

COMMITTEE OF CONFERENCE SUBSTITUTE TO HB 318:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia  
2 Annotated, relating to general provisions regarding state sales and use tax, so as to provide  
3 a definition for durable medical equipment; to provide a new exemption with respect to  
4 certain sales of eligible food and beverages to a qualified food bank; to provide a new  
5 exemption with respect to the use of food which is donated to a qualified nonprofit agency  
6 and which is used for hunger relief purposes; to provide a new exemption for food which is  
7 donated following a natural disaster and which is used for disaster relief purposes; to provide  
8 a new exemption for kidney dialysis equipment; to provide an exemption for packaging  
9 materials; to provide an effective date; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
13 relating to general provisions regarding state sales and use tax, is amended by revising Code  
14 Section 48-8-2, relating to definitions regarding state sales and use tax, as follows:

15 "(15) 'Durable medical equipment' means equipment including repair and replacement  
16 parts for the same, but does not include any kidney dialysis equipment or 'mobility  
17 enhancing equipment;' which:

- 18 (A) Can withstand repeated use;  
19 (B) Is primarily and customarily used to serve a medical purpose;  
20 (C) Generally is not useful to a person in the absence of illness or injury; and  
21 (D) Is not worn in or on the body."

22 **SECTION 2.**

23 Said part is further amended by revising subparagraph (A) of paragraph (57.1), subparagraph  
24 (A) of paragraph (57.2), subparagraph (A) of paragraph (57.3), and paragraphs (90) and (91)

25 and by adding new paragraphs in Code Section 48-8-3, relating to exemptions from sales and  
 26 use tax, as follows:

27 "(57.1)(A) From July 1, ~~2006~~ 2012, until June 30, ~~2010~~ 2015, sales of food and food  
 28 ingredients to a qualified food bank."

29 "(57.2)(A) For the period commencing July 1, ~~2007~~ 2012, and ending on June 30, ~~2011~~  
 30 2015, the use of prepared food which is donated to a qualified nonprofit agency and  
 31 which are used for hunger relief purposes."

32 "(57.3)(A) For the period commencing July 1, ~~2007~~ 2012, and ending on June 30, ~~2011~~  
 33 2015, the use of prepared food which is donated following a natural disaster and which  
 34 are used for disaster relief purposes."

35 "(90) The sale of electricity to a manufacturer located in this state used directly in the  
 36 manufacture of a product if the direct cost of such electricity exceeds 50 percent of the  
 37 cost of all materials, including electricity, used directly in the product; ~~or~~

38 (91) The sale of prewritten software which has been delivered to the purchaser  
 39 electronically or by means of load and leave;

40 (92) The sale or use of kidney dialysis equipment, whether or not worn on the body,  
 41 including repair and replacement parts and supplies used to facilitate the dialysis process,  
 42 including, but not limited to, dialyzers, fistula needles, connective tubing, and solutions;  
 43 or

44 (93) The sale, use, consumption, or storage of materials, containers, labels, sacks, or bags  
 45 used for packaging tangible personal property for shipment or sale. To qualify for the  
 46 packaging exemption, the items shall be used solely for packaging and shall not be  
 47 purchased for reuse. The packaging exemption shall not include materials purchased at  
 48 a retail establishment for consumer use."

49 **SECTION 3.**

50 This Act shall become effective on July 1, 2012.

51 **SECTION 4.**

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