

House Bill 918 (COMMITTEE SUBSTITUTE)

By: Representatives Efration of the 104th, Rogers of the 10th, Rhodes of the 120th, 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 double the standard deduction amounts; to lower the personal and corporate income tax rates;
5 to revise provisions relating to assignment of corporate income tax credits; to provide for no
6 liability for state or local title ad valorem tax fees in a replacement title transaction for a
7 vehicle not less than 15 years old; to exempt jet fuel under certain conditions and to a certain
8 degree from state sales and use tax and from the sales and use taxes levied pursuant to the
9 County Special Purpose Local Option Sales Tax (SPLOST), the Sales Tax for Educational
10 Purposes (ESPLOST), the Special District Transportation Sales and Use Tax (TSPLOST),
11 and the Special District Mass Transportation Sales and Use Tax; to limit the taxation of the
12 sale and use of jet fuel pursuant to the Joint County and Municipal Sales and Use Tax
13 (LOST) and the Metropolitan Atlanta Rapid Transit Authority Act of 1965; to provide a
14 definition; to remove provisions limiting an exemption from said sales taxes on the sale or
15 use of jet fuel for certain qualifying airlines at certain qualifying airports; to remove
16 provisions relating to an expired exemption from a portion of state sales and use tax for
17 certain qualifying airlines at qualifying airports; to remove inapplicable definitions; to
18 provide for related matters; to provide for effective dates and applicability; to repeal
19 conflicting laws; and for other purposes.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21 PART I
22 SECTION 1-1.

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

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26 "(14) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' means for taxable years
 27 beginning on or after January 1, ~~2016~~ 2017, the provisions of the United States Internal
 28 Revenue Code of 1986, as amended, provided for in federal law enacted on or before ~~January~~
 29 ~~1, 2017~~ February 9, 2018, except that ~~Section 85(e)~~, Section 108(i), Section 163(e)(5)(F),
 30 ~~Section 164(a)(6), Section 164(b)(6)~~, Section 168(b)(3)(I), Section 168(e)(3)(B)(vii), Section
 31 168(e)(3)(E)(ix), Section 168(e)(8), Section 168(k) (~~but not excepting Section~~
 32 ~~168(k)(2)(A)(i), Section 168(k)(2)(D)(i), and Section 168(k)(2)(E)~~), Section 168(m), Section
 33 168(n), ~~Section 172(b)(1)(H), Section 172(b)(1)(J), Section 172(j)~~, Section 179(d)(1)(B)(ii),
 34 Section 179(f), Section 199, Section 381(c)(20), Section 382(d)(3), Section 810(b)(4),
 35 Section 1400L, Section 1400N(d)(1), Section 1400N(f), Section 1400N(j), Section 1400N(k),
 36 and Section 1400N(o) of the Internal Revenue Code of 1986, as amended, shall be treated
 37 as if they were not in effect, and except that Section 168(e)(7), Section 172(b)(1)(F), and
 38 ~~Section 172(i)(1), and Section 1221~~ of the Internal Revenue Code of 1986, as amended, shall
 39 be treated as they were in effect before the 2008 enactment of federal Public Law 110-343,
 40 and except that Section 163(i)(1) of the Internal Revenue Code of 1986, as amended, shall
 41 be treated as it was in effect before the 2009 enactment of federal Public Law 111-5, and
 42 except that Section 13(e)(4) of 2009 federal Public Law 111-92 shall be treated as if it was
 43 not in effect, and except that Section 118, Section 163(j), and Section 382(k)(1) of the
 44 Internal Revenue Code of 1986, as amended, shall be treated as they were in effect before
 45 the 2017 enactment of federal Public Law 115-97, and except that the limitations provided
 46 in Section 179(b)(1) shall be \$250,000.00 for tax years beginning in 2010, shall be
 47 \$250,000.00 for tax years beginning in 2011, shall be \$250,000.00 for tax years beginning
 48 in 2012, shall be \$250,000.00 for tax years beginning in 2013, and shall be \$500,000.00 for
 49 tax years beginning in 2014, and except that the limitations provided in Section 179(b)(2)
 50 shall be \$800,000.00 for tax years beginning in 2010, shall be \$800,000.00 for tax years
 51 beginning in 2011, shall be \$800,000.00 for tax years beginning in 2012, shall be
 52 \$800,000.00 for tax years beginning in 2013, and shall be \$2 million for tax years beginning
 53 in 2014, and provided that Section 1106 of federal Public Law 112-95 as amended by federal
 54 Public Law 113-243 shall be treated as if it is in effect, except the phrase 'Code Section
 55 48-2-35 (or, if later, November 15, 2015)' shall be substituted for the phrase 'section 6511(a)
 56 of such Code (or, if later, April 15, 2015),' and notwithstanding any other provision in this
 57 title, no interest shall be refunded with respect to any claim for refund filed pursuant to
 58 Section 1106 of federal Public Law 112-95, and provided that subsection (b) of Section 3 of
 59 federal Public Law 114-292 shall be treated as if it is in effect, except the phrase 'Code
 60 Section 48-2-35' shall be substituted for the phrase 'section 6511(a) of the Internal Revenue
 61 Code of 1986' and the phrase 'such section' shall be substituted for the phrase 'such
 62 subsection.' In the event a reference is made in this title to the Internal Revenue Code or the

63 Internal Revenue Code of 1954 as it existed on a specific date prior to ~~January 1, 2017~~
 64 February 9, 2018, the term means the provisions of the Internal Revenue Code or the Internal
 65 Revenue Code of 1954 as it existed on the prior date. Unless otherwise provided in this title,
 66 any term used in this title shall have the same meaning as when used in a comparable
 67 provision or context in the Internal Revenue Code of 1986, as amended. For taxable years
 68 beginning on or after January 1, ~~2016~~ 2017, provisions of the Internal Revenue Code of
 69 1986, as amended, which were as of ~~January 1, 2017~~ February 9, 2018, enacted into law but
 70 not yet effective shall become effective for purposes of Georgia taxation on the same dates
 71 upon which they become effective for federal tax purposes."

72 **SECTION 1-2.**

73 Said title is further amended by revising paragraph (1) of subsection (b) of Code Section
 74 48-7-20, relating to individual income tax rates, as follows:

75 "(b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be
 76 computed in accordance with the following tables:

77 **SINGLE PERSON**

78 If Georgia Taxable	79 The Tax Is:
80 Net Income Is:	
81 Not over \$750.00	1%
82 Over \$750.00 but not over \$2,250.00	\$7.50 plus 2% of amount over \$750.00
83 Over \$2,250.00 but not over \$3,750.00	\$37.50 plus 3% of amount over \$2,250.00
84 Over \$3,750.00 but not over \$5,250.00	\$82.50 plus 4% of amount over \$3,750.00
85 Over \$5,250.00 but not over \$7,000.00	\$142.50 plus 5% of amount over \$5,250.00
86 Over \$7,000.00	\$230.00 plus 6% <u>5.75%</u> of amount 87 over \$7,000.00

90 MARRIED PERSON FILING A SEPARATE RETURN

91	If Georgia Taxable	The Tax Is:
92	Net Income Is:	
93	Not over \$500.00	1%
94	Over \$500.00 but not over \$1,500.00	\$5.00 plus 2% of amount over \$500.00
95	Over \$1,500.00 but not over \$2,500.00	\$25.00 plus 3% of amount over
96		\$1,500.00
97	Over \$2,500.00 but not over \$3,500.00	\$55.00 plus 4% of amount over
98		\$2,500.00
99	Over \$3,500.00 but not over \$5,000.00	\$95.00 plus 5% of amount over
100		\$3,500.00
101	Over \$5,000.00	\$170.00 plus 6% <u>5.75%</u> of amount
102		over \$5,000.00

103 HEAD OF HOUSEHOLD AND MARRIED PERSONS
 104 FILING A JOINT RETURN

105	If Georgia Taxable	The Tax Is:
106	Net Income Is:	
107	Not over \$1,000.00	1%
108	Over \$1,000.00 but not over \$3,000.00	\$10.00 plus 2% of amount over
109		\$1,000.00
110	Over \$3,000.00 but not over \$5,000.00	\$50.00 plus 3% of amount over
111		\$3,000.00
112	Over \$5,000.00 but not over \$7,000.00	\$110.00 plus 4% of amount over
113		\$5,000.00
114	Over \$7,000.00 but not over \$10,000.00	\$190.00 plus 5% of amount over
115		\$7,000.00
116	Over \$10,000.00	\$340.00 plus 6% <u>5.75%</u> of amount
117		over \$10,000.00"

118 **SECTION 1-3.**

119 Said title is further amended by revising paragraph (1) of subsection (b) of Code Section
120 48-7-20, relating to individual income tax rates, as follows:

121 "(b)(1) The tax imposed pursuant to subsection (a) of this Code section shall be
122 computed in accordance with the following tables:

123 **SINGLE PERSON**

124	If Georgia Taxable	The Tax Is:
125	Net Income Is:	
126	Not over \$750.00	1%
127	Over \$750.00 but not over \$2,250.00	\$7.50 plus 2% of amount over \$750.00
128	Over \$2,250.00 but not over \$3,750.00	\$37.50 plus 3% of amount over
129		\$2,250.00
130	Over \$3,750.00 but not over \$5,250.00	\$82.50 plus 4% of amount over
131		\$3,750.00
132	Over \$5,250.00 but not over \$7,000.00	\$142.50 plus 5% of amount over
133		\$5,250.00
134	Over \$7,000.00	\$230.00 plus 5.75% <u>5.5%</u> of amount
135		over \$7,000.00

136 **MARRIED PERSON FILING A SEPARATE RETURN**

137	If Georgia Taxable	The Tax Is:
138	Net Income Is:	
139	Not over \$500.00	1%
140	Over \$500.00 but not over \$1,500.00	\$5.00 plus 2% of amount over \$500.00
141	Over \$1,500.00 but not over \$2,500.00	\$25.00 plus 3% of amount over
142		\$1,500.00
143	Over \$2,500.00 but not over \$3,500.00	\$55.00 plus 4% of amount over
144		\$2,500.00
145	Over \$3,500.00 but not over \$5,000.00	\$95.00 plus 5% of amount over
146		\$3,500.00
147	Over \$5,000.00	\$170.00 plus 5.75% <u>5.5%</u> of amount
148		over \$5,000.00

149 HEAD OF HOUSEHOLD AND MARRIED PERSONS
150 FILING A JOINT RETURN

151 If Georgia Taxable The Tax Is:

152 Net Income Is:

153	Not over \$1,000.00	1%
154	Over \$1,000.00 but not over \$3,000.00	\$10.00 plus 2% of amount over
155		\$1,000.00
156	Over \$3,000.00 but not over \$5,000.00	\$50.00 plus 3% of amount over
157		\$3,000.00
158	Over \$5,000.00 but not over \$7,000.00	\$110.00 plus 4% of amount over
159		\$5,000.00
160	Over \$7,000.00 but not over \$10,000.00	\$190.00 plus 5% of amount over
161		\$7,000.00
162	Over \$10,000.00	\$340.00 plus 5.75% <u>5.5%</u> of amount
163		over \$10,000.00"

164 SECTION 1-4.

165 Said title is further amended by revising subsection (a) of Code Section 48-7-21, relating to
166 taxation of corporations, as follows:

167 "(a) Every domestic corporation and every foreign corporation shall pay annually an
168 income tax equivalent to ~~6 5.75~~ percent of its Georgia taxable net income. Georgia taxable
169 net income of a corporation shall be the corporation's taxable income from property owned
170 or from business done in this state. A corporation's taxable income from property owned
171 or from business done in this state shall consist of the corporation's taxable income as
172 defined in the Internal Revenue Code of 1986, with the adjustments provided for in
173 subsection (b) of this Code section and allocated and apportioned as provided in Code
174 Section 48-7-31."

175 SECTION 1-5.

176 Said title is further amended by revising subsection (a) of Code Section 48-7-21, relating to
177 taxation of corporations, as follows:

178 "(a) Every domestic corporation and every foreign corporation shall pay annually an
179 income tax equivalent to ~~5.75~~ 5.5 percent of its Georgia taxable net income. Georgia
180 taxable net income of a corporation shall be the corporation's taxable income from property
181 owned or from business done in this state. A corporation's taxable income from property

182 owned or from business done in this state shall consist of the corporation's taxable income
 183 as defined in the Internal Revenue Code of 1986, with the adjustments provided for in
 184 subsection (b) of this Code section and allocated and apportioned as provided in Code
 185 Section 48-7-31."

186 **SECTION 1-6.**

187 Said title is further amended by revising subparagraphs (b)(8)(A) and (b)(10.1)(A) of Code
 188 Section 48-7-21, relating to taxation of corporations, as follows:

189 "(A) A corporation from sources outside the United States as defined in the Internal
 190 Revenue Code of 1986. For purposes of this subparagraph, dividends received by a
 191 corporation from sources outside of the United States shall include amounts treated as
 192 a dividend and income deemed to have been received under provisions of the Internal
 193 Revenue Code of 1986 by such corporation if such amounts could have been subtracted
 194 from taxable income under this paragraph, had such amounts actually been received but
 195 shall not include income specified in Section 951A of the Internal Revenue Code of
 196 1986. The deduction provided by Section 250 shall apply to the extent the same
 197 income was included in Georgia taxable net income. The deduction, exclusion, or
 198 subtraction provided by Section 245A, Section 965, or any other section of the Internal
 199 Revenue Code of 1986 shall not apply to the extent income has been subtracted
 200 pursuant to this subparagraph. Amounts to be subtracted under this subparagraph shall
 201 include the following unless excluded by this paragraph, as defined by the Internal
 202 Revenue Code of 1986:

- 203 (i) Qualified electing fund income;
- 204 (ii) Subpart F income; and
- 205 (iii) Income attributable to an increase in United States property by a controlled
 206 foreign corporation.

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

209 "(A) For any taxable year in which the taxpayer takes a federal net operating loss
 210 deduction on its federal income tax return, the amount of such deduction shall be added
 211 back to federal taxable income, and Georgia taxable net income for such taxable year
 212 shall be computed from the taxpayer's federal taxable income as so adjusted. There
 213 shall be allowed as a separate deduction from Georgia taxable net income so computed
 214 an amount equal to the aggregate of the Georgia net operating loss carryovers to such
 215 year, plus the Georgia net operating loss carrybacks to such year if such carrybacks are
 216 allowed by the Internal Revenue Code of 1986. Any limitations included in the Internal
 217 Revenue Code of 1986 on the amount of net operating loss that can be used in a taxable

218 year shall be applied for purposes of this Code section; provided, however, that such
 219 limitations, including, but not limited to, the 80 percent limitation, shall be applied to
 220 Georgia taxable net income;"

221 **SECTION 1-7.**

222 Said title is further amended by revising paragraph (1) of subsection (a) of Code Section
 223 48-7-27, relating to computation of taxable income of individuals, to read as follows:

224 "(1) Either the sum of all itemized nonbusiness deductions used in computing federal
 225 taxable income if the taxpayer used itemized nonbusiness deductions in computing
 226 federal taxable income or, if the taxpayer could not or did not itemize nonbusiness
 227 deductions, then a standard deduction as provided for in the following subparagraphs:

228 (A) In the case of a single taxpayer or a head of household, ~~\$2,300.00~~ \$4,600.00;

229 (B) In the case of a married taxpayer filing a separate return, ~~\$1,500.00~~ \$3,000.00;

230 (C) In the case of a married couple filing a joint return, ~~\$3,000.00~~ \$6,000.00;

231 (D) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer has attained
 232 the age of 65 before the close of the taxpayer's taxable year. An additional deduction
 233 of \$1,300.00 for the spouse of the taxpayer shall be allowed if a joint return is made by
 234 the taxpayer and the taxpayer's spouse and the spouse has attained the age of 65 before
 235 the close of the taxable year; and

236 (E) An additional deduction of \$1,300.00 for the taxpayer if the taxpayer is blind at the
 237 close of the taxable year. An additional deduction of \$1,300.00 for the spouse of the
 238 taxpayer shall be allowed if a joint return is made by the taxpayer and the taxpayer's
 239 spouse and the spouse is blind at the close of the taxable year. For the purposes of this
 240 subparagraph, the determination of whether the taxpayer or the spouse is blind shall be
 241 made at the close of the taxable year except that, if either the taxpayer or the spouse
 242 dies during the taxable year, the determination shall be made as of the time of the
 243 death;"

244 **SECTION 1-8.**

245 Said title is further amended by adding a new paragraph to subsection (b) of Code Section
 246 48-7-27, relating to computation of taxable income of corporations, to read as follows:

247 "(14) Georgia net operating losses shall be treated in the same manner as provided in
 248 paragraph (10.1) of subsection (b) of Code Section 48-7-21 but shall be based on the
 249 income as computed pursuant to this Code section. Any limitations included in the
 250 Internal Revenue Code of 1986 on the amount of net operating loss that can be used in
 251 a taxable year shall be applied for purposes of this Code section; provided, however, that

252 such limitations, including, but not limited to, the 80 percent limitation, shall be applied
 253 to Georgia taxable net income."

254 **SECTION 1-9.**

255 Said title is further amended by revising subsection (c) and adding a new subsection to Code
 256 Section 48-7-42, relating to affiliated entities and assignment of corporate income tax credits,
 257 to read as follows:

258 "(c) The recipient of a tax credit assigned under subsection (b) of this Code section shall
 259 attach a statement to its return identifying the assignor of the tax credit, in addition to
 260 providing any other information required to be provided by a claimant of the assigned tax
 261 credit. With the exception of the transferable credits in Code Sections 48-7-29.8,
 262 48-7-29.12, 48-7-40.26, and 48-7-40.26A, the recipient of a tax credit assigned under
 263 subsection (b) of this Code section shall also be eligible to take any credit against payments
 264 due under Code Section 48-7-103, subject to the same requirements as the assignor of such
 265 credit at the time of the assignment."

266 "(g) For the purposes of all credits provided for by this chapter, the sale, merger,
 267 acquisition, or bankruptcy of any taxpayer shall not create new eligibility for the
 268 succeeding transferee in such transaction or event, but any unused credit eligible to be
 269 applied against income tax liability under this article may be transferred and continued by
 270 such transferee and applied against the transferee's income tax liability under this article."

271 **PART II**

272 **SECTION 2-1.**

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

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

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

281 (B) The acquisition of a bonded title by a person or entity pursuant to Code Section
 282 40-3-28 if the title is to be issued in the name of such person or entity;

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

- 286 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
 287 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer
 288 of motor vehicles and the title is to be issued in the name of such person or entity;
- 289 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to
 290 Code Section 40-3-43;
- 291 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
 292 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
 293 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
 294 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
 295 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
 296 to correct a title only;
- 297 (G) The obtaining of a title by and in the name of the holder of a security interest when
 298 a motor vehicle has been repossessed after default in accordance with Part 6 of Article
 299 9 of Title 11 if such title is to be issued in the name of such security interest holder;
- 300 (H) The obtaining of a title by a person or entity for purposes of correcting a title,
 301 changing an odometer reading, or removing an odometer discrepancy legend, provided
 302 that, subject to subparagraph (F) of this paragraph, title is not being transferred to
 303 another person or entity; ~~and~~
- 304 (I) The obtaining of a title by a person who pays state and local title ad valorem tax
 305 fees on a motor vehicle and subsequently moves out of this state but returns and applies
 306 to retitle such vehicle in this state; and
- 307 (J) The obtaining of a replacement title on a vehicle that is not less than 15 years old
 308 upon sufficient proof provided to the commissioner that such title no longer exists."

309 **PART III**

310 **SECTION 3-1.**

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

313 "(16.1) 'Jet fuel' means any form of fuel that is designed for or used in the operation of
 314 aircraft powered by jet turbine or turboprop engines, including but not limited to Jet-A,
 315 and excludes aviation gasoline designed for or used in piston engines, including but not
 316 limited to avgas."

317 **SECTION 3-2.**

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

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320 ~~“(33.1)(A) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport,~~
 321 ~~to the extent provided in subparagraphs (B) and (C) of this paragraph.~~

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

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

331 ~~(D) Except as provided for in subparagraph (C) of this paragraph, this exemption shall~~
 332 ~~not apply to any other local sales and use tax levied or imposed at any time in any area~~
 333 ~~consisting of less than the entire state, however authorized, not to exceed the rate at~~
 334 ~~which such taxes were levied as of January 1, 2014, including, but not limited to, such~~
 335 ~~taxes authorized by or pursuant to Section 25 of an Act approved March 10, 1965 (Ga.~~
 336 ~~L. 1965, p. 2243), as amended, the 'Metropolitan Atlanta Rapid Transit Authority Act~~
 337 ~~of 1965,' or such taxes as authorized by or pursuant to Part 2 of Article 3 or Article 2,~~
 338 ~~2A, or 4 of this chapter.~~

339 ~~(E) For purposes of subparagraph (B) of this paragraph and paragraph (2) of subsection~~
 340 ~~(d) of Code Section 48-8-241, a 'qualifying airline' shall mean any person which is~~
 341 ~~authorized by the Federal Aviation Administration or appropriate agency of the United~~
 342 ~~States to operate as an air carrier under an air carrier operating certificate and which~~
 343 ~~provides regularly scheduled flights for the transportation of passengers or cargo for~~
 344 ~~hire.~~

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

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

354 ~~(H) The commissioner shall adopt rules and regulations to carry out the provisions of~~
 355 ~~this paragraph.”~~

356

SECTION 3-3.

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

358 "48-8-3.5.

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

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

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

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

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

373 (3) Both paragraphs (1) and (2) of this subsection, if applicable.

374 (c) To the extent required to comply with 49 U.S.C. Sections 47107(b) and 47113, revenue
 375 derived from the levy of sales and use taxes on jet fuel and other fuels sold or used at an
 376 airport for aviation purposes shall be used for a state aviation program or airport related
 377 purposes. Any portion of such revenue so derived which is not required or exceeds the
 378 amount required for purposes of such compliance with federal law may be appropriated for
 379 other purposes as provided by law."

380

SECTION 3-4.

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

384 "48-8-6.

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

- 392 (1) A sales and use tax for educational purposes exempted from such limitation under
 393 Article VIII, Section VI, Paragraph IV of the Constitution;
- 394 (2) Any tax levied for purposes of a metropolitan area system of public transportation,
 395 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page
 396 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)
 397 of the Constitution; and the laws enacted pursuant to such constitutional amendment;
 398 provided, however, that the exception provided for under this paragraph shall only apply:
- 399 (A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code
 400 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital
 401 outlay project or projects, a sewer capital outlay project or projects, a water and sewer
 402 capital outlay project or projects, water and sewer projects and costs as defined under
 403 paragraph (4) of Code Section 48-8-200, or any combination thereof and with respect
 404 to which the county has entered into an intergovernmental contract with a municipality,
 405 in which the average waste-water system flow of such municipality is not less than 85
 406 million gallons per day, allocating proceeds to such municipality to be used solely for
 407 water and sewer projects and costs as defined under paragraph (4) of Code Section
 408 48-8-200. The exception provided for under this subparagraph shall apply only during
 409 the period the tax under such subparagraph (a)(1)(D) is in effect. The exception
 410 provided for under this subparagraph shall not apply in any county in which a tax is
 411 being imposed under Article 2A of this chapter;
- 412 (B) In a county in which the tax levied for purposes of a metropolitan area system of
 413 public transportation is first levied after January 1, 2010, and before November 1, 2016.
 414 Such tax shall not apply to the following:
- 415 (i) ~~The sale or use of jet fuel to or by a qualifying airline at a qualifying airport. For~~
 416 ~~purposes of this division, a 'qualifying airline' means any person which is authorized~~
 417 ~~by the Federal Aviation Administration or another appropriate agency of the United~~
 418 ~~States to operate as an air carrier under an air carrier operating certificate and which~~
 419 ~~provides regularly scheduled flights for the transportation of passengers or cargo for~~
 420 ~~hire. For purposes of this division, a 'qualifying airport' means any airport in this state~~
 421 ~~that has had more than 750,000 takeoffs and landings during a calendar year; and~~
- 422 (ii) The sale of motor vehicles; or
- 423 (C) In a county in which a tax is levied and collected pursuant to Part 2 of Article 2A
 424 of this chapter;
- 425 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the
 426 amount in excess of the initial 1 percent sales and use tax and in the event of a newly
 427 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent
 428 sales and use tax;

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

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

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

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

435 (b) Reserved.

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

439 ~~(1) Reserved; and~~

440 ~~(2) The sale of motor vehicles.~~

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

445 (d) Notwithstanding any law or ordinance to the contrary, any tax, charge, or fee levied
446 by any political subdivision of this state and applicable to mobile telecommunications
447 services, as defined in Section 124(7) of the federal Mobile Telecommunications Sourcing
448 Act, 4 U.S.C. Section 124(7), shall apply only if the customer's place of primary use is
449 located within the boundaries of the political subdivision levying such local tax, charge,
450 or fee. For purposes of this subsection, the provisions of Code Section 48-8-13 shall apply
451 in the same manner and to the same extent as such provisions apply to the tax levied by
452 Code Section 48-8-1 on mobile telecommunications services. This subsection shall not be
453 construed to authorize the imposition of any tax, charge, or fee."

454 **SECTION 3-5.**

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

458 "48-8-82.

459 (a) When the imposition of a joint county and municipal sales and use tax is authorized
460 according to the procedures provided in this article within a special district, the county
461 whose geographical boundary is conterminous with that of the special district and each
462 qualified municipality located wholly or partially within the special district shall levy a
463 joint sales and use tax at the rate of 1 percent, except as provided in subsection (b) of this
464 Code section. Except as to rate, the joint tax shall correspond to the tax imposed and

465 administered by Article 1 of this chapter. No item or transaction which is not subject to
 466 taxation by Article 1 of this chapter shall be subject to the tax levied pursuant to this article,
 467 except that the joint tax provided in this article shall be applicable to ~~sales~~;

468 (1) Sales of motor fuels as prepaid local tax as that term is defined in Code Section
 469 48-8-2 ~~and shall be applicable to the sale~~;

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

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

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

481 **SECTION 3-6.**

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

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

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

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

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

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

500 (5) Motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass
 501 transit.
 502 The tax imposed pursuant to this article shall only be levied on the first \$5,000.00 of any
 503 transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant to this
 504 article shall be subject to any sales and use tax exemption which is otherwise imposed by
 505 law; provided, however, that the tax levied by this article shall be applicable to the sale of
 506 food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

507 **SECTION 3-7.**

508 Said chapter is further amended in Code Section 48-8-269, relating to exemption from
 509 taxation pursuant to the Special District Mass Transportation Sales and Use Tax, as follows:
 510 "48-8-269.

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

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

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

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

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

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

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

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

530 **SECTION 3-8.**

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

533 "48-8-269.15.

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

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

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

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

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

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

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

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

553 **SECTION 3-9.**

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

556 "48-8-269.30.

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

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

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

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

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

- 569 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2
 570 for public mass transit; or
- 571 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.
- 572 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this
 573 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;
 574 provided, however, that the tax levied by this part shall be applicable to the sale of food and
 575 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

576 **PART IV**
 577 **SECTION 4-1.**

- 578 (a) Sections 1-1, 1-6, and 1-8 of this Act shall become effective upon the approval of this
 579 Act by the Governor or upon this Act becoming law without such approval and such sections
 580 shall be applicable to all taxable years beginning on or after January 1, 2017.
- 581 (b) Sections 1-2 and 1-4 of this Act shall become effective upon the approval of this Act by
 582 the Governor or upon this Act becoming law without such approval and shall be applicable
 583 to all taxable years beginning on or after January 1, 2019. Sections 1-2 and 1-4 of this Act
 584 shall expire by operation of law on the last moment of December 31, 2025, and revert to the
 585 language of paragraph (1) of subsection (b) of Code Section 48-7-20 and subsection (a) of
 586 Code Section 48-7-21, respectively, as they existed on the day immediately preceding the
 587 effective date of this Act.
- 588 (c) Sections 1-3 and 1-5 of this Act shall become effective upon passage of a joint resolution
 589 that is signed by the Governor ratifying such sections by both houses of the Georgia General
 590 Assembly on or after January 13, 2020, and upon such passage shall be applicable to all
 591 taxable years beginning on or after January 1, 2020. Should Sections 1-3 and 1-5 of this Act
 592 become effective as prescribed in the foregoing, both sections shall expire by operation of
 593 law on the last moment of December 31, 2025, and revert to the language of paragraph (1)
 594 of subsection (b) of Code Section 48-7-20 and subsection (a) of Code Section 48-7-21,
 595 respectively, as they existed on the day immediately preceding the effective date of this Act.
- 596 (d) Section 1-7 of this Act shall become effective upon the approval of this Act by the
 597 Governor or upon this Act becoming law without such approval and shall be applicable to
 598 all taxable years beginning on or after January 1, 2018. Section 1-7 of this Act shall expire
 599 by operation of law on the last moment of December 31, 2025, and revert to the language of
 600 paragraph (1) of subsection (a) of Code Section 48-7-27 as it existed on the day immediately
 601 preceding the effective date of this Act.
- 602 (e) Section 1-9 of this Act shall become effective upon the approval of this Act by the
 603 Governor or upon this Act becoming law without such approval. The revisions to

604 subsection (c) of Code Section 48-7-42 contained in Section 1-9 of this Act shall be
605 applicable to tax credits that are assigned in taxable years beginning on or after January 1,
606 2018. New subsection (g) of Code Section 48-7-42 contained in Section 1-9 of this Act shall
607 be applicable to sales, mergers, acquisitions, or bankruptcies occurring in taxable years
608 beginning on or after January 1, 2018.

609 (f) Part II of this Act shall become effective July 1, 2018.

610 (g) Parts III and IV of this Act shall become effective upon their approval by the Governor
611 or upon becoming law without such approval.

612 **SECTION 4-2.**

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