

House Bill 322 (COMMITTEE SUBSTITUTE)

By: Representatives Roberts of the 154th, Powell of the 171st, Smyre of the 132nd, Dollar of the 45th, England of the 108th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to
2 exemptions from sales and use taxation, so as to change provisions relating to the exemption
3 for the sale or use of jet fuel by certain qualifying airlines at a qualifying airport; to provide
4 for limitations; to provide for related matters; to repeal conflicting laws; and for other
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
9 sales and use taxation, is amended by revising paragraph (33.1) as follows:

10 "(33.1)(A) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport,
11 to the extent provided in subparagraphs ~~(B), (C), and (D)~~ (B) and (C) of this paragraph.

12 (B)(i) The For the period of time beginning July 1, 2011, and ending June 30, 2012,
13 the sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall be
14 exempt from the first 1.80 percent of the 4 percent state sales and use tax imposed by
15 this chapter and shall be subject to the remaining 2.20 percent of the 4 percent state
16 sales and use tax imposed by this chapter state sales and use tax until the aggregate
17 state sales and use tax liability of the taxpayer during such period with respect to jet
18 fuel exceeds \$20 million, computed as if the exemption provided in this division was
19 not in effect during such period. Thereafter during such period, the exemption
20 provided by this division shall not apply to the sale or use of jet fuel to or by the
21 qualifying airline.

22 (ii) For the period of time beginning July 1, 2012, and ending June 30, 2013, the sale
23 or use of jet fuel to or by a qualifying airline at a qualifying airport shall be exempt
24 from state sales and use tax until the aggregate state sales and use tax liability of the
25 taxpayer during such period with respect to jet fuel exceeds \$10 million, computed
26 as if the exemption provided in this division was not in effect during such period.

27 Thereafter during such period, the sale or use of jet fuel to or by the qualifying airline
 28 shall be subject to state sales and use tax.

29 (iii) The exemptions provided in divisions (i) and (ii) of this subparagraph shall not
 30 apply to any purchases of jet fuel occurring on or after July 1, 2013.

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

34 (D) Except as provided for in subparagraph (C) of this paragraph, this exemption shall
 35 not apply to any other local sales and use tax levied or imposed at anytime in any area
 36 consisting of less than the entire state, however authorized, including, but not limited
 37 to, such taxes authorized by or pursuant to Section 25 of an Act approved March 10,
 38 1965 (Ga. L. 1965, p. 2243), as amended, the 'Metropolitan Atlanta Rapid Transit
 39 Authority Act of 1965,' or such taxes as authorized by or pursuant to Part 2 of Article
 40 3 or Article 2, 2A, or 4 of this chapter.

41 (E) For purposes of this paragraph and paragraph (2) of subsection (d) of Code Section
 42 48-8-241, a 'qualifying airline' shall mean any person which:

43 (i) Is is authorized by the Federal Aviation Administration or appropriate agency of
 44 the United States to operate as an air carrier under an air carrier operating certificate
 45 and which provides regularly scheduled flights for the transportation of passengers
 46 or cargo for hire; and

47 (ii) For the 12 month period immediately preceding the applicable period specified
 48 in division (i) or (ii) of subparagraph (B) of this paragraph had, or would have had in
 49 the absence of any exemption during such 12 month period, state sales and use tax
 50 liability on jet fuel of more than \$15 million.

51 (F) For purposes of this paragraph and paragraph (2) of subsection (d) of Code Section
 52 48-8-241, a 'qualifying airport' shall mean any airport in the state that has had more than
 53 750,000 takeoffs and landings during a calendar year.

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

56 ~~(H) The exemption provided for in this paragraph shall apply only as to transactions~~
 57 ~~occurring on or after July 1, 2009, and prior to July 1, 2011;”~~

58 **SECTION 2.**

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