

The House Committee on Ways and Means offers the following substitute to HB 426:

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 tax, so as to provide a new exemption from state sales and use
3 tax only for a limited period of time regarding the sale or use of tangible personal property
4 to certain nonprofit health centers; to provide a new exemption for a limited period of time
5 with respect to certain nonprofit volunteer health clinics; to provide an effective date; to
6 repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
10 sales and use tax, is amended by revising paragraphs (7.05) and (7.3) as follows:

11 "(7.05)(A) For the period commencing on July 1, ~~2008~~ 2015, and ending on June 30,
12 ~~2010~~ 2018, sales of tangible personal property to a nonprofit health center in this state
13 which has been established under the authority of and is receiving funds pursuant to the
14 United States Public Health Service Act, 42 U. S. C. Section 254b if such health clinic
15 obtains an exemption determination letter from the commissioner.

16 (B)(i) For the purposes of this paragraph, the term 'local sales and use tax' shall mean
17 any sales tax, use tax, or local sales and use tax which is levied and imposed in an
18 area consisting of less than the entire state, however authorized, including, but not
19 limited to, such taxes authorized by or pursuant to constitutional amendment; by or
20 pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as
21 amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; by or
22 pursuant to Article 2, 2A, 3, or 4 of this chapter.

23 (ii) The exemption provided for in subparagraph (A) of this paragraph shall not apply
24 to any local sales and use tax levied or imposed at any time.

25 (C) Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, any taxpayer
26 seeking to claim the exemption provided for within subparagraph (A) of this paragraph

27 shall electronically submit to the department, at the time of application for the
 28 exemption and any such annual renewal, the total number of patients treated in the
 29 previous calendar year, the average monthly number of full-time employees, and the
 30 total amount of exempt purchases made by the taxpayer in the preceding calendar year.
 31 The department shall then issue a report to the chairpersons of the House Committee
 32 on Ways and Means and the Senate Finance Committee detailing the total number of
 33 patients treated, average monthly number of full-time employees, and the total amount
 34 of sales and use tax exempted sales for the previous calendar year, by June 30 each
 35 year."

36 "(7.3)(A) For the period commencing July 1, ~~2008~~ 2015, and ending June 30, ~~2010~~
 37 2018, sales of tangible personal property and services to a nonprofit volunteer health
 38 clinic which primarily treats indigent persons with incomes below 200 percent of the
 39 federal poverty level and which property and services are used exclusively by such
 40 volunteer health clinic in performing a general treatment function in this state when
 41 such volunteer health clinic is a tax exempt organization under the Internal Revenue
 42 Code and obtains an exemption determination letter from the commissioner.

43 (B) Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, any taxpayer
 44 seeking to claim the exemption provided for within subparagraph (A) of this paragraph
 45 shall electronically submit to the department, at the time of application for the
 46 exemption and any such annual renewal, the total number of patients treated in the
 47 previous calendar year, the average monthly number of full-time employees, and the
 48 total amount of exempt purchases made by the taxpayer in the preceding calendar year.
 49 The department shall then issue a report to the chairpersons of the House Committee
 50 on Ways and Means and the Senate Finance Committee detailing the total number of
 51 patients treated, average monthly number of full-time employees, and the total amount
 52 of sales and use tax exempted sales for the previous calendar year, by June 30 each
 53 year;"

54 **SECTION 2.**

55 This Act shall become effective on July 1, 2015.

56 **SECTION 3.**

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