

House Bill 761

By: Representatives Parsons of the 42nd, Wilkinson of the 52nd, Dollar of the 45th, and Harbin of the 118th

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 state sales and use tax, so as to add an exemption with respect to the sale
3 or use by a government contractor of overhead materials for a limited period of time; to
4 provide for related matters; to provide for an effective date; to repeal conflicting laws; and
5 for other 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 state sales and use tax, is amended by revising paragraph (58) as follows:

10 "(58) ~~Repealed:~~(A) Notwithstanding any provisions of this chapter to the contrary,
11 sales to or use by a government contractor of overhead materials in the performance of
12 a contract with the United States government to which title passes immediately to the
13 government under the terms of the contract.

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

15 (i) 'Government contractor' means a person who enters into a contract with the United
16 States Department of Defense or the National Aeronautics and Space Administration
17 to sell services or tangible personal property, or both, for the purpose of the national
18 defense.

19 (ii) 'Overhead materials' means any tangible personal property used or consumed in
20 the performance of a contract between a government contractor and the United States
21 Department of Defense or the National Aeronautics and Space Administration, the
22 cost of which is charged to an expense account and allocated to various United States
23 government contracts based upon generally accepted accounting principles and
24 consistent with government contract accounting standards. The term does not include
25 tangible personal property that is incorporated into real property construction.

26 (C) This paragraph shall stand repealed on January 1, 2014;"

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SECTION 2.

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

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SECTION 3.

31 All laws and parts of laws in conflict with this Act are repealed.