

The Senate Committee on Finance offers the following substitute to HB 428:

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 taxes, so as to provide a state and local sales tax exemption
3 for tangible personal property used for or in the renovation or expansion of an aquarium
4 owned or operated by an organization which is exempt from taxation under Section 501(c)(3)
5 of the Internal Revenue Code; to provide a sales tax exemption for an expansion of a
6 museum of natural history; to extend a sales tax exemption for materials to be used in certain
7 construction projects of zoological institutions; to provide for an effective date; to repeal
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 SECTION 1.

11 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
12 sales and use taxes, is amended by revising paragraphs (76), (77), and (87) as follows:

13 "(76)(A) The sale or use of tangible personal property used for or in the renovation or
14 expansion of an aquarium located in this state that charges for admission and that is
15 owned or operated by an organization which is exempt from taxation under Section
16 501(c)(3) of the Internal Revenue Code, to the extent provided in subparagraphs (B) and
17 (C) of this paragraph.

18 (B) This exemption shall apply from July 1, 2015, until January 1, 2017, and until the
19 aggregate state sales and use tax refunded pursuant to this paragraph exceeds
20 \$750,000.00. A qualifying aquarium must pay sales and use tax on all purchases and
21 uses of tangible personal property and may obtain the benefit of this exemption from
22 state sales and use tax by filing a claim for refund of tax paid on qualifying items. All
23 refunds made pursuant to this paragraph will not include interest.

24 (C) This exemption shall apply from July 1, 2015, until January 1, 2017, to any local
25 sales and use tax levied or imposed at any time in any area consisting of less than the
26 entire state, however authorized, including, but not limited to, such taxes authorized by

27 or pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243),
 28 as amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965,' or such
 29 taxes as authorized by or pursuant to Article 2, 2A, 3, 4, or 5 of this chapter.

30 (D) Notwithstanding any provision of Code Section 48-8-63 to the contrary, purchases
 31 by a contractor may qualify for the exemption provided for in this paragraph. However,
 32 when a contractor purchases qualifying tangible personal property, the contractor shall
 33 pay the tax at the time of purchase or at the time of first use in this state; and the
 34 ultimate owner of the property may file a claim for refund of the tax paid on the
 35 qualifying property.

36 (E) Items qualifying for exemption include all tangible personal property that will
 37 remain at the aquarium facility after completion of construction and all tangible
 38 personal property that becomes incorporated into the real property structures of the
 39 aquarium facility. The exemption excludes all items that remain tangible personal
 40 property in the possession of a contractor after the completion of construction;

41 ~~Notwithstanding any provision of Code Section 48-8-63 to the contrary, from June 4,~~
 42 ~~2003, until January 1, 2007, sales of tangible personal property to, or used in the~~
 43 ~~construction of, an aquarium owned or operated by an organization which is exempt from~~
 44 ~~taxation under Section 501(c)(3) of the Internal Revenue Code;~~

45 ~~(77) Reserved;~~ (A) The sale or use of tangible personal property used for or in the
 46 renovation or expansion of a museum of natural history located in this state that charges
 47 for admission and that is owned or operated by an organization which is exempt from
 48 taxation under Section 501(c)(3) of the Internal Revenue Code, to the extent provided
 49 in subparagraphs (B) and (C) of this paragraph.

50 (B) This exemption shall apply from July 1, 2015, until January 1, 2017, and until the
 51 aggregate state sales and use tax refunded pursuant to this paragraph exceeds
 52 \$300,000.00. A qualifying museum of natural history shall pay sales and use tax on all
 53 purchases and uses of tangible personal property and may obtain the benefit of this
 54 exemption from state sales and use tax by filing a claim for refund of tax paid on
 55 qualifying items. All refunds made pursuant to this paragraph shall not include interest.

56 (C) This exemption shall apply from July 1, 2015, until January 1, 2017, to any local
 57 sales and use tax levied or imposed at any time in any area consisting of less than the
 58 entire state, however authorized, including, but not limited to, such taxes authorized by
 59 or pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243),
 60 as amended, the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965,' or such
 61 taxes as authorized by or pursuant to Article 2, 2A, 3, 4, or 5 of this chapter.

62 (D) Notwithstanding any provision of Code Section 48-8-63 to the contrary, purchases
 63 by a contractor may qualify for the exemption provided for in this paragraph. However,

64 when a contractor purchases qualifying tangible personal property, the contractor shall
 65 pay the tax at the time of purchase or at the time of first use in this state; and the
 66 ultimate owner of the property may file a claim for refund of the tax paid on the
 67 qualifying property.

68 (E) Items qualifying for exemption include all tangible personal property that will
 69 remain at the museum of natural history after completion of construction and all
 70 tangible personal property that becomes incorporated into the real property structures
 71 of the museum of natural history. The exemption excludes all items that remain
 72 tangible personal property in the possession of a contractor after the completion of
 73 construction;"

74 ~~"(87)(A) Notwithstanding any provision of Code Section 48-8-63 to the contrary, from~~
 75 ~~July 1, 2013, until June 30, 2015, sales of tangible personal property used for and in the~~
 76 ~~renovation or expansion of a zoological institution. (B) The sale or use of tangible~~
 77 ~~personal property used for or in the renovation or expansion of a zoological institution~~
 78 ~~to the extent provided in subparagraphs (B) and (C) of this paragraph. As used in this~~
 79 ~~paragraph, the term 'zoological institution' means a nonprofit wildlife park, terrestrial~~
 80 ~~institution, or facility which:~~

- 81 (i) Is open to the public, charges for admission, exhibits and cares for a collection
- 82 consisting primarily of animals other than fish, and has received accreditation from
- 83 the Association of Zoos and Aquariums; and
- 84 (ii) Is located in this state and owned or operated by an organization which is exempt
- 85 from taxation under Section 501(c)(3) of the Internal Revenue Code.

86 (B) This exemption shall apply from July 1, 2016, until June 30, 2018, and until the
 87 aggregate state sales and use tax refunded pursuant to this paragraph exceeds
 88 \$350,000.00. A qualifying zoological institution shall pay sales and use tax on all
 89 purchases and uses of tangible personal property and may obtain the benefit of this
 90 exemption from state sales and use tax by filing a claim for refund of tax paid on
 91 qualifying items. All refunds made pursuant to this paragraph shall not include interest.

92 ~~(C) Any person making a sale of tangible personal property for the purpose specified~~
 93 ~~in this paragraph shall collect the tax imposed on this sale unless the purchaser~~
 94 ~~furnishes such person with an exemption determination letter issued by the~~
 95 ~~commissioner certifying that the purchaser is entitled to purchase the tangible~~
 96 ~~personal property without paying the tax; (i) This exemption shall apply from July~~
 97 ~~1, 2016, until June 30, 2018. A qualifying zoological institution shall pay sales and~~
 98 ~~use tax on all purchases and uses of tangible personal property and may obtain the~~
 99 ~~benefit of this exemption from local sales and use tax by filing a claim for refund of~~

100 tax paid on qualifying items. All refunds made pursuant to this paragraph shall not
101 include interest.

102 (ii) For purposes of this subparagraph, local sales and use tax shall be defined as any
103 local sales and use tax levied or imposed at any time in any area consisting of less
104 than the entire state, however authorized, including, but not limited to, such taxes
105 authorized by or pursuant to Section 25 of an Act approved March 10, 1965 (Ga. L.
106 1965, p. 2243), as amended, the 'Metropolitan Atlanta Rapid Transit Authority Act
107 of 1965,' or such taxes as authorized by or pursuant to Article 2, 2A, 3, 4, or 5 of this
108 chapter.

109 (D) Notwithstanding any provision of Code Section 48-8-63 to the contrary, purchases
110 by a contractor may qualify for the exemption provided for in this paragraph. However,
111 when a contractor purchases qualifying tangible personal property, the contractor shall
112 pay the tax at the time of purchase or at the time of first use in this state; and the
113 ultimate owner of the property may file a claim for refund of the tax paid on the
114 qualifying property.

115 (E) Items qualifying for exemption include all tangible personal property that will
116 remain at the zoological institution after completion of construction and all tangible
117 personal property that becomes incorporated into the real property structures of the
118 zoological institution. This exemption excludes all items that remain tangible personal
119 property in the possession of a contractor after the completion of construction;"

120 **SECTION 2.**

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

122 **SECTION 3.**

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