

House Bill 426 (COMMITTEE SUBSTITUTE)

By: Representatives Taylor of the 173<sup>rd</sup>, Smyre of the 135<sup>th</sup>, Stephens of the 164<sup>th</sup>, Abrams of the 89<sup>th</sup>, Sims of the 123<sup>rd</sup>, and others

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

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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.