

**RULES
OF
DEPARTMENT OF REVENUE**

**CHAPTER 560-13
FEES AND EXCISE TAXES**

**SUBJECT 560-13-3
TRANSPORTATION SERVICES TAX**

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(1) Purpose. This Rule addresses the transportation services tax imposed pursuant to Title 48, Chapter 13, Article 8 of the Official Code of Georgia.

(2) Definitions. For purposes of this Rule only:

(a) “Fare” means a fee by a For-Hire Ground Transport Service Provider for a Journey.

(b) “For-Hire Ground Transport Service Provider” means a Limousine Carrier, Ride Share Network Service, Taxi Service, or Transportation Referral Service.

(c) “For-Hire Ground Transport Trip” means any request for a Journey by passenger vehicle provided for by a For-Hire Ground Transport Service Provider for which a person is charged a fee, whether such Journey was completed or not.

(d) “Journey” means a transport of a person from one location to another, as requested by such person.

(e) “Limousine Carrier” means any person licensed with Georgia pursuant to O.C.G.A. § 40-1-151(5) who 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:

1. Limousines;

2. Extended limousines;

3. Sedans;

4. Extended sedans;

5. Sport utility vehicles;

6. Extended sport utility vehicles;

7. Other vehicles with a capacity for seating and transporting no more than 15 persons for hire including the driver; or

8. Any combination of subparagraphs (2)(e)1. through (2)(e)7. on the basis of telephone contract or written contract.

(f) “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 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 ride-share is not operated for the purpose of generating a profit.

(g) “Shared For-Hire Ground Transport Trip.”

1. “Shared For-Hire Ground Transport Trip” means

(i) any For-Hire Ground Transport Trip in which a person has been matched with another person (other than the driver) by a For-Hire Ground Transport Service Provider for purposes of such Journey; and

(ii) any For-Hire Ground Transport Trip in which a person makes a request to be matched with another person (other than the driver) for purposes of such Journey by a For-Hire Ground Transport Service Provider, even if the For-Hire Ground Transport Service Provider does not match the person with another person, but only if the For-Hire Ground Transport Service Provider, in its regular course of business, matches passengers with other passengers in exchange for a reduced Fare.

2. The number of passengers in a passenger group at a single location allowed to request a Shared For-Hire Ground Transport Trip may be limited by the For-Hire Ground Transport Service Provider. Notwithstanding subparagraph (2)(g)1., a Journey provided by a For-Hire Ground Transport Service Provider to a passenger group that exceeds the service provider’s Shared For-Hire Ground Transport Trip passenger group limit constitutes a For-Hire Ground Transport Trip and does not constitute a Shared For-Hire Ground Transport Trip, even if the

passenger group requests a Shared For-Hire Ground Transport Trip.

(h) “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 Georgia.

(i) “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. A Transportation Referral Service shall not include emergency or nonemergency medical transports.

(3) Imposition.

(a) Beginning August 5, 2020, an excise tax known as the transportation services tax is levied on For-Hire Ground Transport Trips and Shared For-Hire Ground Transport Trips.

1. Example: Using Ride, Inc.’s mobile application, a person requests Ride, Inc., a For-Hire Ground Transport Service Provider and a Ride Share Network Service, to transport the person from point A to point B. Ride, Inc. must collect and remit the transportation services tax.

2. Example: A passenger telephones Great Cabs, a For-Hire Ground Transport Service Provider and Taxi Service, to send a taxi to transport the passenger from point A to point B. Great Cabs dispatches a taxi to point A where it picks up and transports the passenger to point B. The driver charges a Fare to the passenger. The driver is not a For-Hire Ground Transport Service Provider; therefore, Great Cabs must remit the tax to the Department.

(b) The transportation services tax shall be collected and remitted by the For-Hire Ground Transport Service Provider itself and not the vehicle driver. Notwithstanding the foregoing, to the extent a Transportation Referral Service books or refers clients for a For-Hire Ground Transport Trip to a Taxi Service or a Limousine Carrier which is also a For-Hire Ground Transport Service Provider, then the Taxi Service or Limousine Carrier, and not the Transportation Referral Service, shall be responsible for the collection and remittance of such excise tax.

(c) A For-Hire Ground Transport Service Provider is relieved from the duty to collect the transportation services tax if the For-Hire Ground Transport Service Provider takes, in good faith, as such term is more fully described in O.C.G.A. § 48-8-38, a certificate of exemption from a purchaser of a For-Hire Ground Transport Trip.

(d) 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.

(e) The transportation services tax is a debt from the passenger to the For-Hire Ground Transport Service Provider until it is paid and is recoverable at law in the same manner as authorized for the recovery of other debts.

(f) Any For-Hire Ground Transport Service Provider who neglects, fails, or refuses to collect the transportation services tax as required by this Rule is liable for the fee.

(g) The transportation services tax shall be administered, collected, and due and payable in the same manner as would otherwise be required by the tax imposed under Title 48, Chapter 8, Article 1 of the Official Code of Georgia.

(4) Rate.

(a) Beginning August 5, 2020 through and including March 31, 2022, the rate of the tax is 50¢ for For-Hire Ground Transport Trips and 25¢ for Shared For-Hire Ground Transport Trips.

(b) In calendar year 2022 and annually thereafter, the Department will adjust the rate effective April 1 to reflect the effect of annual inflation or deflation for the cost of living that consumers in this state experienced on average during the immediately preceding calendar year. For such purpose, the Department will use the Consumer Price Index for All Urban Consumers rate published by the Bureau of Labor Statistics of the United States Department of Labor. The Department will publish the rate to its website on or before March 1st of each year.

(c) The examples in this Rule assume rates of 50¢ for For-Hire Ground Transport Trips and 25¢ for Shared For-

Hire Ground Transport Trips. The rates in the examples may not be current. For-Hire Ground Transport Service Providers are responsible for collecting the tax at the current rate as published on the Department's website.

(d) The rate applies to each Fare charged by the For-Hire Transportation Service Provider, documented by the For-Hire Transportation Service Provider's records and passenger receipts.

1. Example: A group of passengers at a single location calls a Taxi Service to transport the group from point A to point B. The Taxi Service dispatches a taxicab to point A, which then transports the group to point B. The Taxi Service charges one Fare as shown on the Taxi Service's records and the passenger receipt. The Taxi Service must collect the transportation services tax in the amount of 50¢ (the 50¢ tax on For-Hire Ground Transport Trips X 1 Fare = 50¢) and remit the tax to the Department, regardless of whether the passengers split the Fare or one passenger pays the entire Fare.

2. Example: A group of four passengers at a single location requests a ride through a mobile application provided by Ride, Inc., a Ride Share Network Service. The group requests Ride, Inc. to pick them up at point A. The group has not been matched with another person by Ride, Inc., nor has the group of passengers made a request to Ride, Inc. to be matched with another person by Ride, Inc. The driver picks up the group at point A and drops each passenger off at different destination points. Ride, Inc. charges each passenger a separate Fare, as indicated by Ride, Inc.'s records and the passengers' receipts. Ride, Inc.

must collect the transportation services tax in the amount of \$2.00 (the 50¢ tax on For-Hire Ground Transport Trips X 4 Fares = \$2.00) and remit the tax to the Department, regardless of whether the passengers pay separately or one passenger pays for all the Fares.

3. Example: Assume the same facts as in subparagraph (4)(d)2., except that Ride, Inc. charges only one Fare, as indicated by the Ride Inc.'s records and the passengers' receipts. Ride, Inc. must collect the transportation services tax in the amount of 50¢ (the 50¢ tax on For-Hire Ground Transport Trips X 1 Fare = 50¢) and remit the tax to the Department, regardless of whether the passengers split the Fare or one passenger pays the entire Fare.

4. Example: Using a mobile application, a passenger requests a ride from Ride, Inc., a Ride Share Network Service. The passenger requests to share the ride with passengers that Ride, Inc. chooses to pick up along the way. After picking up the first passenger, the driver then picks up one lone passenger and one 2-passenger group. Ride, Inc. charges each lone passenger a separate Fare and charges one Fare to the 2-passenger group, as indicated by Ride, Inc.'s records and the passengers' receipts. Ride, Inc. must collect the transportation services tax in the amount of \$1.00 (the 25¢ tax on Shared For-Hire Ground Transport Trips X 4 Fares = \$1.00) and remit the tax to the Department.

5. Example: A passenger requests a ride through the mobile application of Ride, Inc., a Ride Share Network

Service. The passenger has not been matched with another person by Ride, Inc., nor has the passenger made a request to Ride, Inc. to be matched with another person by Ride, Inc. The driver picks up the passenger at point A and, at the passenger's request, drives the passenger to point B to pick up a passenger chosen by the passenger. The driver then transports both passengers to point C. As indicated by Ride Inc's records and the passengers' receipts, Ride, Inc. charges one Fare for the Journey from point A to point B and one Fare for the Journey from point B to point C. Ride, Inc. must collect the transportation services tax in the amount of \$1.00 (the 50¢ tax on For-Hire Ground Transport Trips X 2 Fares = \$1.00) and remit it to the Department, regardless of whether the passengers split the Fares or one passenger pays for both Fares.

6. Example: Assume the same facts as in subparagraph (4)(d)5, except that Ride, Inc. charges one Fare for the Journey from point A to point B to point C, as indicated by Ride, Inc.'s records and the passengers' receipts. Ride, Inc. must collect the transportation services tax in the amount of 50¢ (the 50¢ tax on For-Hire Ground Transport Trips X 1 Fare = 50¢) and remit the tax to the Department, regardless of whether the passengers split the Fare or one passenger pays the entire Fare.

(5) Itemized charges.

(a) Separate or itemized charges for either (i) a waiting period; (ii) a cancellation or no-show; or (iii) travel time by the For-Hire Ground Transportation Service Provider without transporting one or more persons by the

For-Hire Ground Transportation Service Provider do not constitute Fares and, as such, are not subject to the transportation services tax.

(b) In the event a For-Hire Ground Transportation Service Provider charges a flat fee that includes at least one Journey provided by the For-Hire Ground Transportation Service Provider, then such flat fee constitutes a single Fare that is subject to the transportation services tax.

1. Example: A group of people hires a Limousine Carrier 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 Journey from point A to point B, another fee for the Journey from point B back to point A, and another fee for the waiting period. Each fee for a Journey constitutes one Fare. Thus, the Limousine Carrier must collect the transportation services tax in the amount of \$1.00 (the 50¢ tax on For-Hire Ground Transport Trips X 2 Fares = \$1.00) and remit the tax to the Department, regardless of whether the passengers split the Fare or one passenger pays the entire Fare. The transportation services tax does not apply to the charge for the waiting period because the charge is not a Fare.

2. Example: A group of people hires a Limousine Carrier 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 flat fee constitutes a Fare. The Limousine

Carrier must collect the transportation services tax in the amount of 50¢ (the 50¢ tax on For-Hire Ground Transport Trips X 1 Fare = 50¢) and remit the tax to the Department, regardless of whether the passengers split the Fare or one passenger pays the entire Fare.

(6) Exemptions and exclusions.

(a) Persons that are exempt from sales tax on purchases of services under Chapter 8 of Title 48 of the Official Code of Georgia are exempt from the transportation services tax. To make a purchase that is exempt from transportation services tax, persons qualifying for exemption must present to the dealer the same documentation that they would otherwise present to make a purchase exempt from sales tax.

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

(c) The transportation services tax does not apply to charges for delivery of tangible personal property.

(d) Trips that originate in another state and end in Georgia or originate in Georgia and end in another state are not subject to the transportation services tax.

(7) Application of sales and use tax.

(a) Beginning on 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.

(b) Tangible personal property used and consumed in the performance of a For-Hire Ground Transport Trip, including, but not limited to, gasoline, automobile accessories, and automobile parts are subject to sales and use taxes.

(8) Returns.

(a) For-Hire Ground Transport Service Providers must report and remit the tax electronically to the Department.

(b) 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.

(c) For-Hire Ground Transport Service Providers are required to report tax exempt trips.

(d) For-Hire Ground Transport Service Providers are required to file returns for months in which no trips were provided.

(9) Quarterly reporting.

(a) 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.

(b) For-Hire Ground Transport Service Providers must report one origination and one destination for each For-Hire Ground Transport Trip and each Shared For-Hire Ground Transport Trip.

1. 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 300 originations and zero destinations for Cherokee County, zero originations and 300 destinations for Clayton County, 15 originations and 10 destinations for DeKalb County, and 1,010 originations and 1,015 destinations for Fulton County.

(10) Penalties and interest.

(a) The penalty provisions applicable to sales and use tax in Title 48 of the Official Code of Georgia are applicable to the transportation services 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 of the Official Code of Georgia may be assessed a civil penalty of not more than \$10,000.00 in addition to the amount of tax due.

(b) The transportation services tax bears interest in accordance with O.C.G.A. § 48-2-40.

(11) Vendors' 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) A deduction of three percent of the first \$3,000.00 of the total tax reported due on such return; and

(b) A deduction of one-half of one percent of that portion exceeding \$3,000.00 of the total tax reported due on such return.

(12) Periods of limitation for assessment of fees. Except as otherwise provided in O.C.G.A. § 48-2-49 and Title 48 of the Official Code of Georgia, the transportation services tax may be assessed at any time.

(13) Refunds. 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 and O.C.G.A. § 48-2-35.1.

(a) For-Hire Ground Transport Service Providers seeking a refund must file a claim electronically.

(b) 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).

(c) A refund claim may be filed at any time within three years after the date of the payment of the tax to the Department.

Authority: O.C.G.A. Title 48, Chapter 13, Article 8; O.C.G.A. §§ 40-1-100, 40-1-151, 48-2-12, 48-2-35, 48-2-35.1, 48-2-39, 48-2-49, 48-8-36, 48-2-35.1, 48-8-3, 48-8-38.