



**Georgia Department of Revenue
Policy Bulletin FET-2020-01
Transportation Services Tax
Revised September 23, 2020**

Purpose: This Policy Bulletin provides guidance on the Transportation Services Tax and taxation of certain transportation services.

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Authority: House Bill 105 (2019-2020 Georgia General Assembly Regular Session); O.C.G.A. §§ 40-1-100, 40-1-151, 48-2-35, 48-8-3.

Scope: A Policy Bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers, superseding all conflicting documents and oral directives previously issued by the Department. A Policy Bulletin does not have the force or effect of law and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.

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Discussion of Issues:

1. What is the Transportation Services Tax?

Enacted in House Bill 105 in the 2019-2020 regular session of the Georgia General Assembly, the Transportation Services Tax is a 50¢ excise tax on for-hire ground transport trips and a 25¢ excise tax on shared for-hire ground transport trips. The Transportation Services Tax does not apply to charges for delivery of tangible personal property.

2. Who is required to collect the tax?

For-hire ground transport service providers are required to collect the Transportation Services Tax.¹ “For-hire ground transport service provider” means a limousine carrier, ride share network service, taxi service, or transportation referral service. A vehicle driver is not required to collect the tax unless the driver is a for-hire ground transport service provider or is collecting the tax as an agent for a for-hire ground transport service provider.

“Limousine carrier” means any person licensed with the state pursuant to O.C.G.A. § 40-1-151(5) that owns or operates a prearranged service regularly rendered to the public by furnishing transportation as a motor carrier for hire, not over fixed routes, by means of one or more unmetered:

- a. Limousines;
- b. Extended limousines;
- c. Sedans;
- d. Extended sedans;
- e. Sport utility vehicles;
- f. Extended sport utility vehicles;
- g. Other vehicles with a capacity for seating and transporting no more than 15 persons for hire including the driver; or
- h. Any combination of subparagraphs a. through g. above on the basis of telephone contract or written contract.

¹ In lieu of collecting the tax, a for-hire ground transport service provider is permitted to absorb the tax in accordance with O.C.G.A. § 48-8-36 and Rule 560-12-2-.21.

“Ride share network service” means any person or entity that uses a digital network or internet network to connect passengers to ride share drivers for the purpose of prearranged transportation for hire or for donation. The term “ride share network service” excludes any corporate sponsored vanpool or exempt rideshare as such terms are defined in O.C.G.A. § 40-1-100, provided that such corporate sponsored vanpool or exempt rideshare is not operated for the purpose of generating a profit.

“Taxi service” means any taxicab company or provider that utilizes a motor vehicle or similar vehicle, device, machine, or conveyance to transport passengers; uses a taximeter; and is authorized to provide taxicab services pursuant to an ordinance of a local government in this state.

“Transportation referral service” means any person or entity that books, refers clients to, collects money for, or advertises transportation services provided by a limousine carrier or taxi service by means of a telephone, through cellular telephone software, through the internet, in person, by written instrument, by any person, or by any other means, and does not own or lease any motor vehicle required to be registered with the Department of Public Safety as a limousine carrier or a taxi service.

3. What is a for-hire ground transport trip?

A for-hire ground transport trip means any request for a journey by passenger vehicle provided by a for-hire ground transport service provider for which an individual is charged a fee, whether such journey was completed or not.

Examples of a for-hire ground transport trip include, but are not limited to the following:

- A group of people calls a taxi service to transport the group from Point A to Point B. The taxi service dispatches a taxi to Point A, which then transports the group to Point B. One person pays for the trip. The trip constitutes one for-hire ground transport trip, and the taxi service must collect the 50¢ tax on the trip and remit it to the Department (a total of 50¢).
- A group of people calls a taxi service to transport the group from Point A to Point B. The taxi service dispatches a taxi to Point A, which then transports the group to Point B. The group splits the fare. The trip constitutes one for-hire ground transport trip, and the taxi service must collect the 50¢ tax on the trip and remit it to the Department (a total of 50¢).
- A group of four people summons a driver through a ride share network service mobile application to pick the group up at Point A. The driver picks up the group at Point A and drops each passenger off at different destinations. If the passengers are charged for four trips, as indicated by

the ride share network service's records and the passengers' receipts, then each trip is a for-hire ground transport trip, and the ride share network service must collect and remit to the Department the 50¢ tax on each trip (a total of \$2.00), regardless of whether the passengers split the fares or one passenger pays for all the fares. If the trip from Point A to the various destinations is charged as one trip, as indicated by the ride share network service's records and the passengers' receipts, then the trip is one for-hire ground transport trip, and the ride share network service must collect the 50¢ tax on the trip and remit it to the Department (a total of 50¢), regardless of whether the passengers split the fare or one passenger pays the entire fare.

- A group of people hires a limousine and driver to pick up the group at Point A, transport the group to Point B, wait at Point B for several hours, and then transport the group back to Point A. The limousine carrier charges a fee for the trip from Point A to Point B, another fee for the trip from Point B back to Point A, and another fee for the waiting period. The limousine carrier must collect the 50¢ tax on each trip and remit the tax to the Department (a total of \$1.00), regardless of whether the passengers split the fares.
- A group of people hires a limousine and driver for the evening to pick up the group at Point A, transport the group to Point B, wait at Point B for several hours, and then transport the group back to Point A. The limousine carrier charges a flat fee for the entire evening. The limousine carrier must collect the 50¢ tax on one trip and remit the tax to the Department (a total of 50¢), regardless of whether the passengers split the fee.
- A customer summons a driver through a ride share network service mobile application to pick the customer up at Point A. The driver picks up the customer at Point A and, at the customer's request, drives the customer to Point B to pick up a passenger chosen by the customer. The driver then transports both passengers to Point C. If the passengers are charged for two trips (as indicated by the ride share network service's records and the passengers' receipts) – one from Point A to Point B and one from Point B to Point C – then each trip is a for-hire ground transport trip, and the ride share network service must collect the 50¢ tax on each trip and remit the tax to the Department (a total of \$1.00), regardless of whether the two passengers split the fares or one passenger pays both fares. If the trip from Point A to B to C is charged as one trip, as indicated by the ride share network service's records and the passengers' receipts, then the trip is one for-hire ground transport trip, and the ride share network service must collect the 50¢ tax on the trip and remit it to the Department (a total of 50¢), regardless of whether the two passengers split the fare or one passenger pays the entire fare.

- A customer telephones a transportation referral service to send a taxi to bring the customer from Point A to Point B. The transportation referral service dispatches a taxi to Point A where it picks up and transports the customer to Point B. The trip constitutes one for-hire ground transport trip, and the transportation referral service must collect the 50¢ tax on the trip and remit it to the Department (a total of 50¢).

4. What is a shared for-hire ground transport trip?

A shared for-hire ground transport trip means any for-hire ground transport trip in which an individual has been matched with another individual by a for-hire ground transport service provider for purposes of such journey. Each passenger or passenger group charged for sharing the ride takes one shared for-hire ground transport trip. The size of the passenger group allowed to request a shared for-hire ground transport trip may be limited by the service provider.

An example of a shared for-hire ground transport trip includes, but is not limited to the following:

- Using a mobile application, a customer requests a ride to a destination from a ride share network service. The customer requests to share the ride with passengers that the ride share network service or driver chooses to pick up along the way. After picking up the customer, the driver picks up one lone passenger and one 2-passenger group. The ride share network service must collect the 25¢ tax on three shared for-hire ground transport trips and remit the tax to the Department (a total of 75¢).

5. Are no-show fees or cancellation fees subject to the Transportation Services Tax?

No.

6. Are fees charged by a service provider for waiting for the customer subject to the Transportation Services Tax?

No.

7. When must for-hire ground transport service providers begin collecting the tax?

For-hire ground transport service providers must begin collecting the tax on August 5, 2020.

8. Are for-hire ground transport trips and shared for-hire ground transport trips subject to sales tax?

Beginning August 5, 2020, for-hire ground transport trips and shared for-hire ground transport trips are exempt from state and local sales and use taxes. Tangible personal property used and consumed in the performance of a for-hire ground transport trip, such as gasoline, automobile accessories and parts, etc. are subject to sales and use taxes.

9. Are trips that originate in another state and end in Georgia or originate in Georgia and end in another state subject to the Transportation Services Tax?

No.

10. Are any for-hire ground transport trips or shared for-hire ground transport trips exempt from the Transportation Services Tax?

Entities that are exempt from sales tax under O.C.G.A. § 48-8-3 for purchases of services are exempt from the Transportation Services Tax.

11. Are foreign diplomats exempt from the Transportation Services Tax?

Foreign missions, their members, and dependents and the Taipei Economic and Cultural Representative Office (TECRO), Taipei Economic and Cultural Offices (TECOs), their employees and dependents are exempt from the tax to the same extent they are exempt from sales and use tax.

12. How do for-hire ground transport service providers register to report the tax?

Please see [How to Register for a Transportation Services Tax Account](#).

13. How do for-hire ground transport service providers report the tax?

For-hire ground transport service providers must report and remit the tax on the Georgia Tax Center (GTC) website on the Transportation Services Tax Return. Returns and taxes are due on the 20th day of each month following the month of collection, in accordance with O.C.G.A. § 48-2-39. (For more information, see [How to File a Transportation Services Tax Return](#).)

14. Are for-hire ground transport service providers required to report tax exempt trips?

Yes.

15. Are for-hire ground transport service providers required to report trip originations and trip destinations?

Yes. Every quarter, for-hire ground transport service providers must report the total number of trip originations per county and the total number of trip destinations per county on the Transportation Services Tax Quarterly Report. The Transportation Services Tax Quarterly Report will appear on the returns for the September, December, March, and June periods. Service providers who have provided trips during the quarter must complete the Quarterly Report to submit their September, December, March, and June returns.

16. How are trip originations and trip destinations counted and reported on the Transportation Services Tax Quarterly Report?

Each for-hire ground transport trip and each shared for-hire ground transport trip consists of one origination and one destination.

Example:

Rideshare, Inc. in one quarter provides 1,000 for-hire ground transport trips that begin and end in Fulton County, 10 shared for-hire ground transport trips that begin in Fulton County and end in DeKalb County, 15 for-hire ground transport trips that begin in DeKalb County and end in Fulton County, and 300 shared for-hire ground transport trips that begin in Cherokee County and end in Clayton County. Rideshare, Inc. must report the following:

County	Number of Originations	Number of Destinations
Cherokee	300	0
Clayton	0	300
DeKalb	15	10
Fulton	1,010	1,015
Total	1,325	1,325

17. Are for-hire ground transport service providers allowed vendor’s compensation?

When reporting and paying the tax, each for-hire ground transport service provider is allowed the following deduction, but only if the return was timely filed and the amount due was not delinquent at the time of payment:

- A deduction of three percent of the first \$3,000.00 of the total tax reported due on such return; and
- A deduction of one-half of one percent of that portion exceeding \$3,000.00 of the total tax reported due on such return.

18. What are the penalties for failure to file a return or pay the tax?

The penalties for failure to file a return or pay the tax are the same as the penalties imposed for failure to file or pay sales and use tax. In addition to those penalties, any for-hire ground transport service provider that knowingly and willfully violates the requirements of Title 48, Chapter 13, Article 8 (the Transportation Services Tax statutes) may be assessed a civil penalty of not more than \$10,000.00 in addition to the amount of tax due.

19. How do taxpayers seek a refund of the Transportation Services Tax?

Tax erroneously or illegally assessed and collected and interest on the tax will be refunded in accordance with O.C.G.A. § 48-2-35. For-hire ground transport service providers seeking a refund must file a claim electronically on GTC. Purchasers (i.e., passengers) seeking a refund must file the paper [Claim for Refund \(Form ST-12\)](#) and either the [Waiver of Vendor's Rights \(Form ST-12A\)](#) or the [Affidavit for Purchaser's Claim for Tax Refund \(Form ST-12B\)](#).

**For more information, please contact the Department at 1-877-423-6711
from 8:00 a.m. to 6:30 p.m. ET, Monday through Friday, excluding holidays.
For forms and other information, visit the Department's website at dor.georgia.gov.**