

House Bill 821

By: Representatives Efration of the 104th, Rhodes of the 120th, Rogers of the 10th, Powell of the 171st, Williamson of the 115th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to define the terms "Internal Revenue Code" and "Internal Revenue Code of
3 1986" and thereby incorporate certain provisions of the federal law into Georgia law; to
4 provide for no liability for state or local title ad valorem tax fees in a replacement title
5 transaction for a vehicle not less than 15 years old; to exempt jet fuel from state sales and use
6 tax and from the sales and use taxes levied pursuant to the County Special Purpose Local
7 Option Sales Tax (SPLOST), the Sales Tax for Educational Purposes (ESPLOST), the
8 Special District Transportation Sales and Use Tax (TSPLOST), and the Special District Mass
9 Transportation Sales and Use Tax; to limit the taxation of the sale and use of jet fuel pursuant
10 to the Joint County and Municipal Sales and Use Tax (LOST) and the Metropolitan Atlanta
11 Rapid Transit Authority Act of 1965; to provide a definition; to remove provisions limiting
12 an exemption from said sales taxes on the sale or use of jet fuel for certain qualifying airlines
13 at certain qualifying airports; to remove provisions relating to an expired exemption from a
14 portion of state sales and use tax for certain qualifying airlines at qualifying airports; to
15 remove inapplicable definitions; to provide for related matters; to provide for an effective
16 date and applicability; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

18 **PART I**
19 **SECTION 1-1.**

20 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
21 amended by revising paragraph (14) of Code Section 48-1-2, relating to definitions regarding
22 revenue and taxation, as follows:

23 "(14) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' means for taxable years
24 beginning on or after January 1, ~~2016~~ 2017, the provisions of the United States Internal
25 Revenue Code of 1986, as amended, provided for in federal law enacted on or before
26 January 1, ~~2017~~ 2018, except that ~~Section 85(c)~~, Section 108(i), Section 163(e)(5)(F),

27 ~~Section 164(a)(6), Section 164(b)(6),~~ Section 168(b)(3)(I), Section 168(e)(3)(B)(vii),
 28 Section 168(e)(3)(E)(ix), Section 168(e)(8), Section 168(k) (~~but not excepting Section~~
 29 ~~168(k)(2)(A)(i), Section 168(k)(2)(D)(i), and Section 168(k)(2)(E)),~~ Section 168(m),
 30 Section 168(n), ~~Section 172(b)(1)(H), Section 172(b)(1)(J), Section 172(j),~~ Section
 31 179(d)(1)(B)(ii), Section 179(f), Section 199, Section 810(b)(4), Section 1400L, Section
 32 1400N(d)(1), Section 1400N(f), Section 1400N(j), Section 1400N(k), and Section
 33 1400N(o) of the Internal Revenue Code of 1986, as amended, shall be treated as if they
 34 were not in effect, and except that Section 168(e)(7), Section 172(b)(1)(F), and Section
 35 172(i)(1), ~~and Section 1221~~ of the Internal Revenue Code of 1986, as amended, shall be
 36 treated as they were in effect before the 2008 enactment of federal Public Law 110-343,
 37 and except that Section 163(i)(1) of the Internal Revenue Code of 1986, as amended,
 38 shall be treated as it was in effect before the 2009 enactment of federal Public Law 111-5,
 39 and except that Section 13(e)(4) of 2009 federal Public Law 111-92 shall be treated as
 40 if it was not in effect, and except that Section 118 of the Internal Revenue Code of 1986,
 41 as amended, shall be treated as it was in effect before the 2017 enactment of federal
 42 Public Law 115-97, and except that the limitations provided in Section 179(b)(1) shall
 43 be \$250,000.00 for tax years beginning in 2010, shall be \$250,000.00 for tax years
 44 beginning in 2011, shall be \$250,000.00 for tax years beginning in 2012, shall be
 45 \$250,000.00 for tax years beginning in 2013, and shall be \$500,000.00 for tax years
 46 beginning in 2014, and except that the limitations provided in Section 179(b)(2) shall be
 47 \$800,000.00 for tax years beginning in 2010, shall be \$800,000.00 for tax years
 48 beginning in 2011, shall be \$800,000.00 for tax years beginning in 2012, shall be
 49 \$800,000.00 for tax years beginning in 2013, and shall be \$2 million for tax years
 50 beginning in 2014, and provided that Section 1106 of federal Public Law 112-95 as
 51 amended by federal Public Law 113-243 shall be treated as if it is in effect, except the
 52 phrase 'Code Section 48-2-35 (or, if later, November 15, 2015)' shall be substituted for
 53 the phrase 'section 6511(a) of such Code (or, if later, April 15, 2015),' and
 54 notwithstanding any other provision in this title, no interest shall be refunded with respect
 55 to any claim for refund filed pursuant to Section 1106 of federal Public Law 112-95, and
 56 provided that subsection (b) of Section 3 of federal Public Law 114-292 shall be treated
 57 as if it is in effect, except the phrase 'Code Section 48-2-35' shall be substituted for the
 58 phrase 'section 6511(a) of the Internal Revenue Code of 1986' and the phrase 'such
 59 section' shall be substituted for the phrase 'such subsection.' In the event a reference is
 60 made in this title to the Internal Revenue Code or the Internal Revenue Code of 1954 as
 61 it existed on a specific date prior to January 1, ~~2017~~ 2018, the term means the provisions
 62 of the Internal Revenue Code or the Internal Revenue Code of 1954 as it existed on the
 63 prior date. Unless otherwise provided in this title, any term used in this title shall have

64 the same meaning as when used in a comparable provision or context in the Internal
 65 Revenue Code of 1986, as amended. For taxable years beginning on or after January 1,
 66 ~~2016~~ 2017, provisions of the Internal Revenue Code of 1986, as amended, which were
 67 as of January 1, ~~2017~~ 2018, enacted into law but not yet effective shall become effective
 68 for purposes of Georgia taxation on the same dates upon which they become effective for
 69 federal tax purposes."

70 SECTION 1-2.

71 Said title is further amended by revising division (i) of subparagraph (A) of paragraph (7),
 72 subparagraph (A) of paragraph (8), and subparagraph (A) of paragraph (10.1) of subsection
 73 (b) of Code Section 48-7-21, relating to taxation of corporations, as follows:

74 "(A)(i) Affiliated corporations which file a consolidated federal income tax return
 75 must file separate income tax returns with this state unless they have prior approval
 76 or have been requested to file a consolidated return by the department. Regardless of
 77 whether or not a consolidated Georgia return is filed, each corporation's taxable
 78 income as defined in the Internal Revenue Code of 1986 as specified in subsection (a)
 79 of this Code section shall be based upon the taxable income as if the corporation had
 80 filed a separate federal tax return. The commissioner shall by regulation provide the
 81 time period within which the permission must be requested. A request for permission
 82 beyond such time period will not be considered and will result in the filing of separate
 83 income tax returns for the applicable year."

84 "(A) A corporation from sources outside the United States as defined in the Internal
 85 Revenue Code of 1986. For purposes of this subparagraph, dividends received by a
 86 corporation from sources outside of the United States shall include amounts treated as
 87 a dividend and income deemed to have been received under provisions of the Internal
 88 Revenue Code of 1986 by such corporation if such amounts could have been subtracted
 89 from taxable income under this paragraph, had such amounts actually been received,
 90 but shall not include income specified in Section 951A of the Internal Revenue Code
 91 of 1986. The deduction provided by Section 250 shall apply to the extent the same
 92 income is included in Georgia taxable net income. Deductions, exclusions, or
 93 subtractions provided by Section 245A, Section 965, or any other section of the Internal
 94 Revenue Code of 1986 shall not apply to the extent the related income has been
 95 subtracted pursuant to this subparagraph. Amounts to be subtracted under this
 96 subparagraph shall include the following unless previously excluded by this
 97 subparagraph, as defined by the Internal Revenue Code of 1986:

- 98 (i) Qualified electing fund income;
- 99 (ii) Subpart F income; and

100 (iii) Income attributable to an increase in United States property by a controlled
101 foreign corporation.

102 The amount subtracted under this subparagraph shall be reduced by any expenses directly
103 attributable to the dividend income; and"

104 "(A) For any taxable year in which the taxpayer takes a federal net operating loss
105 deduction on its federal income tax return, the amount of such deduction shall be added
106 back to federal taxable income, and Georgia taxable net income for such taxable year
107 shall be computed from the taxpayer's federal taxable income as so adjusted. There
108 shall be allowed as a separate deduction from Georgia taxable net income so computed
109 an amount equal to the aggregate of the Georgia net operating loss carryovers to such
110 year, plus the Georgia net operating loss carrybacks to such year if such carrybacks are
111 allowed by the Internal Revenue Code of 1986. Any limitations included in the Internal
112 Revenue Code of 1986 on the amount of net operating loss that can be used in a taxable
113 year shall be applied for purposes of this Code section; provided, however, that such
114 limitations, including, but not limited to, the 80 percent limitation, shall be applied to
115 Georgia taxable net income;"

116 **SECTION 1-3.**

117 Said title is further amended by adding a new paragraph to subsection (b) of Code
118 Section 48-7-27, relating to computation of taxable income of corporations, to read as
119 follows:

120 "(14) Georgia net operating losses shall be treated in the same manner as provided in
121 paragraph (10.1) of subsection (b) of Code Section 48-7-21 but shall be based on the
122 income as computed pursuant to this Code section. Any limitations included in the
123 Internal Revenue Code of 1986 on the amount of net operating loss that can be used in
124 a taxable year shall be applied for purposes of this Code section; provided, however, that
125 such limitations, including, but not limited to, the 80 percent limitation, shall be applied
126 to Georgia taxable net income."

127 **PART II**

128 **SECTION 2-1.**

129 Said title is further amended in Chapter 5C, relating to the alternative ad valorem tax on
130 motor vehicles, by revising paragraph (15) of subsection (d) of Code Section 48-5C-1,
131 relating to definitions, exemption from taxation, allocation and disbursement of proceeds
132 collected by tag agents, fair market value of vehicle appealable, and report, as follows:

133 “(15) There shall be no liability for any state or local title ad valorem tax fees in any of
134 the following title transactions:

135 (A) The addition or substitution of lienholders on a motor vehicle title so long as the
136 owner of the motor vehicle remains the same;

137 (B) The acquisition of a bonded title by a person or entity pursuant to Code Section
138 40-3-28 if the title is to be issued in the name of such person or entity;

139 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the
140 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be
141 issued in the name of such lienholder;

142 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
143 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer
144 of motor vehicles and the title is to be issued in the name of such person or entity;

145 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to
146 Code Section 40-3-43;

147 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
148 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
149 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
150 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
151 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
152 to correct a title only;

153 (G) The obtaining of a title by and in the name of the holder of a security interest when
154 a motor vehicle has been repossessed after default in accordance with Part 6 of Article
155 9 of Title 11 if such title is to be issued in the name of such security interest holder;

156 (H) The obtaining of a title by a person or entity for purposes of correcting a title,
157 changing an odometer reading, or removing an odometer discrepancy legend, provided
158 that, subject to subparagraph (F) of this paragraph, title is not being transferred to
159 another person or entity; ~~and~~

160 (I) The obtaining of a title by a person who pays state and local title ad valorem tax
161 fees on a motor vehicle and subsequently moves out of this state but returns and applies
162 to retitle such vehicle in this state; and

163 (J) The obtaining of a replacement title on a vehicle that is not less than 15 years old
164 upon sufficient proof provided to the commissioner that such title no longer exists.”

165

PART III

166

SECTION 3-1.

167 Said title is further amended in Chapter 8, relating to sales and use taxes, by adding a new
168 paragraph to Code Section 48-8-2, relating to definitions, to read as follows:

169 "(16.1) 'Jet fuel' means any form of fuel that is designed for or used in the operation of
170 aircraft powered by jet turbine or turboprop engines, including but not limited to Jet-A,
171 and excludes aviation gasoline designed for or used in piston engines, including but not
172 limited to avgas."

173

SECTION 3-2.

174 Said chapter is further amended in Code Section 48-8-3, relating to exemptions from state
175 sales and use taxes, by revising paragraph (33.1) as follows:

176 ~~"(33.1)(A) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport,~~
177 ~~to the extent provided in subparagraphs (B) and (C) of this paragraph.~~

178 ~~(B) For the period of time beginning July 1, 2012, and ending on June 30, 2015, the~~
179 ~~sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall be exempt~~
180 ~~from 1 percent of the 4 percent state sales and use tax.~~

181 ~~(C) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall~~
182 ~~be exempt at all times from the sales or use tax levied and imposed as authorized~~
183 ~~pursuant to Part 1 of Article 3 of this chapter. As used in this subparagraph, the term~~
184 ~~'qualifying airport' means any airport in this state that has had more than 750,000~~
185 ~~takeoffs and landings during a calendar year, and the term 'qualifying airline' shall have~~
186 ~~the same meaning as set forth in subparagraph (E) of this paragraph.~~

187 ~~(D) Except as provided for in subparagraph (C) of this paragraph, this exemption shall~~
188 ~~not apply to any other local sales and use tax levied or imposed at any time in any area~~
189 ~~consisting of less than the entire state, however authorized, not to exceed the rate at~~
190 ~~which such taxes were levied as of January 1, 2014, including, but not limited to, such~~
191 ~~taxes authorized by or pursuant to Section 25 of an Act approved March 10, 1965 (Ga.~~
192 ~~L. 1965, p. 2243), as amended, the 'Metropolitan Atlanta Rapid Transit Authority Act~~
193 ~~of 1965,' or such taxes as authorized by or pursuant to Part 2 of Article 3 or Article 2,~~
194 ~~2A, or 4 of this chapter.~~

195 ~~(E) For purposes of subparagraph (B) of this paragraph and paragraph (2) of subsection~~
196 ~~(d) of Code Section 48-8-241, a 'qualifying airline' shall mean any person which is~~
197 ~~authorized by the Federal Aviation Administration or appropriate agency of the United~~
198 ~~States to operate as an air carrier under an air carrier operating certificate and which~~

199 ~~provides regularly scheduled flights for the transportation of passengers or cargo for~~
 200 ~~hire.~~

201 ~~(F) For purposes of subparagraph (B) of this paragraph and paragraph (2) of subsection~~
 202 ~~(d) of Code Section 48-8-241, the term 'qualifying airport' means a certificated air~~
 203 ~~carrier airport in Georgia.~~

204 ~~(G) On or after July 1, 2017, revenue derived from the levy of sales and use taxes on~~
 205 ~~jet fuel shall be used for a state aviation program or airport related purposes to the~~
 206 ~~extent required to comply with 49 U.S.C. Sections 47107(b) and 47113. Any portion~~
 207 ~~of such revenue so derived which is in excess of the amount required for purposes of~~
 208 ~~such compliance with federal law may be appropriated by the General Assembly for~~
 209 ~~other purposes.~~

210 ~~(H) The commissioner shall adopt rules and regulations to carry out the provisions of~~
 211 ~~this paragraph;"~~

212 **SECTION 3-3.**

213 Said chapter is further amended by adding a new Code section to read as follows:

214 "48-8-3.5.

215 (a)(1) The sale or use of jet fuel that is pumped into an aircraft in this state shall be
 216 exempt from all sales and use taxes except as provided in subsection (b) of this Code
 217 section.

218 (2) The sale or use of jet fuel that is not pumped into an aircraft in this state shall be
 219 exempt from 1 percent of the 4 percent state sales and use tax and all other sales and use
 220 taxes except as provided in subsection (b) of this Code section.

221 (b) The sale or use of jet fuel shall be subject to any tax imposed pursuant to:

222 (1) Article 2 of this chapter in the jurisdictions in which such tax was levied on jet fuel
 223 on December 30, 1987, provided that the rate shall not exceed the rate that was in effect
 224 on December 30, 1987;

225 (2) Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended,
 226 the Metropolitan Atlanta Rapid Transit Authority Act of 1965, in the jurisdictions in
 227 which such tax was levied on jet fuel on December 30, 1987, provided that the rate shall
 228 not exceed the rate that was in effect on December 30, 1987; or

229 (3) Both paragraph (1) and paragraph (2) of this subsection, if applicable.

230 (c) To the extent required to comply with 49 U.S.C. Sections 47107(b) and 47113, revenue
 231 derived from the levy of sales and use taxes on jet fuel and other fuels sold or used at an
 232 airport for aviation purposes shall be used for a state aviation program or airport related
 233 purposes. Any portion of such revenue so derived which is not required or exceeds the

234 amount required for purposes of such compliance with federal law may be appropriated for
 235 other purposes as provided by law."

236 **SECTION 3-4.**

237 Said chapter is further amended by revising Code Section 48-8-6, relating to prohibition of
 238 political subdivisions from imposing various taxes, ceiling on local sales and use taxes, and
 239 taxation of mobile telecommunications, as follows:

240 "48-8-6.

241 (a) There shall not be imposed in any jurisdiction in this state or on any transaction in this
 242 state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.
 243 For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and
 244 use tax which is levied in an area consisting of less than the entire state, however
 245 authorized, including such taxes authorized by or pursuant to constitutional amendment,
 246 except that the following taxes shall not count toward or be subject to such 2 percent
 247 limitation:

248 (1) A sales and use tax for educational purposes exempted from such limitation under
 249 Article VIII, Section VI, Paragraph IV of the Constitution;

250 (2) Any tax levied for purposes of a metropolitan area system of public transportation,
 251 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page
 252 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)
 253 of the Constitution; and the laws enacted pursuant to such constitutional amendment;
 254 provided, however, that the exception provided for under this paragraph shall only apply:

255 (A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code
 256 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital
 257 outlay project or projects, a sewer capital outlay project or projects, a water and sewer
 258 capital outlay project or projects, water and sewer projects and costs as defined under
 259 paragraph (4) of Code Section 48-8-200, or any combination thereof and with respect
 260 to which the county has entered into an intergovernmental contract with a municipality,
 261 in which the average waste-water system flow of such municipality is not less than 85
 262 million gallons per day, allocating proceeds to such municipality to be used solely for
 263 water and sewer projects and costs as defined under paragraph (4) of Code Section
 264 48-8-200. The exception provided for under this subparagraph shall apply only during
 265 the period the tax under such subparagraph (a)(1)(D) is in effect. The exception
 266 provided for under this subparagraph shall not apply in any county in which a tax is
 267 being imposed under Article 2A of this chapter;

268 (B) In a county in which the tax levied for purposes of a metropolitan area system of
 269 public transportation is first levied after January 1, 2010, and before November 1, 2016.
 270 Such tax shall not apply to the following:

271 (i) ~~The sale or use of jet fuel to or by a qualifying airline at a qualifying airport. For~~
 272 ~~purposes of this division, a 'qualifying airline' means any person which is authorized~~
 273 ~~by the Federal Aviation Administration or another appropriate agency of the United~~
 274 ~~States to operate as an air carrier under an air carrier operating certificate and which~~
 275 ~~provides regularly scheduled flights for the transportation of passengers or cargo for~~
 276 ~~hire. For purposes of this division, a 'qualifying airport' means any airport in this state~~
 277 ~~that has had more than 750,000 takeoffs and landings during a calendar year; and~~

278 (ii) The sale of motor vehicles; or

279 (C) In a county in which a tax is levied and collected pursuant to Part 2 of Article 2A
 280 of this chapter;

281 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the
 282 amount in excess of the initial 1 percent sales and use tax and in the event of a newly
 283 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent
 284 sales and use tax;

285 (4) A sales and use tax levied under Article 4 of this chapter;

286 (5) A sales and use tax levied under Article 5 of this chapter; and

287 (6) A sales and use tax levied under Article 5A of this chapter.

288 If the imposition of any otherwise authorized local sales tax, local use tax, or local sales
 289 and use tax would result in a tax rate in excess of that authorized by this subsection, then
 290 such otherwise authorized tax may not be imposed.

291 (b) Reserved.

292 (c) Where the exception specified in paragraph (2) of subsection (a) of this Code section
 293 applies, the tax imposed under subparagraph (a)(1)(D) of Code Section 48-8-111 shall not
 294 apply to:

295 ~~(1) Reserved; and~~

296 ~~(2) The to the sale of motor vehicles.~~

297 (c.1) Where the exception specified in paragraph (2) of subsection (a) of this Code section
 298 applies, on and after July 1, 2007, the aggregate amount of all excise taxes imposed under
 299 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall
 300 not exceed 14 percent.

301 (d) Notwithstanding any law or ordinance to the contrary, any tax, charge, or fee levied
 302 by any political subdivision of this state and applicable to mobile telecommunications
 303 services, as defined in Section 124(7) of the federal Mobile Telecommunications Sourcing
 304 Act, 4 U.S.C. Section 124(7), shall apply only if the customer's place of primary use is

305 located within the boundaries of the political subdivision levying such local tax, charge,
 306 or fee. For purposes of this subsection, the provisions of Code Section 48-8-13 shall apply
 307 in the same manner and to the same extent as such provisions apply to the tax levied by
 308 Code Section 48-8-1 on mobile telecommunications services. This subsection shall not be
 309 construed to authorize the imposition of any tax, charge, or fee."

310 **SECTION 3-5.**

311 Said chapter is further amended by revising Code Section 48-8-82, relating to authorization
 312 of counties and municipalities to impose joint sales and use tax, rate, applicability to sales
 313 of motor fuels and food and beverages, as follows:

314 "48-8-82.

315 (a) When the imposition of a joint county and municipal sales and use tax is authorized
 316 according to the procedures provided in this article within a special district, the county
 317 whose geographical boundary is conterminous with that of the special district and each
 318 qualified municipality located wholly or partially within the special district shall levy a
 319 joint sales and use tax at the rate of 1 percent, except as provided in subsection (b) of this
 320 Code section. Except as to rate, the joint tax shall correspond to the tax imposed and
 321 administered by Article 1 of this chapter. No item or transaction which is not subject to
 322 taxation by Article 1 of this chapter shall be subject to the tax levied pursuant to this article,
 323 except that the joint tax provided in this article shall be applicable to ~~sales~~:

324 (1) Sales of motor fuels as prepaid local tax as that term is defined in Code
 325 Section 48-8-2 ~~and shall be applicable to the sale~~;

326 (2) The sale of food and food ingredients and alcoholic beverages only to the extent
 327 provided for in paragraph (57) of Code Section 48-8-3; and

328 (3) The sale or use of jet fuel, as such term is defined in Code Section 48-8-2, only to the
 329 extent provided for in Code Section 48-8-3.5.

330 (b) On or after July 1, 2015, such joint sales and use tax levied on sales of motor fuels as
 331 defined in Code Section 48-9-2 shall be at the rate of 1 percent of the retail sales price of
 332 the motor fuel which is not more than \$3.00 per gallon; provided, however, that in any
 333 consolidated government levying a joint sales and use tax at 2 percent pursuant to Code
 334 Section 48-8-96, on or after July 1, 2015, any such joint sales and use tax levied on sales
 335 of motor fuels as defined in Code Section 48-9-2 shall be at the rate of 2 percent of the
 336 retail sales price of the motor fuel which is not more than \$3.00 per gallon."

337 **SECTION 3-6.**

338 Said chapter is further amended in Code Section 48-8-241, relating to creation of special
 339 districts and tax rate for the Special District Transportation Sales and Use Tax (TSPLOST),
 340 by revising subsection (d) as follows:

341 "(d) Except as otherwise provided in subsection (e) of this Code section, any tax imposed
 342 under this article shall be at the rate of 1 percent. Except as to rate, a tax imposed under
 343 this article shall correspond to the tax imposed by Article 1 of this chapter. No item or
 344 transaction which is not subject to taxation under Article 1 of this chapter shall be subject
 345 to a tax imposed under this article, ~~except that~~ and a tax imposed under this article shall not
 346 apply to:

347 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
 348 farm or agricultural equipment, or locomotives;

349 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport as such~~
 350 term is defined in Code Section 48-8-2;

351 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 352 highways. For purposes of this paragraph, a motor vehicle means a self-propelled vehicle
 353 designed for operation or required to be licensed for operation upon the public highways;

354 (4) The sale or use of energy used in the manufacturing or processing of tangible goods
 355 primarily for resale; or

356 (5) Motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass
 357 transit.

358 The tax imposed pursuant to this article shall only be levied on the first \$5,000.00 of any
 359 transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant to this
 360 article shall be subject to any sales and use tax exemption which is otherwise imposed by
 361 law; provided, however, that the tax levied by this article shall be applicable to the sale of
 362 food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

363 **SECTION 3-7.**

364 Said chapter is further amended by revising Code Section 48-8-269, relating to exemption
 365 from taxation pursuant to the Special District Mass Transportation Sales and Use Tax, as
 366 follows:

367 "48-8-269.

368 (a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
 369 Article 1 of this chapter. No item or transaction which is not subject to taxation under
 370 Article 1 of this chapter shall be subject to a tax imposed under this part, ~~except that~~ and
 371 a tax imposed under this part shall not apply to:

- 372 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
 373 farm or agricultural equipment, or locomotives;
- 374 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport~~ as such
 375 term is defined in Code Section 48-8-2;
- 376 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 377 highways;
- 378 (4) The sale or use of energy used in the manufacturing or processing of tangible goods
 379 primarily for resale;
- 380 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2
 381 for public mass transit; or
- 382 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.
- 383 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this
 384 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;
 385 provided, however, that the tax levied by this part shall be applicable to the sale of food and
 386 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

387 **SECTION 3-8.**

388 Said chapter is further amended by revising Code Section 48-8-269.15, relating to a tax
 389 authorized to be imposed in Metropolitan County Special Districts, as follows:

390 "48-8-269.15.

391 (a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
 392 Article 1 of this chapter. No item or transaction which is not subject to taxation under
 393 Article 1 of this chapter shall be subject to a tax imposed under this part, ~~except that~~ and
 394 a tax imposed under this part shall not apply to:

- 395 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
 396 farm or agricultural equipment, or locomotives;
- 397 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport~~ as such
 398 term is defined in Code Section 48-8-2;
- 399 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 400 highways;
- 401 (4) The sale or use of energy used in the manufacturing or processing of tangible goods
 402 primarily for resale;
- 403 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2
 404 for public mass transit; or
- 405 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.
- 406 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this
 407 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;

408 provided, however, that the tax levied by this part shall be applicable to the sale of food and
 409 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

410 **SECTION 3-9.**

411 Said chapter is further amended by revising Code Section 48-8-269.30, relating to a tax
 412 authorized to be imposed in Metropolitan Municipality Special Districts, as follows:

413 "48-8-269.30.

414 (a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
 415 Article 1 of this chapter. No item or transaction which is not subject to taxation under
 416 Article 1 of this chapter shall be subject to a tax imposed under this part, ~~except that~~ and
 417 a tax imposed under this part shall not apply to:

418 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road
 419 farm or agricultural equipment, or locomotives;

420 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport as such~~
 421 term is defined in Code Section 48-8-2;

422 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public
 423 highways;

424 (4) The sale or use of energy used in the manufacturing or processing of tangible goods
 425 primarily for resale;

426 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2
 427 for public mass transit; or

428 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.

429 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this
 430 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;
 431 provided, however, that the tax levied by this part shall be applicable to the sale of food and
 432 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

433 **PART IV**

434 **SECTION 4-1.**

435 (a) This Act shall become effective upon its approval by the Governor or upon its becoming
 436 law without such approval.

437 (b) Part I of this Act shall be applicable to all taxable years beginning on or after
 438 January 1, 2017.

439 (c) Part II and Part III of this Act shall be effective July 1, 2018.

440

SECTION 4-2.

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