

House Bill 426 (AS PASSED HOUSE AND SENATE)

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 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.