to provide by general law for the direct allocation to local governments of a portion of the proceeds of a state-wide tax on communications services rather than the deposit of such portion in the general fund of the state treasury and that such general law may preempt the field of taxation of communications services and prohibit any local taxes, fees, or charges thereon or the enforcement of ordinances or agreements requiring payment of such local taxes, fees, assessments, or other charges on communications services. If such resolution is not ratified, Part IV of this Act

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shall not become effective and said part shall stand repealed in its entirety on January 1, 2013.

SECTION 12-4.

(a) Part V of this Act shall become effective on January 1, 2012.
(b) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall not be affected by the passage of Part V of this Act and shall continue to be governed by the provisions of general law as it existed immediately prior to January 1, 2012.
(c) Part V of this Act shall not abate any prosecution, punishment, penalty, administrative proceedings or remedies, or civil action related to any violation of law committed prior to January 1, 2012.

SECTION 12-5.

Part VI of this Act shall become effective on January 1, 2012.

SECTION 12-6.

Part VII of this Act shall become effective on January 1, 2012.

SECTION 12-7.

Part VIII of this Act shall become effective on January 1, 2013; provided, however, that Part VIII of this Act shall only become effective on January 1, 2013, upon the ratification at the November, 2012, state-wide general election of a resolution that amends the Constitution of the State of Georgia so as to require the General Assembly to enact general law fiscal impact standards, and to require any general bill or resolution that enacts or amends a tax exemption or tax credit to comply with such fiscal impact standards. If such resolution is not ratified, Part VIII of this Act shall not become effective and shall stand repealed in its entirety on January 1, 2013.

SECTION 12-8.

(a) Sections 9-1, 9-2, 9-9, and 9-10 of this Act shall become effective on January 1, 2012.
(b) Sections 9-3, 9-4, 9-5, 9-6, 9-7, and 9-8 of this Act shall become effective on January 1, 2014.
SECTION 12-9.
Part X of this Act shall become effective on January 1, 2013; provided, however, that Part X of this Act shall only become effective on January 1, 2013, upon the ratification at the November, 2012, state-wide general election of a resolution that amends the Constitution of the State of Georgia so as to create the Economic Development Trust Fund to provide tax credits for job creation and capital investment by qualifying business. If such resolution is not ratified, Part X of this Act shall not become effective and shall stand repealed in its entirety on January 1, 2013.

SECTION 12-10.
Part XI of this Act shall become effective on January 1, 2012.

PART XIII
SECTION 13-1.
All laws and parts of laws in conflict with this Act are repealed.