

The House Committee on Ways and Means offers the following substitute to HB 145:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia  
2 Annotated, relating to general provisions regarding the state sales and use tax, so as to  
3 change the method of charging such tax on jet fuel; to provide for related matters; to provide  
4 for an effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
8 relating to general provisions regarding the state sales and use tax, is amended by revising  
9 paragraph (33) of Code Section 48-8-3, relating to exemptions from state sales and use tax,  
10 as follows:

11 "(33)(A) The sale of aircraft, watercraft, railroad locomotives and rolling stock, motor  
12 vehicles, and major components of each, which will be used principally to cross the  
13 borders of this state in the service of transporting passengers or cargo by common  
14 carriers and by carriers who hold common carrier and contract carrier authority in  
15 interstate or foreign commerce under authority granted by the United States  
16 government. Replacement parts installed by carriers in such aircraft, watercraft,  
17 railroad locomotives and rolling stock, and motor vehicles which become an integral  
18 part of the craft, equipment, or vehicle shall also be exempt from all taxes under this  
19 article;

20 (B) In lieu of any tax under this article which would apply to the purchase, sale, use,  
21 storage, or consumption of the tangible personal property described in this paragraph  
22 but for this exemption, the tax under this article shall apply, except as otherwise  
23 provided in paragraph (33.1) of this Code section and in Code Section 48-8-3.4, with  
24 respect to all fuel purchased and delivered within this state by or to any common carrier  
25 and with respect to all fuel purchased outside this state and stored in this state  
26 irrespective, in either case, of the place of its subsequent use;"

**SECTION 2.**

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28 Said part is further revised by inserting a new Code section to read as follows:

29 "48-8-3.4.30 (a) As used in this Code section, the term:31 (1) 'Commercial aircraft' means any aircraft that has a certified maximum takeoff weight  
32 of more than 50,000 pounds and is regularly used to carry passengers for compensation.33 (2) 'Qualifying airport' means any airport in this state that has had more than 750,000  
34 takeoffs and landings during a calendar year.35 (b) On or after July 1, 2017, the state sales and use tax under this chapter shall not be  
36 levied on jet fuel purchased and delivered at a qualifying airport or stored at a qualifying  
37 airport for use in commercial aircraft to the extent such fuel is consumed outside this state  
38 in the operation of commercial aircraft.39 (c) For purposes of this Code section, it shall be irrebuttably presumed that:40 (1) Forty-five percent of jet fuel placed aboard commercial aircraft at a qualifying airport  
41 for a flight that is first destined for a location outside this state is consumed in this state,  
42 and 55 percent of such fuel is consumed outside this state; and43 (2) One hundred percent of jet fuel placed aboard commercial aircraft at a qualifying  
44 airport for a flight that is first destined for a location within this state is consumed in this  
45 state.46 (3) Subsection (b) of this Code section provides an exclusion from state sales tax for fuel  
47 consumed outside this state in the operation of commercial aircraft. The percentage of  
48 fuel presumed to be consumed outside this state under paragraph (1) of this subsection  
49 shall not be construed as an exemption from or reduction in the rate of sales tax  
50 applicable to jet fuel.51 (d) This Code section shall apply for state sales and use tax purposes only, and nothing in  
52 this Code section shall be construed to expand, limit, or modify in any way the levy and  
53 imposition of any local sales and use tax or any exemption therefrom. For purposes of this  
54 paragraph, 'local sales and use tax' means any sales and use tax levied and imposed in an  
55 area consisting of less than the entire state.56 (e) The commissioner shall adopt rules and regulations as necessary to carry out the  
57 provisions of this Code section."

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**SECTION 3.**

59 This Act shall become effective on July 1, 2017.

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**SECTION 4.**

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