

House Bill 818

By: Representatives Davis of the 87th, Scott of the 76th, and Schofield of the 63rd

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 repeal certain income tax credits; to revise certain sales tax exemptions; to
3 provide for related matters; to provide for an effective date; to repeal conflicting laws; and
4 for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
8 amended by repealing and reserving Code Section 48-7-40.2, relating to income tax credits
9 for existing manufacturing and telecommunications facilities in tier 1 counties.

10 style="text-align:center">**SECTION 2.**

11 Said title is further amended by repealing and reserving Code Section 48-7-40.3, relating to
12 income tax credits for existing manufacturing and telecommunications facilities in tier 2
13 counties.

14 **SECTION 3.**

15 Said title is further amended by repealing and reserving Code Section 48-7-40.4, relating to
 16 income tax credits for existing manufacturing and telecommunications facilities or
 17 manufacturing and telecommunications support facilities in tier 3 or 4 counties.

18 **SECTION 4.**

19 Said title is further amended in Code Section 48-8-3.2, relating to exemptions for
 20 manufacturing equipment, industrial materials, packing supplies, and energy, by revising
 21 subsections (b) and (c) as follows:

22 "(b) The sale, use, or storage of machinery or equipment which is necessary and integral
 23 to the manufacture of tangible personal property and the sale, use, storage, or consumption
 24 of industrial materials or packaging supplies shall be exempt from all sales and use
 25 taxation; provided, however, that on and after July 1, 2023, the exemption allowed by this
 26 subsection shall not provide a complete exemption from the state sales and use tax imposed
 27 by this article, and such sales, use, or storage shall be subject to 50 percent of the prevailing
 28 rate of the sales and use tax imposed in this article by the state.

29 (c)(1) ~~Except as otherwise provided in paragraph (4) of this subsection, the~~ The sale, use,
 30 storage, or consumption of energy which is necessary and integral to the manufacture of
 31 tangible personal property at a manufacturing plant in this state shall be exempt from all
 32 sales and use taxation except for the sales and use tax for educational purposes levied
 33 pursuant to Part 2 of Article 3 of this chapter and Article VIII, Section VI, Paragraph IV
 34 of the Constitution, and except for local sales and use taxes for educational purposes
 35 authorized by or pursuant to local constitutional amendment, and on and after July 1,
 36 2023, 50 percent of the prevailing rate of the sales and use tax imposed in this article by
 37 the state. This exemption shall be phased in over a four-year period as follows:

38 (A) ~~For the period commencing January 1, 2013, and concluding at the last moment~~
 39 ~~of December 31, 2013, such sale, use, storage, or consumption of energy shall be~~

40 ~~exempt from an amount equal to 25 percent of the total amount of state sales and use~~
41 ~~tax that would be collected at the rate of 4 percent on such sale, use, storage, or~~
42 ~~consumption of energy and shall be exempt from an amount equal to 25 percent of the~~
43 ~~total amount of each local sales and use tax that would be collected at the rate of 1~~
44 ~~percent on such sale, use, storage, or consumption of energy;~~

45 ~~(B) For the period commencing January 1, 2014, and concluding at the last moment~~
46 ~~of December 31, 2014, such sale, use, storage, or consumption of energy shall be~~
47 ~~exempt from an amount equal to 50 percent of the total amount of state sales and use~~
48 ~~tax that would be collected at the rate of 4 percent on such sale, use, storage, or~~
49 ~~consumption of energy and shall be exempt from an amount equal to 50 percent of the~~
50 ~~total amount of each local sales and use tax that would be collected at the rate of 1~~
51 ~~percent on such sale, use, storage, or consumption of energy;~~

52 ~~(C) For the period commencing January 1, 2015, and concluding at the last moment~~
53 ~~of December 31, 2015, such sale, use, storage, or consumption of energy shall be~~
54 ~~exempt from an amount equal to 75 percent of the total amount of state sales and use~~
55 ~~tax that would be collected at the rate of 4 percent on such sale, use, storage, or~~
56 ~~consumption of energy and shall be exempt from an amount equal to 75 percent of the~~
57 ~~total amount of each local sales and use tax that would be collected at the rate of 1~~
58 ~~percent on such sale, use, storage, or consumption of energy; and~~

59 ~~(D) On or after January 1, 2016, such sale, use, storage, or consumption of energy shall~~
60 ~~be fully exempt from such sales and use taxation.~~

61 (2)(A) Any person making a sale of items qualifying for exemption under paragraph
62 (1) of this subsection shall be relieved of the burden of proving such qualification if the
63 person making the sale receives a certificate from the purchaser certifying that the
64 purchase is exempt under this subsection.

65 (B) Any person who qualifies for the exemption under paragraph (1) of this subsection
66 shall notify and certify to the person making the qualified sale that such exemption is
67 applicable to the sale.

68 (3) With respect to services which are regularly billed on a monthly basis, the exemption
69 under paragraph (1) of this subsection shall become effective with respect to and the
70 exemption shall apply to services billed on or after January 1, 2013.

71 ~~(4) If a competitive project of regional significance under paragraph (93) of Code~~
72 ~~Section 48-8-3 is started in a county or municipality, it shall not be subject to the phase-in~~
73 ~~period contained in subparagraphs (A), (B), and (C) of paragraph (1) of this subsection,~~
74 ~~but such project shall receive the full exemption provided for in subparagraph (D) of~~
75 ~~paragraph (1) of this subsection notwithstanding the January 1, 2016, limitation in that~~
76 ~~subparagraph."~~

77 **SECTION 5.**

78 This Act shall become effective on June 30, 2023.

79 **SECTION 6.**

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