

House Bill 393

By: Representative Stephens of the 164<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 1 of Chapter 8 of Title 48, relating to general provisions for sales  
2 and use taxes, so as to revise the definition of "high-technology data center minimum  
3 investment threshold" with respect to an exemption; to revise the definitions of "manufacture  
4 of tangible personal property" and "manufacturer" to include data processing, hosting, and  
5 related services with respect to an exemption for certain machinery, equipment, and energy  
6 used in manufacturing; to provide for related matters; to repeal conflicting laws; and for other  
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Part 1 of Article 1 of Chapter 8 of Title 48, relating to general provisions for sales and use  
11 tax is amended by revising division (v) of subparagraph (G) of paragraph (68.1) of Code  
12 Section 48-8-3, relating to exemptions, as follows:

13 "(v) 'High-technology data center minimum investment threshold' means the creation  
14 of 20 new quality jobs and:

15 (I) For high-technology data centers located in a county in this state having a  
16 population greater than 50,000 according to the United States decennial census of

17 2010 or any future such census, \$250 million in aggregate expenditures incurred  
18 over any consecutive seven-year period between July 1, 2018, and December 31,  
19 2028, on the design and construction of the high-technology data center and  
20 high-technology data center equipment to be used or incorporated in the  
21 high-technology data center;

22 (II) For high-technology data centers located in a county in this state having a  
23 population greater than 30,000 and less than 50,001 according to the United States  
24 decennial census of 2010 or any future such census, \$150 million in aggregate  
25 expenditures incurred over any consecutive seven-year period between July 1, 2018,  
26 and December 31, 2028, on the design and construction of the high-technology data  
27 center and high-technology data center equipment to be used or incorporated in the  
28 high-technology data center; and

29 (III) For high-technology data centers located in a county in this state having a  
30 population greater than 20,001 and less than 30,001 according to the United States  
31 decennial census of 2010 or any future such census, \$100 million in aggregate  
32 expenditures incurred over any consecutive seven-year period between July 1, 2018,  
33 and December 31, 2028, on the design and construction of the high-technology data  
34 center and high-technology data center equipment to be used or incorporated in the  
35 high-technology data center.

36 (IV) For high-technology data centers located in a county in this state having a  
37 population less than 20,000 according to the United States decennial census of 2010  
38 or any future such census, \$50 million in aggregate expenditures incurred over any  
39 consecutive seven-year period between July 1, 2018, and December 31, 2028, on  
40 the design and construction of the high-technology data center and high-technology  
41 data center equipment to be used or incorporated in the high-technology data  
42 center."

**SECTION 2.**

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Said part is further amended by revising paragraphs (9) and (10) of subsection (a) of Code Section 48-8-3.2, relating to definitions, exemption, applicability, and examples, as follows:

"(9) 'Manufacture of tangible personal property,' used synonymously with the term 'manufacturing,' means a manufacturing operation, series of continuous manufacturing operations, or series of integrated manufacturing operations engaged in at a manufacturing plant or among manufacturing plants to change, process, transform, or convert industrial materials by physical or chemical means into articles of tangible personal property for sale, for promotional use, or for further manufacturing that have a different form, configuration, utility, composition, or character. ~~The~~ Such term includes, but is not limited to, the storage, preparation, or treatment of industrial materials; assembly of finished units of tangible personal property to form a new unit or units of tangible personal property; movement of industrial materials and work in process from one manufacturing operation to another; temporary storage between two points in a continuous manufacturing operation; random and sample testing that occurs at a manufacturing plant; data processing, hosting, and related services; and a packaging operation that occurs at a manufacturing plant.

(10) 'Manufacturer' means a person or business, or a location of a person or business, that is engaged in the manufacture of tangible personal property for sale or further manufacturing. To be considered a manufacturer, the person or business, or the location of a person or business, must be:

(A) Classified as a manufacturer under the 2007 North American Industrial Classification System Sectors 21, 31, 32, or 33, or North American Industrial Classification System industry code 22111 or specific code 511110; ~~or~~

(B) Generally regarded as being a manufacturer; or

(C) Classified as an entity engaged in data processing, hosting, and related services under the 2017 North American Industrial Classification System Subsector 518.

70 Businesses that are primarily engaged in providing personal or professional services or  
71 in the operation of retail outlets, generally including, but not limited to, grocery stores,  
72 pharmacies, bakeries, or restaurants, are not considered manufacturers."

73 **SECTION 2.**

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