

House Bill 1132

By: Representatives Franklin of the 160th, Stephens of the 164th, Evans of the 57th, Jones of the 25th, Crowe of the 118th, and others

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 relative to state sales and use tax, so as to exempt
3 from state and local sales and use taxation materials used in construction, renovation, and
4 rehabilitation of affordable housing by purely public charities; to provide for requirements;
5 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
6 for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
10 relating to general provisions relative to state sales and use tax, is amended by revising
11 paragraph (103) of Code Section 48-8-3, relating to exemptions, as follows:

12 "(103) Sales of tangible personal property to a purely public charity used by such charity
13 for the construction, renovation, or rehabilitation of affordable housing on real property;
14 provided, however, that the exemption shall only apply to such personal property that will
15 remain on the real property permanently, and only if:

- 16 (A) Such charity is exempt from taxation under Section 501(c)(3) of the federal
17 Internal Revenue Code;
- 18 (B) Such real property is held exclusively for the purpose of constructing, renovating,
19 and rehabilitating single-family homes to be financed by such charity to individuals
20 purchasing their first home using loans that shall not bear interest;
- 21 (C) Such individuals shall reside in such homes as a primary residence subject to a
22 covenant that restricts the sale of the home by such individuals for at least 30 years
23 from the date of purchase; and
- 24 (D) Such individuals at the time of purchase shall have an income equal to or less than
25 80 percent of the median income based on the maximum household income limits for
26 the county where the real property is located as established annually by the United
27 States Department of Housing and Urban Development Reserved;”

28 **SECTION 2.**

29 Said part is further amended in Code Section 48-8-6, relating to prohibition of political
30 subdivisions from imposing various taxes, ceiling on local sales and use taxes, and taxation
31 of mobile telecommunications, by adding a new subsection to read as follows:

32 “(e) There shall not be imposed in any jurisdiction in this state or on any transaction in this
33 state local sales taxes, local use taxes, or local sales and use taxes on sales of tangible
34 personal property to a purely public charity used by such charity for the construction,
35 renovation, or rehabilitation of affordable housing on real property; provided, however, that
36 this subsection shall only apply to such personal property that will remain on the real
37 property permanently, and only if:

38 (1) Such charity is exempt from taxation under Section 501(c)(3) of the federal Internal
39 Revenue Code;

40 (2) Such real property is held exclusively for the purpose of constructing, renovating, and
41 rehabilitating single-family homes to be financed by such charity to individuals
42 purchasing their first home using loans that shall not bear interest;

43 (3) Such individuals shall reside in such homes as a primary residence subject to a
44 covenant that restricts the sale of the home by such individuals for at least 30 years from
45 the date of purchase; and

46 (4) Such individuals at the time of purchase shall have an income equal to or less than
47 80 percent of the median income based on the maximum household income limits for the
48 county where the real property is located as established annually by the United States
49 Department of Housing and Urban Development Reserved."

50 **SECTION 3.**

51 This Act shall become effective on January 1, 2027.

52 **SECTION 4.**

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