



2018 SUMMARY OF ENACTED LEGISLATION

The full text of each bill summarized can be accessed at the Georgia General Assembly's Legislation Advanced Search webpage: <http://www.legis.ga.gov/Legislation/en-US/Search.aspx>

ALCOHOL & TOBACCO

No legislation was enacted pertaining to alcohol and tobacco regulation in the 2018 Legislative Session.

INCOME TAX

HB 217 (O.C.G.A. §§ 20-2A-2, -3, 48-7-29.16, -29.21)

The income tax portion of this bill:

- Modifies the Qualified Education Expense Credit. The bill increased the preapproval cap to \$100 million for tax years 2019 through 2028 (the prior cap was \$58 million). The bill also makes certain other changes to the Qualified Education Expense Credit. This portion of the bill is applicable to taxable years beginning on or after January 1, 2019.
- Extends the Qualified Education Donation Tax Credit to 2023 (it was previously set to expire at the end of 2020).

HB 735 (O.C.G.A. §§ 48-7-40.34, -40.35)

The income tax portion of this bill creates two credits:

- The first credit is a credit for Class III railroads. The credit amount is 50 percent of the qualified railroad track maintenance expenditures paid or incurred by such Class III railroad during the taxable year, provided that the credit cannot exceed \$3,500.00 multiplied by each mile of railroad track owned or leased in this state as of the close of the taxable year by the Class III railroad. This portion of the credit is applicable to taxable years beginning on or after January 1, 2019 and ending on or before December 31, 2023.
- The second credit is a credit for a taxpayer that operates a facility in this state that recycles post-consumer waste materials into polyester bulk continuous filament fibers. This portion of the credit is applicable to taxable years beginning on or after January 1, 2018 and ending on or before December 31, 2023.

HB 749 (O.C.G.A. § 48-7-27)

This bill provides an exclusion for individual taxpayers for any income received by a surviving family member that is based on the service record of a deceased veteran without regard to the age of the surviving family member.

Applicable to taxable years beginning on or after January 1, 2018.

HB 769 (O.C.G.A. § 48-7-29.20)

This bill modifies the Qualified Rural Hospital Organization Expense Tax Credit.
Effective July 1, 2018.

HB 843 (O.C.G.A. § 48-7-40.1)

For purposes of the O.C.G.A. § 48-7-40.1 jobs tax credit, this bill allows the Commissioner of Community Affairs to include in their designation of less developed areas any census tract in a county that contains a federal military installation with a garrison of at least 5,000 federal or military personnel combined and also contains an industrial park that is owned and operated by a governmental entity.

Applicable to taxable years beginning on or after January 1, 2018.

HB 849 (O.C.G.A. § 48-7-21, -27, -53, -82)

This bill:

- Provides for the reporting of federal partnership adjustments. This portion is effective for taxable years beginning on or after January 1, 2018.
- Provides for Georgia partnership and pass-through entity adjustments and related appeals. This portion is effective for taxable years beginning on or after January 1, 2017 and earlier if the Department and the partnership or pass-through entity agree.
- Modifies the reporting provisions for other federal adjustments.

HB 918 and SB 328 (O.C.G.A. § 48-1-2, 48-7-20, -21, -27, -29.3, -29.5, -40.19, -42)

Note: SB 328 was adopted after HB 918 and changed some of the HB 918 provisions, so these bills are summarized together.

The income tax portion of these bills:

1. Lowers the maximum individual and corporate tax rate from 6% to 5.75% for tax years beginning on or after January 1, 2019.
2. If later approved by the General Assembly and the Governor, lowers the maximum individual and corporate tax rate from 5.75% to 5.50% for tax years beginning on or after January 1, 2020.
3. For taxable years beginning on or after January 1, 2018, doubles the standard deduction for individual taxpayers to the following amounts:
 - a. Single or Head of Household – \$4,600
 - b. Married Filing Separate - \$3,000
 - c. Married Filing a Joint Return - \$6,000
4. With exception of the Historic Rehabilitation Tax Credit, Conservation Tax Credit, Film Tax Credit, and Postproduction Film Tax Credit, allows an assignee of an income tax credit, where by statute such income tax credit can be used against payroll withholding, the ability to elect to use the credit against payroll withholding (income tax credits can be assigned to affiliated entities as provided in O.C.G.A. 48-7-42). This portion is applicable to tax credits that are assigned in taxable years beginning on or after January 1, 2018.
5. Provides that for the purposes of all income tax credits provided for by Chapter 7 of Title 48, the sale, merger, acquisition, or bankruptcy of any taxpayer shall not create new eligibility for the succeeding transferee in such transaction or event, but any unused credit may be transferred and continued by such transferee (this applies both when the credit is eligible to be applied against income tax or when the credit was properly elected to be applied to withholding). This portion is applicable to sales, mergers, acquisitions, or bankruptcies occurring in taxable years beginning on or after January 1, 2018.
6. Modifies the provisions relating to the exclusion of dividends received by corporations from sources outside the United States.

7. On December 31, 2018 repeals the Qualified Transportation Credit, the Diesel Particulate Emission Reduction Technology Equipment Credit, and the Driver Education Credit.
8. Finally for taxable years beginning on or after January 1, 2017 (thus it also includes the 2017 tax year), with exceptions discussed below, Georgia adopts the provisions of all federal laws related to the computation of Federal Adjusted Gross Income (Federal Taxable Income for non-individuals) that were enacted on or before February 9, 2018.

For 2017, for both federal and Georgia purposes, the I.R.C. Section 179 deduction is limited to \$510,000 and the related phase out is \$2,030,000. For 2018, Georgia has adopted the increased I.R.C. Section 179 deduction of \$1M as well as the \$2.5M phaseout. Georgia has not, however, adopted the Section 179 deduction for certain real property (I.R.C. Sections 179(d)(1)(B)(ii) and 179(f)).

For losses incurred in taxable years ending after December 31, 2017, Georgia follows the new federal laws relating to no carryback and unlimited carryforward of net operating losses and also adopts the 2-year carryback for farming losses and the 2-year carryback and 20-year carryforward for certain insurance company net operating losses.

For losses incurred in taxable years beginning on or after January 1, 2018, Georgia follows the 80% limitation on the usage of net operating losses (the state 80% limitation is based on Georgia taxable net income). As with federal law, the state 80% limitation does not apply to certain insurance company net operating losses.

While Georgia adopts many federal provisions, Georgia has not adopted I.R.C. Section 168(k) (the 30%, 50% and 100% bonus depreciation rules) and Georgia has not adopted I.R.C. Section 199 (federal deduction for income attributable to domestic production activities).

Georgia has also **not** adopted the following federal provisions:

- 20% qualified business income deduction, I.R.C. Section 199A.
- 30% limitation on business interest (Georgia follows the provisions of I.R.C. Section. 163(j) that existed before enactment of federal Public Law 115-97).
- New 2017 rules relating to contributions to capital (Georgia follows the provisions of I.R.C. Section 118 that existed before enactment of federal Public Law 115-97). Therefore, the value of land or other property contributed to a corporation by a governmental unit or by a civic group for the purpose of inducing the corporation to locate its business in a particular community, or to enable the corporation to expand its operating facilities, is still treated as a tax-free contribution to capital by a nonshareholder, rather than as a contribution in aid of construction (CIAC). In addition, the exception still applies under which money or property received as a CIAC from any person (whether or not a shareholder) by a regulated public utility that provided water or sewerage disposal services is still nontaxable, provided that certain requirements are met. However, no deduction can be taken by the contributor and the basis of property contributed as a nontaxable CIAC is zero.
- Deferral of debt income from reacquisitions of business debt at a discount in 2009 and 2010 which is federally deferred for up to five years, then included ratably over five years, I.R.C. Section 108(i).
- Modified rules for high yield original issue discount obligations, I.R.C. Sections 163(e)(5)(F) and 163(i)(1).
- New York Liberty Zone Benefits, I.R.C. Section 1400L.
- 50% first year depreciation for post 8/28/2006 Gulf Opportunity Zone property, I.R.C. Section 1400N(d)(1).

- 50% bonus depreciation for most tangible property and computer software bought after May 4, 2007 and placed in service in the Kansas Disaster Area, I.R.C. Section 1400N(d)(1).
- 50% bonus depreciation for “qualified reuse and recycling property”, I.R.C. Section 168(m).
- 50% bonus depreciation in connection with disasters federally declared after 2007, I.R.C. Section 168(n).
- Increased (\$8,000) first-year depreciation limit for passenger automobiles if the passenger automobile is “qualified property,” I.R.C. Section 168(k).
- For assets placed in service on or before December 31, 2017, 15-year straight-line cost recovery period for certain improvements to retail space, I.R.C. Sections 168(e)(3)(E)(ix), 168(e)(8), and 168(b)(3)(I).
- For assets placed in service on or before December 31, 2017, modified rules relating to the 15-year straight-line cost recovery for qualified restaurant property (allowing buildings to now be included), I.R.C. Section 168(e)(7).
- 5-year depreciation life for most new farming machinery and equipment, I.R.C. Section 168(e)(3)(B)(vii).
- Special rules, Gulf Opportunity Zone public utility casualty losses, I.R.C. Section 1400N(j).
- 5-year carryback of NOLs from Gulf Opportunity Zone losses, I.R.C. Section 1400N(k).
- 5-year carryback of NOLs incurred in the Kansas disaster area after May 3, 2007, I.R.C. Section 1400N(k).
- The election to deduct public utility property losses attributable to May 4, 2007 Kansas storms and tornadoes in the fifth tax year before the year of the loss, I.R.C. Section 1400N(o).
- Temporary tax relief provisions relating to the Midwestern disaster area, I.R.C. Sections 1400N(f) and 1400N(k).

LEGAL/COMPLIANCE

HB 150 (O.C.G.A. §§ 32-10-64, 48-7-161, 48-9-3)

This bill establishes the State Road and Toll Authority (“SRTA”) as a “Claimant Agency” which may collect debt via “setoff” in conjunction with the Department of Revenue. The new authority allows SRTA to send the Department of Revenue information on drivers who have failed to pay tolls when using a toll lane. The Department may now “setoff” the verified debts owed by the driver by retaining such amounts from the driver’s tax refund. The Department then submits those retained amounts to SRTA to cover the driver’s debts. The amounts due to SRTA may only be set off after a finding by the Office of State Administrative Hearings (OSAH) that the amounts are owed and after the driver has an opportunity to refute the fees. The bill also extends the use of the Consumer Price Index for calculating the motor fuel excise tax rate to 2022.

Effective July 1, 2018.

HB 661 (O.C.G.A. §§ 15-6-97.3, 44-1-18, 44-2-2, -56, 48-3-21, -28, -40 to -44)

This bill was drafted to amend 2017 HB 337 passed in the previous year’s session. HB 661 removes statewide attachment of liens filed by the Department of Revenue. Such liens now only attach to real property in the county where the lien is recorded. HB 661 also removes the certificate of clearance and statement of lien processes that had been established by 2017 HB 337. Note that the Department now has 5 years after the final assessment of a tax debt to record the corresponding state tax lien with the appropriate superior court clerk. Current payoff information for active recorded state tax liens will now be available on the Department’s Georgia Tax Center website *without* the need for registration.

A number of provisions from 2017 HB 337 were left intact. The Department of Revenue will still electronically submit liens and related documents to the Georgia Superior Court Clerks’ Cooperative

Authority for subsequent acceptance and recording by a clerk of superior court. Additionally, liens sent electronically to the Georgia Superior Court Clerks' Cooperative Authority will still attach to and be perfected against real estate (though solely in the county of recording) upon transmission to the Authority by the Department of Revenue. Finally, recorded state tax liens will still expire 10 years after the date of recording (subject to certain exceptions) and cannot be renewed.

Effective February 20, 2018.

HB 811 (O.C.G.A. § 48-2-15)

This bill authorizes the Department of Revenue to contract with a licensed entity to complete data analytics to identify non-compliant sales and use taxpayers. Any such contract may not exceed three years. Compensation for such data analytics services may be based on collections which may be attributable to the data analytics company entities. Only the Department of Revenue may contact the non-compliant taxpayers to collect delinquent amounts.

Effective May 3, 2018.

HB 816 (O.C.G.A. § 48-2-6)

This bill was enacted to ensure compliance with recently updated IRS requirements to allow the Department of Revenue to continue receiving federal tax information (FTI). Employees, contractors, and subcontractors of the Department must complete a criminal fingerprint background check through the Georgia Criminal Information Center to run against the Federal Bureau of Investigation database. Employees and contractors must complete such background checks at least every 10 years. The results of such background checks are not subject to public record.

Effective May 3, 2018.

SB 371 (O.C.G.A. § 48-2-15)

This bill allows political subdivisions (counties, municipalities, and consolidated governments) in Georgia to obtain a list of vendors who filed a sales and use tax return in their jurisdiction for a specified filing period. Before the Department can provide this information, the political subdivision must make a formal request by submitting an official resolution to the Department. After the initial sales tax certificate information disclosure, the bill allows a designated official of the political subdivision to request that the Department validate the proper remittance of individual vendors' sales tax. Any information remitted by the Department to the political subdivision must be kept confidential and may only be discussed in closed session. Political subdivisions may not contact taxpayers directly. Upon validation, the Department may take appropriate action as provided by law. The Department may charge a fee to the requesting political subdivisions for the initial information request and subsequent validations. The amount of fees charged will not exceed the Department's actual costs of furnishing such information.

Effective July 1, 2018.

MOTOR FUEL

HB 205 (O.C.G.A. § 12-4-54)

This bill imposes a state-level severance tax on oil and gas removed from the ground in Georgia and permits local governments to impose a local severance tax. The state-level tax rate is (1) three cents per barrel of oil and (2) one cent per thousand cubic feet of gas. Local governments may adopt tax rates not to exceed (1) nine cents per barrel of oil and (2) two cents per thousand cubic feet of gas. The

Department shall collect the local tax for each local government. The tax shall be paid by the extractor, which is the party that removes oil or gas from the ground.

Effective May 18, 2018.

MOTOR VEHICLE

HB 287 (O.C.G.A. § 40-2-85.3)

This legislation increases from one to two the number of free license plates allowed for eligible family members of service members killed in action. (Additional license plates may be purchased.). It also expands who qualifies for the two free plates as an “eligible family member.” Previously, only a spouse, mother, and father were each eligible for only one free plate. This legislation provides that a spouse, mother, father, sibling, child, stepparent, or surviving spouse of such service member’s sibling are each eligible for two free plates.

Effective July 1, 2018.

HB 329 (O.C.G.A. § 48-5C-1)

This legislation amends the Title Ad Valorem Tax (TAVT) law, the tax which applies when a motor vehicle title is issued. The bill makes several changes:

- The definition of Fair Market Value for a new vehicle is amended to clarify certain items as included or excluded in the taxable amount.
- Used vehicle leases will now be calculated based on the “total base payments” rather than the full value of the vehicle.
- The term “down payment” is defined and includible in the taxable amount of a leased vehicle.
- The share of state and local TAVT is now fixed at 35% state and 65% local.
- The local distribution methodology has been modified, providing for a simplified method to distribute to the county, municipalities, the school boards, and other local distributees.
- Residents new to Georgia will now pay TAVT at a reduced rate of 3% on vehicles they own at the time of becoming a new resident.
- Transfers of vehicles pursuant to a business reorganization are now exempt so long as the ownership interests in the transferee business entity are the same as in the transferor business entity.
- “Conditional titles” will now be issued to vehicles which are not eligible for a title under the Certificate of Title Act. Such vehicles will also be subject to a reduced rate of tax of 1%.
- Transfers of vehicles pursuant to a divorce decree, which have previously been subject to TAVT, are subject to a reduced rate of tax of 1%.

Effective July 1, 2019.

HB 671 (O.C.G.A. §§ 40-2-41.1, -86)

This legislation establishes a revenue-sharing special license plate to benefit the Georgia Beekeepers Association. It also revises the definition of “authentic historical Georgia license plates” by changing the cut-off year from 1970 to 1989.

Effective May 3, 2018.

HB 695 (O.C.G.A. § 40-2-86)

This legislation establishes a revenue-sharing special license plate to benefit the Georgia Forestry Foundation. It also changes the fee distribution of the Department of Agriculture Dog and Cat Sterilization license plate.

Effective July 1, 2018 (except the Georgia Forestry Foundation license plate portion, which is effective July 1, 2019).

HB 784 (O.C.G.A. § 40-2-86)

This legislation establishes a revenue-sharing special license plate to benefit waterfowl via the Wildlife Resources Division of the Department of Natural Resources.

Effective July 1, 2019.

HB 815 (O.C.G.A. § 40-2-86)

This legislation establishes a revenue-sharing special license plate to benefit the Georgia Masonic Charities Foundation.

Effective May 7, 2018.

HB 898 (O.C.G.A. §§ 40-2-50 et seq., 40-2-86.1)

This legislation changes the enrollment, registration, and licensing processes for fleet vehicles. It does the following:

- Changes the definition of “fleet” from 1,000 to 100 or more motor vehicles.
- Provides that the fleet enrollment, registration, and licensing processes no longer exclude leasing and rental companies.
- Changes the initial enrollment fee from \$200 to \$50.
- Removes the \$25,000 surety bond requirement for applicants that have not had an established place of business in Georgia for 10 years.
- Modifies fleet enrollment procedures.
- Modifies procedures for registering and licensing vehicles enrolled in a fleet.
- Replaces revalidation decal with a “FLEET” designation on the license plates.

This legislation also modifies the special license plate for firefighters by making volunteer firefighters eligible for the plate and changes the procedure for returning a plate when a firefighter separates from his or her unit for any reason other than retirement.

Effective July 1, 2018.

HB 978 (O.C.G.A. §§ 40-6-163, 40-14-1.1, -1.2, -2, -5 through -8, -11, -18)

This bill allows for the use of automated devices to enforce traffic laws regarding the illegal passing of school buses and speeding in school zones. It provides due process requirements applicable to local law enforcement agencies (or their designated agents) who wish to seek civil penalties. If unsuccessful in collecting an imposed penalty, upon notification the Department of Revenue is required to suspend the vehicle’s registration. The Department must also place a hold on the transfer of the vehicle’s title until the penalty has been paid.

Effective July 1, 2018.

PROPERTY TAX

HB 85 (O.C.G.A. §§ 48-5-2, -271, -600 et seq., 48-5A-5, -6)

This legislation establishes a new class of property, Qualified Timberland Property (QTP), which is classified as a separate and distinct class of tangible property for ad valorem tax purposes. QTP includes only real property that has as its primary use the production of trees for the primary purpose of producing timber for commercial uses. This legislation provides for certification and appraisal of QTP by the revenue commissioner. It provides that the revenue commissioner shall adopt by rule and maintain a QTP appraisal manual, which will include a table of regional values for QTP based on the geographic locations and productivity levels within the state. It also lays out the appeal processes for QTP.

The legislation also changes the forest land conservation use covenant period from 15 to 10 years and provides that forest land conservation use property includes forest land of at least 200 acres in aggregate which lies within one or more counties, provided that such forest land is in parcels of at least 100 acres within any given county. It also provides that the revenue commissioner shall deduct and retain an administrative fee from assistance grants related to forest land conservation use property.

Effective January 1, 2019.

HR 51

A constitutional amendment related to HB 85 (see above).

HB 374 (O.C.G.A. § 48-5-306)

This bill allows a taxpayer to appeal the ad valorem tax assessment on non-homestead property with a fair market value over \$500,000.00 to a hearing officer. The previous law required the non-homestead property's minimum fair market value to be in excess of \$750,000.00 to file an appeal to a hearing officer.

The bill modifies appeal procedures, timelines and notice requirements. The compensation paid to hearing officers is increased from a rate of not less than \$75.00/hour to \$100.00/hour for the first hour.

Effective July 1, 2018.

HB 381 (O.C.G.A. §§ 15-10-2, 44-7-110, -112 to -119)

This bill establishes the Abandoned Mobile Home Act which provides guidance on determining the condition of mobile homes and a procedure for the creation of liens on abandoned mobile homes that are classified as intact and the disposition of abandoned mobile homes that are classified as derelict.

The bill provides for court authority, an opportunity for a hearing, an appeal, the public sale of an abandoned mobile home, and the disposition of the proceeds of any such public sale. It also provides for the jurisdiction of magistrate courts to foreclose on liens of mobile homes determined to be abandoned under the Abandoned Mobile Home Act.

Effective May 1, 2019

HB 729 (O.C.G.A. § 48-5-8)

This bill clarifies the intangible recording tax laws by explicitly providing that the recording of an instrument which is an extension, transfer, assignment, modification, or renewal that merely adds additional security for any existing indebtedness is not subject to intangible recording tax. Note that tax must have been properly paid on the recording of the original security instrument unless such recording was subject to an exemption. Intangible recording tax *will* be due, however, to the extent of any additional advance made with respect to the previously recorded instrument.

Effective July 1, 2018.

HB 820 (O.C.G.A. §§ 48-5-2, -44.1)

This bill provides a new homestead tax exemption if approved by a majority of the voters in a constitutional referendum. The referendum was approved on November 6, 2018.

The new law allows homeowners to choose the lowest property value from tax year 2016, 2017 or 2018 as their base year and caps annual property tax increases to 2.6 percent each year. The qualified property would be exempt from ad valorem taxes for municipal purposes in the amount of the difference between the current year assessed value and the adjusted base year value, provided however that the lowest base year value will be adjusted yearly by 2.6 percent. Homeowners who reside in a municipal corporation that is located in more than one county, levies a sales tax for MARTA, and has an independent school system are eligible for the new homestead exemption.

Effective January 1, 2019.

SB 458 (O.C.G.A. § 48-5-7.4)

This legislation provides that a board of tax assessors shall not require a recorded plat or survey to set the boundaries of underlying property of a residence whose value is to be excluded from eligibility in a conservation use covenant. It also amends the types of nonprofit organizations that qualify as owners of conservation use property and changes the documentation requirements for acceptable proof of bona fide conservation use. The legislation also provides for payment of attorney's fees and litigation costs in certain appeals, and it provides instructions on refund issuance and interest calculations in certain circumstances. Finally, it provides conditions upon which family-owned farm entities may elect to discontinue a qualifying use of bona fide conservation use property and provides for a reduced penalty.

Effective July 1, 2018.

HB 888 (O.C.G.A. §§ 48-5-48.1, -48.2, -48.5, -48.7)

This legislation makes changes to the freeport exemption provisions of the ad valorem tax code. Freeport filers who make clerical or typographical errors in a filing document will now be considered timely even if revisions must be made. The postal date is now considered the official filing date for exemption applications which are delivered by mail. If the county board of tax assessors fails to issue a letter of denial within 180 days after receiving an application, the exemption is now automatically granted. Finally, manufacturing inventory qualifying for the exemption is expanded to include, "the substantial assembly of finished parts."

Effective May 7, 2018.

SALES & USE TAX

HB 61 (O.C.G.A. §§ 48-8-2, -30)

This legislation expands the definition of “dealer” (a person who must collect and remit sales and use tax) to include sellers who do not have a physical presence in Georgia but who obtain gross revenues of more than \$250,000 from retail sales made in this state in the previous or current calendar year, or who conduct 200 or more separate retail sales transactions in the previous or current calendar year. A retailer who falls under this expanded definition that does not collect tax must notify purchasers of their use tax obligation. In addition, the retailer must provide a copy of all such notices to the Department. The Department may bring a court action against any person to establish whether the expanded definition is applicable and valid.

Effective January 1, 2019.

HB 217 (O.C.G.A. §§ 48-7-29.16, 48-8-3)

From July 1, 2018 through July 1, 2021, the sale or use of noncommercial printed materials by a 501(c)(3) organization that is located in Georgia is exempt from tax when the organization provides such materials to charity supporters for educational, charitable, religious, or fundraising purposes. This exemption is administered by refund only. Refunds related to this exemption will not include interest.

Effective May 7, 2018.

HR 238

This resolution provides for a constitutional amendment to be placed on the ballot for the November 2018 statewide general election. If passed it would authorize up to 80% of state sales and use tax collected and remitted by sporting goods stores to be paid into the Georgia Outdoor Stewardship Trust Fund for protecting and preserving conservation land.

Effective May 7, 2018.

HB 332 (O.C.G.A. §§ 12-6A-1 to -12)

This legislation works in conjunction with HR 238 and establishes the Georgia Outdoor Stewardship Trust Fund and provides details on distribution and allocation of money from the Trust Fund.

Effective July 1, 2019, conditional upon passage of a constitutional amendment at the November 2018 statewide general election.

HB 696 (O.C.G.A. § 48-8-3)

For the period of July 1, 2018 and ending on December 31, 2028, high-technology data center equipment incorporated or used in a high-technology data center is exempt from tax when the data center meets a minimum investment threshold and other conditions including ongoing reporting requirements and, at the Commissioner’s discretion, the maintenance of a good and valid bond. This exemption will be administered by way of a certificate of exemption issued by the Commissioner. A certificate cannot be issued unless the Commissioner determines that the data center will more than likely meet the minimum investment requirement. Once issued, a certificate of exemption can be revoked if it becomes apparent that the data center will not meet the minimum investment requirement within seven years following its exemption start date. If it is found that the minimum investment requirement was not met, the data center must repay all taxes exempted or refunded pursuant to its certificate of exemption. Each data center having received a certificate of exemption must provide a list of high-technology data center customers that are deploying high-technology data center equipment in its facility during the preceding year. The minimum investment requires the creation of 20 new quality jobs and an investment in aggregate expenditures of between \$100 million and \$250 million – depending on the population of the county where the data center is located – made within a consecutive seven-year period from the date the data center’s certificate of exemption is issued. The exemption is applicable to transactions occurring on or after July 1, 2018.

Effective January 1, 2019.

HB 697 (O.C.G.A. § 48-8-3)

This legislation extends the sales and use tax exemption for sales to qualifying nonprofit health centers for one additional year. From July 1, 2015 and ending on June 30, 2019, sales of tangible personal property to a nonprofit health center in this state are exempt from Georgia's 4% state sales tax. This exemption does not extend to taxable services. This exemption is administered by letter of authorization issued by the Georgia Department of Revenue.

This legislation also extends the sales and use tax exemption for sales to qualifying nonprofit volunteer health clinics for one additional year. For the period commencing July 1, 2015 and ending on June 30, 2019 sales of tangible personal property and services to a nonprofit volunteer health clinic which primarily treats indigent persons in this state are exempt from sales tax when the property and services are used exclusively in performing a general treatment function in this state. This exemption is administered by letter of authorization issued by the Georgia Department of Revenue.

Effective July 1, 2018.

HB 751 (O.C.G.A. § 48-2-15)

This legislation creates the Georgia Emergency Communications Authority and provides that the Authority will contract with the Department to collect 9-1-1 charges and wireless enhanced 9-1-1 charges and distribute those funds to local governments on a monthly basis. The Department will continue to collect prepaid wireless 9-1-1 charges and will distribute those funds on a monthly basis, as opposed to the current annual distribution. This bill specifically provides for the sharing of certain information, records, and reports for collection and remittance of 9-1-1 fees or charges between the Georgia Emergency Communications Authority and the Department of Revenue.

Effective July 1, 2018.

HB 793 (O.C.G.A. § 48-8-3)

This legislation provides sales and use tax exemptions for: (1) tangible personal property used for or in the renovation or expansion of a qualifying aquarium and (2) tangible personal property used for or in the construction of a museum that celebrates the heritage of automobiles.

The state tax exemption for aquariums shall apply from July 1, 2018 until January 1, 2022 or until the aggregate state sales tax refunded exceeds \$4.5 million, whichever occurs first. The exemption shall apply from July 1, 2018 until January 1, 2022 to any local sales and use taxes. The exemption applies to tangible personal property used for or in the renovation or expansion of an aquarium located in this state that charges for admission and that is owned or operated by an organization that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code. This exemption will be administered by refund only. Refunds related to this exemption will not include interest, and refund claims must be filed electronically. Only the ultimate owner of the property may file a claim for refund of the tax paid on the qualifying property. By June 30 each year, any taxpayer seeking to claim the exemption must electronically submit to the department at the time of application for the exemption and any such annual renewal, the total number of visitors admitted, the average monthly number of full-time employees, and the total amount of exempt purchases made by the taxpayer in the preceding calendar year. The Department will issue a report to the chairpersons of the House Committee on Ways and Means and the Senate Finance Committee containing such information.

The state tax exemption for certain automobile heritage museums shall apply from July 1, 2018 until December 31, 2020 or until the aggregate state sales tax refunded reaches \$960,000.00. The exemption shall apply from July 1, 2018 until December 31, 2020 to any local sales and use tax. This exemption applies to tangible personal property used for or in the construction of a qualifying museum that celebrates the heritage of automobiles and includes tangible personal property that becomes incorporated into the real property structure of the museum and tangible personal property that remains at the museum after the completion of construction. The exemption is administered by refund only, and refunds will not include interest. All refunds must be filed electronically by the ultimate owner of the property. By June 30 of each year, any taxpayer seeking to claim the exemption, must electronically submit to the department, at the time of application for the exemption and any such annual renewal, the total number of visitors admitted, the average monthly number of full-time employees, and the total amount of exempt purchases made by the taxpayer in the preceding calendar year. The Department will issue a report to the chairpersons of the House Committee on Ways and Means and the Senate Finance Committee containing such information.

Effective May 8, 2018.

HB 871 (O.C.G.A. § 48-8-3)

This legislation exempts 50% of the sales price of a manufactured home from the 4% state sales tax when the manufactured home will be installed and converted into real property within 30 days of sale. This exemption does not extend to local sales tax.

Effective July 1, 2018.

HB 886 (O.C.G.A. § 48-8-3.3)

This legislation revises the Georgia Agricultural Tax Exemption (GATE) by increasing the threshold production or service amount that is required to be a qualifying agricultural producer. This bill also requires GATE applications to include a warning to the agricultural producer of the consequences for providing false information on the application or for the unauthorized use or misuse of the GATE certificate, and an acknowledgement by the agricultural producer that certain purchase records must be maintained until the agricultural producer provides the Commissioner of Agriculture with a valid state taxpayer identification number issued through the Department of Revenue's Georgia Tax Center. The bill removes the current requirement for annual renewal and provides that exemption certificates will be valid for three years. Even though exemption certificates are valid for three years, the Department of Agriculture will issue a card each year that the certificate is in effect. The Commissioner of Agriculture and the Revenue Commissioner may cooperate in the promulgation of rules and regulations governing the issuance of GATE certificates and the administration and enforcement of the exemption. Any agricultural producer who has had a certificate revoked will not be eligible for the issuance of a new tax exemption certificate until three years from the date of such revocation.

A seller must verify all GATE certificates. A seller is prohibited from making exempt sales to a producer not having a valid GATE card. The Department of Agriculture can suspend or revoke certificates of producers that knowingly misuse the certificate. The Department of Revenue and the Department of Agriculture will be able to share additional confidential information.

Effective May 3, 2018.

HB 929 (O.C.G.A. § 48-8-203)

The water and sewer projects and costs tax (i.e., the local sales and use tax commonly known as MOST) was revised to allow for the tax to be re-imposed for six additional periods.

Effective July 1, 2018.

HB 930 (O.C.G.A. §§ 48-8-6, -269.40 to -269.58)

The sales tax portions of this legislation outline new local sales and use taxes. One new local tax is similar to a TSPLOST and may be levied either by one county in a nonattainment area (counties that have excess levels of pollutants) or by two or more counties outside a nonattainment area. The bill also provides for three distinct local taxes that are similar to MARTA and authorized to be imposed in Fulton County outside the City of Atlanta, Gwinnett County, and part of Cobb County.

Effective May 3, 2018.

SB 371 (O.C.G.A. § 48-2-15)

This bill requires the Department to provide to designated local government officials the sales tax certificates for all vendors that have filed a report for the designated period. Upon inquiry from designated local officials, this bill also allows the Commissioner to validate that the sales tax being collected from a taxpayer is being remitted to the proper political subdivision. The information provided to designated local officials remains confidential taxpayer information. The Commissioner may make a nominal charge for the information provided not to exceed the actual cost of furnishing the information.

Effective July 1, 2018.