

"Part 4

12
13 48-8-109.25.

14 (a) This part shall be known and may be cited as the 'Alternative Homestead Option Sales
15 and Use Tax Act of 2026.'

16 (b) As used in this part, the term:

17 (1) 'Existing municipality' means a municipality created prior to January 1, 2027, lying
18 wholly within or partially within a county.

19 (2) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40, with
20 the additional qualification that it shall include only the primary residence and not more
21 than five contiguous acres of land immediately surrounding such residence.

22 (3) 'Qualified municipality' means a municipality created on or after January 1, 2027,
23 lying wholly within or partially within a county.

24 (c) It is the intent of the General Assembly that the proceeds of the alternative homestead
25 option sales and use tax be distributed equitably to the counties and qualified municipalities
26 such that the residents of a new incorporated municipality will continue to receive a benefit
27 from that tax substantially equal to the benefit they would have received if the area covered
28 by the municipality had not incorporated. The provisions of this part shall be liberally
29 construed to effectuate such intent.

30 48-8-109.26.

31 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
32 Constitution of this state, there are created within this state 159 special districts. The
33 geographical boundary of each county shall correspond with and shall be conterminous
34 with the geographical boundary of one of the 159 special districts.

35 (b)(1) When the imposition of a local sales and use tax is authorized according to the
36 procedures provided in this part within a special district, the county whose geographical

37 boundary is conterminous with that of the special district shall levy a local sales and use
38 tax at the rate of 1 percent, except as provided in paragraph (2) of this subsection. Except
39 as to rate, the local sales and use tax shall correspond to the tax imposed and administered
40 by Article 1 of this chapter. No item or transaction which is not subject to taxation by
41 Article 1 of this chapter shall be subject to the sales and use tax levied pursuant to this
42 part, except that the sales and use tax provided in this part shall be applicable to sales of
43 motor fuels as prepaid local tax as such term is defined in Code Section 48-8-2 and shall
44 be applicable to the sale of food and food ingredients and alcoholic beverages only to the
45 extent provided for in paragraph (57) of Code Section 48-8-3.

46 (2) Such sales and use tax levied on sales of motor fuels as defined in Code
47 Section 48-9-2 shall be at the rate of 1 percent of the retail sales price of the motor fuel
48 which is not more than \$3.00 per gallon.

49 (c) The proceeds of the sales and use tax levied and collected under this part shall be used
50 only for the purposes of funding capital outlay projects and of funding services within a
51 special district equal to the revenue lost to the homestead exemption as provided in Code
52 Section 48-8-109.27 and, in the event excess funds remain following the expenditure for
53 such purposes, such excess funds shall be expended as provided in subparagraph (c)(2)(C)
54 of Code Section 48-8-109.27.

55 (d)(1) Such sales and use tax shall only be levied in a special district following the
56 enactment of a local Act which provides for a homestead exemption of an amount to be
57 determined from the amount of sales and use tax collected under this part. Such
58 exemption shall commence with taxable years beginning on or after January 1 of the year
59 immediately following the first complete calendar year in which the sales and use tax
60 under this part is levied. Any such local Act shall incorporate by reference the terms and
61 conditions specified under this part. Any such local Act shall not be subject to the
62 provisions of Code Section 1-3-4.1. Any such homestead exemption under this part shall
63 be in addition to and not in lieu of any other homestead exemption applicable to county

64 taxes for county purposes within the special district. Notwithstanding any provision of
65 such local Act to the contrary, the referendum which shall otherwise be required to be
66 conducted under such local Act shall only be conducted if the resolution required under
67 this part is adopted prior to the issuance of the call for the referendum under the local Act
68 by the election superintendent. If such ordinance is not adopted by that date, the
69 referendum otherwise required to be conducted under the local Act shall not be
70 conducted.

71 (2) Such sales and use tax and the associated homestead exemption shall terminate ten
72 years after the date such sales and use tax is first collected; provided, however, that
73 nothing in this subsection shall prevent subsequent sales and use taxes or homestead
74 exemptions from being adopted pursuant to this part in the same manner as provided in
75 this part for the initial adoption of such sales and use tax and homestead exemption.

76 (3) No sales and use tax shall be levied in a special district under this part in which a tax
77 is levied and collected under Article 2 of this chapter.

78 (e) Whenever the governing authority of any county whose geographical boundary is
79 conterminous with that of the special district wishes to submit to the electors of the special
80 district the question of whether the sales and use tax authorized by this part shall be
81 imposed, any such governing authority shall notify the election superintendent of the
82 county whose geographical boundary is conterminous with that of the special district by
83 forwarding to the superintendent a copy of a resolution of the governing authority calling
84 for a referendum election. Upon receipt of the resolution, it shall be the duty of the election
85 superintendent to issue the call for an election for the purpose of submitting the question
86 of the imposition of the sales and use tax to the voters of the special district for approval
87 or rejection. The election superintendent shall issue the call and shall conduct the election
88 on a date and in the manner authorized under Code Section 21-2-540. Such election shall
89 only be conducted on the date of and in conjunction with a referendum provided for by
90 local Act on the question of whether to impose a homestead exemption within such county

91 and based on the amount of proceeds from the sales and use tax levied and collected
 92 pursuant to this part. The election superintendent shall cause the date and purpose of the
 93 election to be published once a week for two weeks immediately preceding the date of the
 94 election in the official organ of such county. The ballot shall have written or printed
 95 thereon the following statement which shall precede the ballot question specified in this
 96 subsection and the ballot question specified by the required local Act:

97 'NOTICE TO ELECTORS: Unless **BOTH** the alternative homestead exemption **AND**
 98 the retail homestead option sales and use tax are approved, then neither the exemption nor
 99 the sales and use tax shall become effective.'

100 Such statement shall be followed by the following:

101 '() YES Shall a retail homestead option sales and use tax of 1 percent be levied
 102 within the special district within _____ County for the
 103 () NO purposes of funding capital outlay projects and of funding services to
 104 replace revenue lost to an additional homestead exemption of up to 100
 105 percent of the assessed value of homesteads from county taxes for
 106 county purposes?'

107 Notwithstanding any other provision of law to the contrary, the statement, ballot question,
 108 and local Act ballot question referred to in this subsection shall precede any and all other
 109 ballot questions calling for the levy or imposition of any other sales and use tax which are
 110 to appear on the same ballot.

111 (f) All persons desiring to vote in favor of levying the sales and use tax shall vote 'Yes,'
 112 and those persons opposed to levying the tax shall vote 'No.' If more than one-half of the
 113 votes cast are in favor of levying the tax and approving the local Act providing such
 114 homestead exemption, then the tax shall be levied in accordance with this part; otherwise,
 115 the sales and use tax may not be levied, and the question of the imposition of the sales and
 116 use tax may not again be submitted to the voters of the special district until after 24 months
 117 immediately following the month in which the election was held. It shall be the duty of the

118 election superintendent to hold and conduct such elections under the same rules and
119 regulations as govern special elections. It shall be the superintendent's further duty to
120 canvass the returns, declare the result of the election, and certify the result to the Secretary
121 of State and to the commissioner. The expense of the election shall be borne by the county
122 whose geographical boundary is conterminous with that of the special district holding the
123 election.

124 (g) If the imposition of the sales and use tax provided in this part is approved in a
125 referendum election as provided by subsections (e) and (f) of this Code section, the
126 governing authority of the county whose geographical boundary is conterminous with that
127 of the special district shall adopt a resolution within 30 days after the certification of the
128 result of the election imposing the sales and use tax authorized by this part on behalf of the
129 county whose geographical boundary is conterminous with that of the special district. The
130 resolution shall be effective on the first day of the next succeeding calendar quarter which
131 begins more than 50 days after the adoption of the resolution. With respect to services
132 which are billed on a regular monthly basis, however, the resolution shall become effective
133 with the first regular billing period coinciding with or following the otherwise effective
134 date of the resolution. A certified copy of the resolution shall be forwarded to the
135 commissioner so that it will be received within five days after its adoption.

136 (h) Within 30 days of the conclusion of a year in which the sale and use tax provided in
137 this part is collected, the county shall post a report in a prominent place on its website
138 detailing how much money was collected in the past year by such sale and use tax, the
139 value of homesteads reduced by such sales and use tax collections, and any other
140 information that may be required by the commissioner in rules adopted pursuant to
141 subsection (d) of Code Section 48-8-109.28. The county shall also deliver a copy of this
142 report to each member of the General Assembly whose district includes any part of the
143 county.

144 48-8-109.27.

145 (a) The sales and use tax levied pursuant to this part shall be exclusively administered and
146 collected by the commissioner for the use and benefit of each county whose geographical
147 boundary is conterminous with that of a special district. Such administration and collection
148 shall be accomplished in the same manner and subject to the same applicable provisions,
149 procedures, and penalties provided in Article 1 of this chapter except that the sales and use
150 tax provided in this part shall be applicable to sales of motor fuels as prepaid local tax as
151 such term is defined in Code Section 48-8-2; provided, however, that all moneys collected
152 from each taxpayer by the commissioner shall be applied first to such taxpayer's liability
153 for taxes owed the state. Dealers shall be allowed a percentage of the amount of the sales
154 and use tax due and accounted for and shall be reimbursed in the form of a deduction in
155 submitting, reporting, and paying the amount due if such amount is not delinquent at the
156 time of payment. The deduction shall be at the rate and subject to the requirements
157 specified under subsections (b) through (f) of Code Section 48-8-50.

158 (b) Each sales and use tax return remitting sales and use taxes collected under this part
159 shall separately identify the location of each retail establishment at which any of the sales
160 and use taxes remitted were collected and shall specify the amount of sales and the amount
161 of taxes collected at each establishment for the period covered by the return in order to
162 facilitate the determination by the commissioner that all sales and use taxes imposed by this
163 part are collected and distributed according to situs of sale.

164 (c) The proceeds of the sales and use tax collected by the commissioner in each special
165 district under this part shall be disbursed as soon as practicable after collection as follows:

166 (1) One percent of the amount collected shall be paid into the general fund of the state
167 treasury in order to defray the costs of administration; and

168 (2) Except for the percentage provided in paragraph (1) of this subsection, the remaining
169 proceeds of the sales and use tax shall be distributed to the governing authority of the
170 county whose geographical boundary is conterminous with that of the special district. As

171 a condition precedent for the authority to levy the sales and use tax or to collect any
172 proceeds from the tax authorized by this part for the year following the first complete
173 calendar year in which it is levied and for all subsequent years except the year following
174 the year in which the year in which the sales and use tax is terminated, the county whose
175 geographical boundary is conterminous with that of the special district shall, except as
176 otherwise provided in subsection (c) of Code Section 48-8-109.26, expend such proceeds
177 as follows:

178 (A) A portion of such proceeds shall be expended for the purpose of funding capital
179 outlay projects as follows:

180 (i) Prior to the beginning of each calendar year, the governing authority of the county
181 whose geographical boundary is conterminous with that of the special district shall
182 establish the capital factor which shall not exceed .250;

183 (ii) Capital outlay projects shall be funded in an amount equal to the product of the
184 capital factor multiplied by the net amount of the sales and use tax proceeds collected
185 under this part during the previous calendar year, and this amount shall be referred to
186 as capital outlay proceeds;

187 (iii) The total portion, if any, to be paid to existing municipalities from the capital
188 outlay proceeds shall be determined as follows:

189 (I) If the sales and use tax provided for in Part 1 of Article 3 of this chapter is
190 currently levied and collected within such county, such portions shall be determined
191 for each existing municipality by applying the percentage used for that
192 municipality's portion of the proceeds of such sales and use tax received by such
193 county from the commissioner in each month to the capital outlay portion of the
194 proceeds of the sales and use tax provided for by this article received from the
195 commissioner in the same month;

196 (II) If a new municipality is incorporated within the county, such newly
197 incorporated municipality shall receive a portion of each month's capital outlay

198 proceeds that is equal to the population of such municipality within such county as
199 a percentage of the total population of the county, as such populations are
200 determined based upon the most recently published decennial United States Census,
201 and the portion of such capital outlay proceeds received by the county and the
202 existing municipalities shall be reduced in proportion to their populations within
203 such county; or

204 (III) If the sales and use tax provided for in Part 1 of Article 3 of this chapter is not
205 levied or collected within such county, the capital outlay portion of the sales and use
206 tax provided for in this article shall be distributed to the municipalities located
207 wholly or partially within the county based upon the populations of such
208 municipalities that are located within the county as a percentage of the total
209 population of such county, as such populations are determined based upon the most
210 recently published decennial United States Census; and

211 (iv) Capital outlay projects funded by this part undertaken by the county shall be
212 limited to road improvement projects; provided, however, that nothing in this division
213 shall limit the scope of capital outlay projects undertaken by a qualified municipality;
214 and

215 (B) A portion of such proceeds shall be expended for the purpose of funding services
216 within the special district equal to the revenue lost to the homestead exemption as
217 provided in this Code section as follows:

218 (i) Within 30 days of the end of the calendar year, the governing authority of such
219 county shall calculate the homestead factor for that period by multiplying the quantity
220 1.000 minus the capital factor for that period, and then dividing by the taxes to be
221 levied in the current tax year for county maintenance and operations on only that
222 portion of the county's tax digest levied for maintenance and operations that
223 represents net assessments on qualified homestead property after all other homestead
224 exemptions have been applied, rounding the result to three decimal places;

225 (ii) If the homestead factor is less than or equal to 1.000, the amount of homestead
 226 exemption created for the current tax year under this part on qualified homestead
 227 property shall be equal to the product of the homestead factor multiplied times the net
 228 assessment of each qualified homestead remaining after all other homestead
 229 exemptions have been applied; and

230 (iii) If the homestead factor is greater than 1.000, the homestead exemption created
 231 for the current tax year by this part on qualified homestead property shall be equal to
 232 the net assessment of each homestead remaining after all other homestead exemptions
 233 have been applied; and

234 (C) If any of such proceeds remain following the distribution provided for in
 235 subparagraphs (A) and (B) of this paragraph:

236 (i) The millage rate levied for county maintenance and operation purposes shall be
 237 rolled back in an amount equal to such excess divided by the net taxable digest for
 238 county purposes after deducting all homestead exemptions including the exemption
 239 under this part; and

240 (ii) In the event the rollback created by division (i) of this subparagraph exceeds the
 241 millage rate for county maintenance and operation purposes, the governing authority
 242 of the county whose boundary is conterminous with the special district shall be
 243 authorized to expend the surplus funds for funding all or any portion of those services
 244 which are to be provided by such governing authorities pursuant to and in accordance
 245 with Article IX, Section II, Paragraph III of the Constitution of this state.

246 (d) For illustration purposes, a hypothetical example of the calculation is provided below.

247 First, calculate the homestead factor in accordance with
 248 division (c)(2)(B)(i) of this Code section as follows:

249 (A) Capital factor certified by county as required by 0.150
 250 subsection (c) of this Code section

251	<u>(B) Net amount of sales and use tax collected in the</u>	<u>\$ 50 million</u>
252	<u>special district pursuant to this part for the previous</u>	
253	<u>calendar year</u>	
254	<u>(C) Taxes levied for county purposes on only that portion</u>	<u>\$100 million</u>
255	<u>of the county tax digest that represents net assessments on</u>	
256	<u>qualified homestead property after all other homestead</u>	
257	<u>exemptions have been applied</u>	
258	<u>(D) Calculation of homestead factor using figures above</u>	<u>.425</u>
259	<u>= [(1-.0150)(\$50 million/\$100 million)]</u>	

260 48-8-109.28.

261 (a) Where a local sales or use tax has been paid with respect to tangible personal property
 262 by the purchaser either in another local tax jurisdiction within this state or in a tax
 263 jurisdiction outside this state, the sales and use tax may be credited against the sales and
 264 use tax authorized to be imposed by this part upon the same property. If the amount of
 265 sales or use tax so paid is less than the amount of the use tax due under this part, the
 266 purchaser shall pay an amount equal to the difference between the amount paid in the other
 267 tax jurisdiction and the amount due under this part. The commissioner may require such
 268 proof of payment in another local tax jurisdiction as the commissioner deems necessary and
 269 proper. No credit shall be granted, however, against the sales and use tax imposed under
 270 this part for tax paid in another jurisdiction if the sales and use tax paid in such other
 271 jurisdiction is used to obtain a credit against any other local sales and use tax levied in the
 272 special district or in the county which is conterminous with the special district; and sales
 273 and use taxes so paid in another jurisdiction shall be credited first against the sales and use
 274 tax levied under this part and then against the sales and use tax levied under Article 3 of
 275 this chapter, if applicable.

276 (b) No sales and use tax provided for in Code Section 48-8-109.26 shall be imposed upon
277 the sale of tangible personal property which is ordered by and delivered to the purchaser
278 at a point outside the geographical area of the special district in which the sales and use tax
279 is imposed under this part regardless of the point at which title passes, if the delivery is
280 made by the seller's vehicle, United States mail, or common carrier or by private or contract
281 carrier licensed by the Federal Motor Carrier Safety Administration or the Georgia
282 Department of Public Safety.

283 (c)(1) As used in this subsection, the term 'building and construction materials' means
284 all building and construction materials, supplies, fixtures, or equipment, any combination
285 of such items, and any other leased or purchased articles when the materials, supplies,
286 fixtures, equipment, or articles are to be utilized or consumed during construction or are
287 to be incorporated into construction work pursuant to a bona fide written construction
288 contract.

289 (2) No sales and use tax provided for in Code Section 48-8-109.26 shall be imposed in
290 a special district upon the sale or use of building and construction materials when the
291 contract pursuant to which the materials are purchased or used was advertised for bid
292 prior to approval of the levy of the sales and use tax by the county whose geographical
293 boundary is conterminous with that of the special district and the contract was entered
294 into as a result of a bid actually submitted in response to the advertisement prior to
295 approval of the levy of the sales and use tax.

296 (d) The commissioner shall have the power and authority to promulgate such rules and
297 regulations as shall be necessary for the effective and efficient administration and
298 enforcement of the collection of the sales and use tax authorized to be imposed by this
299 part."

300

SECTION 2.

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