

House Bill 430

By: Representative Parsons of the 44th

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 clarify the
3 eligibility of solar energy electric generation equipment for a tax exemption; to provide for
4 related matters; to provide for an effective date; to repeal conflicting laws; and for other
5 purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
9 relating to general provisions regarding state sales and use tax, is amended by revising
10 paragraphs (5), (9), and (10) of subsection (a) of Code Section 48-8-3.2, relating to a sales
11 tax exemption for machinery and equipment used in manufacturing, as follows:

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

18 "(9) 'Manufacture of tangible personal property,' used synonymously with the term
19 'manufacturing,' means a manufacturing operation, series of continuous manufacturing
20 operations, or series of integrated manufacturing operations engaged in at a
21 manufacturing plant or among manufacturing plants to change, process, transform, or
22 convert industrial materials by physical or chemical means, including photovoltaics, into
23 articles of tangible personal property for sale, for promotional use, or for further
24 manufacturing that have a different form, configuration, utility, composition, or character.
25 The term includes, but is not limited to, the storage, preparation, or treatment of industrial
26 materials; assembly of finished units of tangible personal property to form a new unit or

27 units of tangible personal property; movement of industrial materials and work in process
28 from one manufacturing operation to another; temporary storage between two points in
29 a continuous manufacturing operation; random and sample testing that occurs at a
30 manufacturing plant; and a packaging operation that occurs at a manufacturing plant.

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

35 (A) Classified as a manufacturer under the 2007 North American ~~Industrial Industry~~
36 Classification System Sectors 21, 31, 32, or 33, or North American ~~Industrial Industry~~
37 Classification System industry code 22111 or specific ~~code~~ codes 221114 or 511110;
38 or

39 (B) Generally regarded as being a manufacturer.

40 Businesses that are primarily engaged in providing personal or professional services or
41 in the operation of retail outlets, generally including, but not limited to, grocery stores,
42 pharmacies, bakeries, or restaurants, are not considered manufacturers."

43 **SECTION 2.**

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

46 **SECTION 3.**

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