

House Bill 426 (AS PASSED HOUSE AND SENATE)

By: Representatives Taylor of the 173rd, Smyre of the 135th, Stephens of the 164th, Abrams of the 89th, Sims of the 123rd, 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 create an exemption for certain
6 food and food ingredients; to provide an effective date; to repeal conflicting laws; and for
7 other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

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

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

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

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

26 (C) Notwithstanding Code Sections 48-2-15, 48-7-60, and 48-7-61, any taxpayer
 27 seeking to claim the exemption provided for within subparagraph (A) of this paragraph
 28 shall electronically submit to the department, at the time of application for the
 29 exemption and any such annual renewal, the total number of patients treated in the
 30 previous calendar year, the average monthly number of full-time employees, and the
 31 total amount of exempt purchases made by the taxpayer in the preceding calendar year.
 32 The department shall then issue a report to the chairpersons of the House Committee
 33 on Ways and Means and the Senate Finance Committee detailing the total number of
 34 patients treated, average monthly number of full-time employees, and the total amount
 35 of sales and use tax exempted sales for the previous calendar year, by June 30 each
 36 year;"

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

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

55 SECTION 1A.

56 Said Code section is further amended by revising paragraphs (57.2) and (57.3) as follows:

57 "(57.2)(A) For the period commencing July 1, 2007 2015, and ending on June 30, 2011
 58 2020, the use of prepared food and food ingredients which is donated to a qualified
 59 nonprofit agency and which is used for hunger relief purposes.

60 (B) As used in this paragraph, the term 'qualified nonprofit agency' means any entity
61 which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code
62 and which provides hunger relief.

63 (C) For the purposes of this paragraph, the term 'food and food ingredients' as defined
64 in Code Section 48-8-2 shall not include drugs or over-the-counter drugs.

65 (D) The commissioner is authorized to promulgate rules and regulations deemed
66 necessary in order to administer and effectuate this paragraph;

67 (57.3)(A) For the period commencing July 1, ~~2007~~ 2015, and ending on June 30, ~~2011~~
68 2020, the use of ~~prepared~~ food and food ingredients which is donated following a
69 natural disaster and which is used for disaster relief purposes.

70 (B) For the purposes of this paragraph, the term 'food and food ingredients' as defined
71 in Code Section 48-8-2 shall not include drugs or over-the-counter drugs.

72 (C) The commissioner is authorized to promulgate rules and regulations deemed
73 necessary in order to administer and effectuate this paragraph;"

74 **SECTION 2.**

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

76 **SECTION 3.**

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