

House Bill 932

By: Representatives Williams of the 4th, Dickson of the 6th, and Powell of the 29th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-63 of the Official Code of Georgia Annotated, relating to the
2 definition of "nonresident subcontractor," payment of tax by contractors furnishing tangible
3 personal property and services, liability of seller, withholding of payments due subcontractor,
4 rate, bond, exemption of property unconsumed in use, property deemed consumed, and
5 property of the state or of the United States, so as to change the required percentage of
6 withholding payments due a nonresident subcontractor; to provide for related matters; to
7 repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 48-8-63 of the Official Code of Georgia Annotated, relating to the definition
11 of "nonresident subcontractor," payment of tax by contractors furnishing tangible personal
12 property and services, liability of seller, withholding of payments due subcontractor, rate,
13 bond, exemption of property unconsumed in use, property deemed consumed, and property
14 of the state or of the United States, is amended by revising subsection (e) as follows:

15 "(e)(1) Any subcontractor who enters into a construction contract with a general or prime
16 contractor shall be liable under this article as a general or prime contractor. Any general
17 or prime contractor who enters into any construction contract or contracts with any
18 nonresident subcontractor, where the total amount of such contract or contracts between
19 such general or prime contractor and any nonresident subcontractors on any given project
20 equals or exceeds \$250,000.00, shall withhold ~~up to 4~~ 2 percent of the payments due the
21 nonresident subcontractor in satisfaction of any sales or use taxes owed this state.

22 (2) The prime or general contractor shall withhold payments on all contracts that meet
23 the criteria specified in paragraph (1) of this subsection until the nonresident
24 subcontractor furnishes such prime or general contractor with a certificate issued by the
25 commissioner showing that all sales taxes accruing by reason of the contract between the
26 nonresident subcontractor and the general or prime contractor have been paid and

27 satisfied. If the prime or general contractor for any reason fails to withhold ~~up to 4~~ 2
28 percent of the payments due the nonresident subcontractor under their contract, such
29 prime or general contractor shall become liable for any sales or use taxes due or owed this
30 state by the nonresident subcontractor."

31 **SECTION 2.**

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