



2015

## SUMMARY OF ENACTED LEGISLATION

### ALCOHOL, TOBACCO, AND COIN-OPERATED AMUSEMENT MACHINES

**HB 152 (O.C.G.A. §§ 3-1-2, 3-3-2.1, 3-3-24.1, and 3-3-34)** This bill amends numerous code sections relating to alcoholic beverages.

- Every county or municipality that issues licenses for the manufacturing, distribution, or sale of alcoholic beverages shall adopt a policy and implement a process to provide notice to the Department within 45 days of any disciplinary action taken against a licensee. This bill also provides that the licensee self-report any disciplinary action to the Department within 45 days. The Commissioner may impose a fine of up to \$750.00 for each violation. Subsequent violations that occur within three years of the date of the first violation may constitute grounds for suspension, revocation, or cancellation of such person's license. The format for the reporting, as well as its implementation and use, shall be made available by the Commissioner.
- The term "bar" is newly defined as "any premises at which a retailer licensed pursuant to this title to sell alcoholic beverages derives 75 percent or more total annual gross revenue from the sale of alcoholic beverages for consumption on the premises."
- The bill prevents anyone under the age of 21 from entering a bar, with limited exception, or from serving as a bouncer. The term "bouncer" is newly defined as "an individual primarily performing duties related to verifying age for admittance, security, maintaining order, or safety, or a combination thereof."
- Section 4 of this bill also prohibits the manufacturing, possession, use, or sale of powdered alcohol with limited exceptions for bona fide research purposes. The term "powdered alcohol" is newly defined as a powdered or crystalline substance that contains any amount of alcohol for direct use or reconstitution." Any person convicted of a violation is guilty of a misdemeanor and subject to a suspension or revocation of any and all such licenses and permits issued to such person.

House Bill 152 is effective on July 1, 2016. Section 4 became effective upon its approval by the Governor on May 5, 2015.

House Bill 152 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153778.pdf>

**HB 312 (O.C.G.A. § 48-11-4)** This bill removes the bond requirement for licensed tobacco manufacturers and importers. Each licensed tobacco distributor is still required to file a bond of not less than \$1,000, which runs concurrently with its distributor's license, with the Commissioner to guarantee proper performance of the distributor's duties and the discharge of

liabilities.

House Bill 312 became effective upon its approval by the Governor on May 6, 2015.

House Bill 312 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153470.pdf>

**SB 63 (O.C.G.A. §§ 3-1-2, 3-2-3, 3-3-46, 3-4-24, 3-4-24.1, 3-4-180, 3-5-36, and 3-5-38)** This bill provides for licensed brewers and distillers to apply for permits from the Department to conduct educational and promotional tours that may include free souvenirs, free food, and free tastings, subject to certain limitations. Brewers and distillers may charge varying fees for tours provided that the fees are charged prior to the beginning of the tour. Brewery tours may include a souvenir of one free sealed malt beverage of up to 72 ounces for off-site consumption, free food, and free on-site tastings of not more than a total of 36 ounces of malt beverages in a calendar day. Distillery tours may include a single souvenir bottle of no more than 750 milliliters of distilled spirits for offsite consumption for, free food, and up to three free on-site samples per calendar day for, not to exceed one-half ounce per sample. An individual shall be 21 years of age or older to receive a free souvenir or free tasting. Brewers and distillers may also give away or sell promotional items that do not contain alcoholic beverages. Excise and use taxes must be paid on any free samples and use taxes must be paid on any free souvenirs.

This bill also modifies the definition of brewpubs to clarify the method of determining the total annual gross food and beverage sales and specifically prohibits brewpubs from selling directly to retailers.

Senate Bill 63 became effective on July 1, 2015.

Senate Bill 63 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/154042.pdf>

**SB 103 (O.C.G.A. § 3-3-7)** This bill provides that in all counties and municipalities where the sale of alcoholic beverages for consumption on the premises is lawful, the county or municipal governing authority may adopt a resolution or ordinance authorizing the sale of alcoholic beverages for consumption on the premises from 12:30 P.M. to 12:00 A.M. midnight on one designated Sunday during each calendar year.

Senate Bill 103 became effective upon approval by the Governor on March 13, 2015.

Senate Bill 103 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/150880.pdf>

**SB 160 (O.C.G.A. §§ 3-3-23, 16-11-40.1, and 17-4-23)** Section 1 of this bill amends the procedural requirements and penalties for the arrest of any person under the age of 21 accused of

violating certain prohibited acts related to the purchase or possession of alcoholic beverages. Law enforcement officers will issue a citation to any person under the age of 21 accused of purchasing, attempting to purchase, or knowingly possessing any alcoholic beverage, or who has misrepresented his or her age or identity for the purpose of purchasing or obtaining any alcoholic beverage. If an arresting officer has probable cause to believe the person violating these prohibited acts poses a danger to him or herself or the person or property of another, the arresting officer may perform a custodial arrest of that person in addition to the citation. The citation will itemize the specific charges against the person and provide either the date in which the person is required to appear, or a notation that the person will receive subsequent notification of this date.

Senate Bill 160 became effective on July 1, 2015.

Senate Bill 160 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/154013.pdf>

## **MOTOR FUEL**

**HB 170 (O.C.G.A. §§ 48-8-3(33.1), 48-8-3.1(a) and (b), 48-8-102, 48-8-110.1, 48-8-141, 48-8-201, and 48-9-3)** The motor fuel portion of this bill modifies the state motor fuel tax from its current combination of prepaid state tax, state excise tax, and prepaid local tax. (Note: This section of the legislative summary covers only those portions of the bill related to how it affects the excise and sales and use taxes on motor and jet fuels. For information on annual registration fees, the income tax credit on alternative fuel vehicles, the sales and use tax on accommodations, or the levying of a SPLOST, see “HB 170” under the Motor Vehicle, Income Tax, and/or Sales and Use Tax sections.)

- Repeals the exemption from state sales and use taxes for jet fuel purchased by a qualifying airport (was exempt from 1% of the 4% state sales tax). Provides that, on or after July 1, 2017, proceeds of sales and use tax on jet fuel shall be used for a certain state aviation program or airport related purposes.
- Aviation gasoline continues to be subject to a 1 cent per gallon excise tax so long as the fuel is sold to a licensed distributor. This rate will not be adjusted annually.
- Exempts sales of motor fuels from state sales and use taxes and thereby pre-paid state tax on motor fuel.
- Limits local sales and use taxes on motor fuel to 1% of the retail sales price of motor fuel which is not more than \$3 per gallon.
- Increases excise tax on motor fuel to 26 cents per gallon. Imposes an excise tax on diesel fuel of 29 cents per gallon. Provides for an annual rate adjustment beginning July 1, 2016 to counteract the reduction in tax revenue due to improved fuel efficiency and to adjust for inflation according to the Consumer Price Index.

The following exemptions from state motor fuel tax were previously set to expire on June 30, 2015 and were not renewed under this bill:

- Public mass transit vehicles owned by public transportation systems receiving certain federal funding

- Vehicles operated by a public campus transportation system
- Public school systems purchasing motor fuel for the operation of school buses

Entities that have been using these exemptions will be subject to the motor fuel excise tax beginning July 1, 2015.

Also beginning July 1, 2015, the 1% state sales and use tax exemption for the sale or use of jet fuel to or by a qualifying airline at a qualifying airport is repealed. All taxable sales of jet fuel will be subject to the full 4% state sales tax rate. Additionally, beginning with July 2015 sales tax returns, all taxable jet fuel sales will be required to be reported separately by county.

House Bill 170 became effective on July 1, 2015.

House Bill 170 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153458.pdf>

**HB 319 (O.C.G.A. § 48-8-17)** This bill ratifies the Governor’s Executive Order 12.05.14.02 dated December 5, 2014 to provide for legislative findings intended to stabilize the rate of taxation on motor fuels and aviation gasoline during periods of volatile price swings. The bill suspends the collection of state tax due on motor fuel and aviation gasoline, to the extent it differs from the tax rate levied as of June 1, 2014, through December 31, 2015.

House Bill 319 became effective on April 15, 2015.

House Bill 319 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153471.pdf>

## **INCOME TAX**

**HB 63 (O.C.G.A. § 48-7-41)** This bill amends the basic skills education tax credit.

- Defines “basic skills education test” as the test required to receive a GED diploma.
- Defines “employee” as any employee resident in this state who is employed for at least 24 hours per week and has been continuously employed by the employer for at least 16 consecutive weeks and is who is eligible to take the GED test.
- Provides a tax credit for an employer who provides or sponsors an approved adult basic skills program.
- States that the tax credit amount is \$400.00 for each employee who passes the basic skills education test, or \$1,200.00 for each employee who successfully completes an approved adult basic skills education program consisting of at least 40 hours of training while the employee is being compensated at their normal rate of pay, and passes the basic skills education test.
- Specifies that the credit cap, the aggregate amount of income tax credits preapproved, shall not exceed \$1 million per calendar year; and that no single employer shall receive income tax credits in excess of \$100,000.00 per calendar year.

- Provides that an employer must apply for preapproval with the Department (preapproval may be requested before the class is taken). The Department must preapprove or deny the application within 45 days of receipt. Preapproval will be based on the order in which the application was received and whether sufficient funds are available.
- Provides that after completion of the program and after receiving preapproval from the Department, then the employer must request certification from the Technical College System of Georgia, Office of Adult Education. The Office of Adult Education shall issue certification if all the above requirements are satisfied. This certification must be attached to the employer's income tax return.
- Specifies that the Department shall provide an annual report to the General Assembly on the utilization of the tax credit.
- Provides that this tax credit (Code Section) shall be repealed on January 1, 2020.

House Bill 63 became effective upon its approval by the Governor on May 1, 2015 and is applicable to all taxable years beginning on or after January 1, 2016.

House Bill 63 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153843.pdf>

**HB 170 (O.C.G.A. § 48-7-40.16)** The income tax portion of this bill (Section 5-1) eliminates both the low-emission vehicle and zero emission vehicle tax credits by providing that the amount of the tax credit shall be \$0.00 for any vehicle purchased or leased on or after July 1, 2015. (Note: This section of the legislative summary covers only those portions of the bill related to how it affects the income tax credit on alternative fuel vehicles. For information on annual registration fees, the excise and sales and use taxes on motor and jet fuels, the sales and use tax on accommodations, or the levying of a SPLOST, see "HB 170" under the Motor Vehicle, Motor Fuel, and/or Sales and Use Tax sections.)

House Bill 170 became effective on July 1, 2015.

House Bill 170 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153458.pdf>

**HB 237 (O.C.G.A. § 48-7-40.30)** This bill extends the qualified investor tax credit (also known as the angel investor tax credit) to qualified investments made in 2016, 2017, and 2018.

House Bill 237 became effective on July 1, 2015.

House Bill 237 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153405.pdf>

**HB 275 (O.C.G.A. § 48-7-161)** This bill allows the Georgia Lottery Corporation to offset an individual taxpayer's state income tax refund for debts owed to the Georgia Lottery Corporation.

House Bill 275 became effective upon its approval by the Governor on May 6, 2015.

House Bill 275 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153835.pdf>

**HB 292 (O.C.G.A. § 48-1-2)** This bill is applicable to taxable years beginning on or after January 1, 2014 (thus it also includes the 2015 tax year). With exceptions discussed below, the bill 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 January 1, 2015. For 2014, for Georgia purposes, the I.R.C. Section 179 deduction is limited to \$500,000 and the related phase out is \$2,000,000. For 2015, for Georgia purposes, the I.R.C. Section 179 deduction is currently \$25,000 and the related phase out is \$200,000 (historically this has been increased by Congress and the Georgia General Assembly has later adopted at least a portion of the increase). Georgia has not adopted the Section 179 deduction for certain real property.

#### Exceptions

Georgia has not adopted I.R.C. Section 168(k) (the 30%, 50% and 100% bonus depreciation rules) except for I.R.C. Section 168(k)(2)(A)(i) (the definition of qualified property), I.R.C. Section 168(k)(2)(D)(i) (exceptions to the definition of qualified property), and I.R.C. Section 168(k)(2)(E) (special rules for qualified property), 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 I.R.C. provisions as specified:

- The exclusion of \$2,400 of unemployment income for 2009. I.R.C. Section 85(c).
- Additional itemized deduction for the sales tax on the purchase of a new vehicle in 2009. I.R.C. Sections 164(a)(6) and 164(b)(6). Please note: Georgia also does not allow the increased standard deduction for sales tax on the purchase of a new vehicle in 2009 because Georgia has its own standard deduction.
- The election to increase the normal two year net operating loss carryback to 3, 4, or 5 years for tax years 2008 and 2009. I.R.C. Sections 172(b)(1)(H) and 810(b)(4).
- The transition rule that would allow a taxpayer to revoke a prior election to forego the net operating loss carryback period.
- Deferral of debt discharge 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).
- 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).
- 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 relating to Gulf Opportunity Zone public utility casualty losses. I.R.C. Section 1400N(j).
- 5 year carryback of NOLs attributable to 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).
- 5 year carryback of certain disaster losses. I.R.C. Sections 172(b)(1)(J) and 172(j).
- 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).
- Special rules relating to a financial institution being able to use ordinary gain or loss treatment for the sale or exchange of certain preferred stock after Dec. 31, 2007. I.R.C. Section 1221.
- Temporary tax relief provisions relating to the Midwestern disaster area. I.R.C. Sections 1400N(f) and 1400N(k).

HB 292 also allows the rollover of amounts received in certain airline bankruptcies in previous years. In previous years, the pension amounts were rolled over into ROTH IRAs which was a taxable event. Later, the Federal Government allowed these amounts to be retroactively rolled into a regular IRA which was a nontaxable event.

HB 292 also provides that Georgia taxpayers are allowed to file amended returns (as they have been allowed to do for federal purposes). The amended returns must be filed within the normal statute of limitations or if later by November 15, 2015. However, no interest will be paid on those amended returns.

House Bill 292 became effective upon its approval by the Governor on March 6, 2015.

House Bill 292 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/150445.pdf>

**HB 308 (O.C.G.A. § 48-7-29.8)** This bill amends Code Section 48-7-29.8, the historic rehabilitation tax credit.



- Changes the definition of “certified structure” to include that it “is located within a national historic district, individually listed on the National Register of Historic Places”.
- Changes the definition of “qualified rehabilitation expenditure” to state that it means any “qualified rehabilitation expenditure as defined by Section 47(c)(2) of the Internal Revenue Code of 1986.”
- With respect to a certified structure (other than a historic home):
  - Specifies that qualified rehabilitation expenditures may only be counted once in determining the amount of the tax credit available, and more than one entity may not claim a credit for the same qualified rehabilitation expenditures.
  - Increases the credit amount from \$300,000 to \$5 million for any taxable year. One notable exception is in the case that the project creates 200 or more full-time, permanent jobs or \$5 million in annual payroll within two years of the placed-in-service date, in which case the project is eligible for credits up to \$10 million for an individual certified structure.
  - Provides that in no event shall more than one application for any individual certified structure be approved in any 120 month period.
  - For projects earning more than \$300,000 in credits, provides that in no event shall the aggregate amount of tax credits exceed \$25 million per calendar year.
  - Provides that a taxpayer must apply for preapproval with the Department (preapproval is requested before the certified rehabilitation is completed). For applications on projects over the annual \$25 million limitation, those applications shall be given priority the following year.
  - Eliminates the carry forward provision.
  - Specifies that tax credits earned by a taxpayer and previously claimed but not used by such taxpayer may be transferred or sold in whole or in part by such taxpayer to another Georgia taxpayer.
  - Provides that the sale or assignment of a credit does not extend the period for which a credit may be carried forward and does not increase the total amount of the credit that may be claimed.
  - Specifies that a credit earned or purchased by, or assigned to, a partnership, limited liability company, Subchapter ‘S’ corporation or other pass-through entity may be allocated to the partners, members, or shareholders of that entity and claimed in accordance with provisions of any agreement among the partners, members, or shareholders of that entity and without regard to the ownership interest of the partners, members or shareholders in the rehabilitated certified structure, provided that the entity or person that claims the credit must be subject to Georgia tax.
  - Provides reporting requirements for the earner of the credit.
  - Provides that the Department shall provide a report to the chairperson of the House Committee on Ways and Means and the chairperson of the Senate Finance Committee by June 30 of each year. Such report shall contain the total sales tax collected in the prior calendar year and the average number of full-time employees at the certified structure and the total value of credits claimed for each taxpayer claiming the credit for a certified structure, other than a historic home.



House Bill 308 became effective on January 1, 2016 and is applicable to certified rehabilitations completed on or after January 1, 2017, and shall stand repealed on December 31, 2021.

House Bill 308 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153960.pdf>

**HB 310 (O.C.G.A. § 48-7-161)** This bill changes agencies that are eligible to offset an individual taxpayer's state income tax refund from both the Department of Corrections and State Board of Pardons and Paroles to the Department of Community Supervision.

House Bill 310 became effective on July 1, 2015 and applies to sentences entered on or after July 1, 2015.

House Bill 310 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153410.pdf>

**HB 320 (O.C.G.A. § 20-3-236)** The income tax portion of this bill provides that individuals who owe any amount to the Georgia Student Finance Commission relating to any loan, scholarship, or grant made by the Commission including repayments and refunds, are subject to offset of their state tax refund in accordance with rules and regulations promulgated by the Commission.

House Bill 320 became effective on July 1, 2015.

House Bill 320 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153933.pdf>

**HB 339 (O.C.G.A. § 48-7-40.26)** This bill modifies the film tax credit.

- Provides that for taxable years beginning on or after January 1, 2016, and before January 1, 2019, the amount of film tax credit allowed for qualified interactive entertainment production companies and affiliates shall not exceed \$12.5 million for each taxable year.
- Specifies that the film tax credit for qualified interactive entertainment production companies and affiliates shall not be available for taxable years beginning on or after January 1, 2019.
- Requires preapproval for qualified interactive entertainment production companies.
- Provides that for taxable years beginning on or after January 1, 2016, and before January 1, 2019, qualified interactive entertainment production companies shall report to the Department on their Georgia income tax return their monthly average number of full-time employees subject to Georgia income tax withholding.
- Specifies that a full-time employee in this context shall mean a person who performs a job that requires a minimum of 35 hours a week, and pays at or above the average wage earned in the county with the lowest average wage earned in this state.

- Specifies that for taxable years beginning on or after January 1, 2016, and before January 1, 2017, the qualified interactive entertainment production company shall report their monthly average number of full-time employees for such taxable year and separately for each of the prior two taxable years.
- Specifies that for taxable years beginning on or after January 1, 2017, and before January 1, 2019, the qualified interactive entertainment production company shall report their monthly average number of full-time employees for each respective taxable year.
- Provides that the Department shall report yearly to the House Committee on Ways and Means and the Senate Finance Committee. The report shall include the name, tax year beginning, and monthly average number of full-time employees for each qualified interactive entertainment production company. The first report shall be submitted by June 30, 2016, and each year thereafter by June 30.

House 339 became effective upon its approval by the Governor on April 30, 2015 and is applicable to all taxable years beginning on or after January 1, 2016.

House Bill 339 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153789.pdf>

**HB 464 (O.C.G.A. §§ 48-7-40.10, 48-7-40.11, and 48-7-29.12)** This bill:

- Repeals Code Section 48-7-40.10, the qualified water conservation investment tax credit, on December 31, 2016.
- Repeals Code Section 48-7-40.11, the tax credit for shift from ground-water usage, on December 31, 2016.
- Provides that beginning on January 1, 2016, the aggregate amount of conservation tax credits shall not exceed \$30 million per calendar year, and that the Department of Natural Resources shall not accept new applications for the conservation tax credit after December 31, 2016.

House Bill 464 became effective on July 1, 2015.

House Bill 464 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153476.pdf>

## **MOTOR VEHICLE**

**HB 48 (O.C.G.A. §§ 40-2-63.1, 40-2-69, 40-2-81, 40-2-85.1, 48-2-85.2, 48-5-48, and 48-5-478)**  
 This bill creates a variety of new specialty plates and changes the qualifications for surviving family members who can receive a plate honoring service members killed in action. It also changes the qualifications for a “disabled veteran” in regards to receiving the associated specialty license plate, receiving an ad valorem or TAVT exemption, and receiving the property tax exemption on real property.

The following code sections are amended:

- 40-2-63.1- allows law enforcement officers, firefighters, or certain medical services personnel that sustain a major injury while performing their duties to receive a distinctive license plate.
- 40-2-69 - provides free license plates and revalidation decals for individuals that qualify as disabled veterans.
- 40-2-81 - provides for the creation of a specialty license tag and revalidation process for members of the Georgia State Defense Force.
- 40-2-85.1 - allows military medal award winners to receive recognition of that achievement on motorcycle license plates.
- 48-2-85.2 - allows surviving spouses of siblings of deceased service members to retain certain special license plates.
- 40-2-86 (g) - clarifies that no special license plate pursuant to subsections (l), (m), and (n) of this Code section shall be issued except upon the receipt by the department of at least 1,000 prepaid applications along with the manufacturing fees.
- 48-5-48 - provides for an appropriate definition for who qualifies as a 100% service connected disabled veteran for homestead exemption purposes. Defines 'disabled veteran' as any veteran who was discharged under honorable conditions and who has been adjudicated by the United States Department of Veterans Affairs as being 100 percent totally disabled or as being less than 100 percent totally disabled but is compensated at the 100 percent level due to individual unemployability or is entitled to receive a statutory award from the United States Department of Veterans Affairs for loss of use of the eyes, hands, or feet.
- 48-5-478 - clarifies that the exemption from motor vehicle ad valorem taxes available to service connected disabled military veterans applies to those veterans who are discharged under honorable conditions and who have been adjudicated by the United States Department of Veterans Affairs as being 100 percent totally disabled or as being less than 100 percent totally disabled but are compensated at the 100 percent level due to individual unemployability or are entitled to receive a statutory award from the United States Department of Veterans Affairs for loss of use of the eyes, hands, or feet.

House Bill 48 became effective on July 1, 2015.

House Bill 48 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153747.pdf>

**HB 147 (O.C.G.A. §§ 40-2-20 and 40-2-151)** This bill provides the purchaser of a new motor vehicle passenger car the ability to elect an initial registration period of two years instead of annual registration with all subsequent registrations of that vehicle being annual renewals.

The following code sections are amended:

- 40-2-20 - allows for a new motor vehicle passenger car to make its initial registration for two years instead of the annual initial registration.

- 40-2-151 - assigns a \$40 fee to the two-year registration period.

House Bill 147 became effective on July 1, 2015.

House Bill 147 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153468.pdf>

**HB 170 (O.C.G.A. §§ 40-2-151 and 40-2-151.1)** This bill is primarily a comprehensive reformulation of Georgia’s motor fuel tax for purposes of increasing statewide transportation funding. However, it also assesses additional fees on motor vehicles, specifically alternative fuel vehicles and heavy-duty vehicles over a certain weight. (Note: This section of the legislative summary covers only those portions of the bill related to annual registration fees. For information on how this bill affects the income tax credit on alternative fuel vehicles, the excise and sales and use taxes on motor and jet fuels, the sales and use tax on accommodations, or the levying of a SPLOST, see “HB 170” under the Income Tax, Motor Fuel, and/or Sales and Use Tax sections.)

- Provides two separate fees for vehicles that are registered as alternative fuel vehicles. This provision applies to vehicles that run on electricity, and the fees are distinguished between vehicles that are for personal use (\$200) and commercial use (\$300).
- Provides for “highway impact” fees to be applied to all registered motor vehicles that meet a certain weight threshold if the vehicle is between 15,500 and 26,000 lbs. (\$50) or equal to or greater than 26,001 lbs. (\$100).

House Bill 170 became effective on July 1, 2015.

House Bill 170 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153458.pdf>

**HB 202 (O.C.G.A. §§ 40-2-38)** This bill is primarily a comprehensive revision of Chapter 5 of Title 48 with regards to the appropriate process to appeal certain real property valuations made for the purpose of assessing ad valorem taxes. However, the bill also included an additional type of license plate that can be issued on behalf of a vehicle’s manufacturing headquarters. (Note: This section of the legislative summary only covers those portions of the bill concerning the issuance of a new license plate for vehicle manufacturing headquarters. For information on how this bill revises the ad valorem taxation, assessment, and appeal process or the sales and use tax exemption for construction materials at a private college, see “HB 202” under the Property or Sales and Use sections.)

Sections 1 and 2 amend 40-1-1 and 40-2-38 respectively to accommodate license plates issued to vehicle manufacturing headquarters. Motor vehicles registered with these plates are exempted from title ad valorem taxes for leased vehicles. The manufacturer must maintain a bona fide headquarters for the company in Georgia and must maintain a record of the license plates that are used. The license plates may not be used for more than 24 months per vehicle.

Sections 1 and 2 of House Bill 202 became effective upon approval by the Governor.

House Bill 202 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153902.pdf>

**HB 225 (O.C.G.A. §§ 36-60-25, 40-1-158, 40-1-166, 40-1-190 thru 200, 40-2-168, 40-5-1, 40-5-39, and 48-8-3)** This bill is a comprehensive system of regulation for traditional “for hire” transportation companies such as taxis and limousines. The bill also establishes regulations for “ride share” services such as Uber and Lyft. The Department of Revenue is required to produce a new type of decal and collect a registration fee for both types of services in lieu of sales and use taxes, and distribute those proceeds to the appropriate local entities. (Note: This section of the legislative summary only discusses the portion of this bill regulating “for hire” and “ride share” services. For information on the new licensing system for “for hire” and “ride share” vehicles, see the Sales and Use section.)

The effective date of these proposals is July 1, 2017, which must be preceded by legislative review of the Department of Revenue’s registration plan.

House Bill 225 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153884.pdf>

**HB 393 (O.C.G.A. §§ 10-1-622 and 10-1-664.1)** This bill amends the restrictions on automobile dealerships to broaden who may qualify.

This legislation eliminates the element of the definition which requires that a new motor vehicle must be sold to a dealer.

It also adds new qualifications for a dealer which is wholly owned by the manufacturer. The dealership can only have five locations devoted to sales yet unlimited locations devoted to car repair. The dealership must have an established place of doing business prior to January 1, 2015, must only manufacture zero emission vehicles, have never sold vehicles through a franchised dealership, and must not have a controlling interest in a franchised dealership.

House Bill 393 became effective on July 1, 2015.

House Bill 393 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/152539.pdf>

**SB 82 (O.C.G.A. §§ 40-2-152, 44-12-215 and 218)** This bill amends elements of the distribution of ad valorem tax proceeds applied to apportionable vehicles. This bill also amends the publication of notices of unclaimed property and allows for the withholding of certain administrative funds in instances of unclaimed property.

The following Code sections are amended:

- 40-2-152 - allocates alternative ad valorem tax proceeds to counties based upon the county's most recently submitted and approved tax digest. This system, however, is delayed until 2020. Section (n) installs a distribution system, beginning in the 2015 tax year, that creates a benchmark based on the 2013 tax year and distributes to the county the appropriate alternative ad valorem tax proceeds equal to that 2013 benchmark. The following tax years, until January 1, 2020, will distribute a percentage of that benchmark.
- 44-12-215 - allows for the electronic publication of the "Georgia Unclaimed Property List."
- 44-12-218 - allows for the Commissioner to deduct monies from the "Unclaimed Property List" sufficient to offset the costs of identifying, locating, securing, and transmitting such abandoned funds.

Senate Bill 82 went into effect upon approval by the Governor. Subsection (n) of 40-2-152 shall stand repealed on January 1, 2020.

Senate Bill 82 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/149779.pdf>

## **PROPERTY**

**HB 94 (O.C.G.A. §§ 48-5-451)** This bill excuses the penalties associated with the failure to pay ad valorem tax when the vehicle's registration associated with that ad valorem tax has been withdrawn from the system.

House Bill 94 became effective on July 1, 2015 and is applicable to any penalty assessed on or after that date. Any assessment under the law in existence prior to July 1, 2015 shall not be affected by the enactment.

House Bill 94 can be viewed at the following link:

<http://www.legis.ga.gov/Legislation/20152016/153464.pdf>

**HB 202 (O.C.G.A. §§ 40-1-1, 40-2-38, 48-2-44, 48-3-3, 48-3-27, 48-5-32, 48-5-148, 48-5-205, 48-5-265, 48-5-274, 48-5-299, 48-5-302, 48-5-306, 48-5-311, 48-5-345, 48-5-405, 48-5-492, 48-5-494, 48-5C-1, 48-6-2, 48-6-4, 48-8-3)** This bill is a comprehensive revision to ad valorem taxation, assessment, and appeal. This bill requires the Department of Revenue to provide additional training for local tax officials and requires it to provide certain statistical information regarding tax digests and appeals. Sections 1 and 2 have been previously discussed. (Note: This section of the legislative summary only covers those portions of the bill concerning the revision of the ad valorem taxation, assessment, and appeal process. For information on the issuance of a new license plate for vehicle manufacturing headquarters or the sales and use tax exemption for

construction materials at a private college, see “HB 202” under the Motor Vehicle or Sales and Use sections.)

The following Code sections are amended:

- 48-3-3 - allows the commissioner to deliver electronically tax notices and subsequent delinquent notices, upon the taxpayer’s election to do so. This change is also made for delivering notice of interest on unpaid ad valorem taxes, Section 8, 48-5-148. This section also amends the term “new purchaser of property” to the more specific term of “new owner” with respect to the payment of interest or penalties.
- 48-3-27 - expands the action of obstructing levying officers to include sheriffs, tax commissioners, or municipal levying officers. Prior to this amendment, only obstructing the commissioner’s actions would qualify for the penalty.
- 48-5-32 - allows the publication of ad valorem tax rates to be done electronically (on a website) in addition to in the local newspaper. The period of notification is also reduced from two weeks prior to one week prior to certification.
- 48-5-205 - establishes September 1 as the deadline for tax digests to be submitted by the local authorities to the Department of Revenue. The former law uses vague language “by August.” This change provides certainty for penalty calculation purposes.
- 48-5-265 - allows two or more counties, through intergovernmental agreements, to forge a joint county appraisal staff.
- 48-5-274 - allows for the adjustment of sales prices either upwards or downwards in order to establish the equalized adjusted property tax index.
- 48-5-299 - ensures that if real property is appealed, the value, which is determined through either decision or stipulation of the parties, shall remain frozen for two successive tax years. However, the value may be altered if the taxpayer files a return on the property, appeals a decision, or there is determined by the appraiser to be substantial changes to the property.
- 48-5-302 - moves the deadline back for completion of revision and assessment of returns to July 15<sup>th</sup> rather than July 1<sup>st</sup>.
- 48-5-306 - lowers the threshold value for hearing officer appeals for non-homestead and wireless property as defined in O.C.G.A. § 48-5-311 from \$1 million to \$750K. This will allow more property disputes to be brought before hearing officers, rather than the Superior court which still is designated as the appropriate place to appeal a subsequent hearing officer’s decision. This section also requires a county board of tax assessors to provide a description of the methodology used by the board in setting a property's fair market value in the case of an open records request by a taxpayer.
- 48-5-311 - clarifies elements of the appeals process for boards of equalization and hearing officers.
- Establishes new “Nonbinding Arbitration” method which is an option the taxpayer may utilize to settle a pending appeal, but maintains the Superior Court as the avenue of appeal following an arbitrator’s decision.
- 48-5-345 - accommodates within county tax digests all pending appeals that may be utilized by the taxpayer. Without this amendment, the Commissioner is not statutorily obligated to take into account the pending appeals prior to certifying the tax digest.



- 48-5-405 - allows for the levy by a municipality of an ad valorem tax for its independent school systems on all properties located within the boundaries of the independent school system.
- 48-5-492/493/494 - establishes a clear deadline for the issuance of mobile home decals, penalties for failure to display those decals, and a deadline for when mobile home tax returns should be made.
- 48-5C-1 - allows for the establishment of a title ad valorem tax benchmark and subsequent allocation of title ad valorem tax for all counties who have authorized a transportation system under the MARTA Act of 1965.
- 48-6-2 - provides clarity to what property must be shown and in which form in order to qualify for a real estate transfer tax exemption.
- 48-6-4 - ensures that the actual consideration of real and personal property conveyed that is subject to the real estate transfer tax is shown separately on a form prescribed by the commissioner. Prior to this amendment, the actual consideration of the property was not required.

House Bill 202 Sections 1, 2, 3, and 28 became effective upon the Governor's signature. Sections 13 and 15 became effective on July 1, 2015. All remaining sections became effective on January 1, 2016.

House Bill 202 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153902.pdf>

**HB 322 (O.C.G.A. §§ 44-5-30, 44-12-237 and 238, 44-14-33, and 44-14-34 and 37 and 61-63 and 160)** This bill updates guidelines necessary to properly record deeds, mortgages, and bills of sale.

For purposes of verifying deeds to land (44-5-30), attestation or acknowledgement of a mortgage (44-14-33), attestation or acknowledgement of probation of mortgages executed outside of the state of Georgia (44-14-34), attestation of deeds to secure debt and bills of sale (44-14-61), and attestation of deeds to secure debt and bills of sale executed outside of the state of Georgia (44-14-62) the appropriate instruments must be witnessed by one other in addition to one authorized to attest to the veracity of instruments as provided under 44-2-15.

This legislation establishes the proper procedure by which unclaimed United States Savings Bonds may be deposited into the state general fund.

It also amends O.C.G.A. § 44-14-160 to establish the proper procedure for recording foreclosure sales and deeds under power.

House Bill 322 became effective on July 1, 2015.

House Bill 322 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153784.pdf>

**HB 374 (O.C.G.A. §§ 48-5-41.1 and 504)** This bill amends the ad valorem tax exemption for farm equipment.

The legislation defines a lease purchase agreement to include family owned qualified farm equipment. This allows leased equipment to qualify for the ad valorem exemption.

This bill also expands the definition of farm equipment for the purposes of dealer inventory which are not subject to ad valorem tax to include forestry equipment.

House Bill 374 became effective on July 1, 2015.

House Bill 374 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153794.pdf>

**HB 457 (O.C.G.A. §§ 48-5-504.40)** This bill reinstates the previously expired exemption from ad valorem tax for watercraft held in dealer inventory. The exemption will sunset at the end of 2019. (Note: this exemption has been made permanent by HB 769)

House Bill 457 became effective on January 1, 2016.

House Bill 457 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153805.pdf>

## **SALES AND USE**

**HB 106 (O.C.G.A. §§ 48-8-82, -8-260 to -269.6, -13-50.3)** This legislation is a “correction” to certain parts of HB 170. Increases the limit on local sales and use taxes on motor fuel to 2% for certain consolidated governments. Changes the method of approval, levy, and collection of a T-SPLOST by local governments. Limits the \$5 per night fee on accommodations to hotels and motels.

House Bill 106 became effective on July 1, 2015.

House Bill 106 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153773.pdf>

**HB 110 (O.C.G.A. §§ 48-13-130 to -133)** This legislation provides for expanded sales of fireworks in Georgia. Section 9 imposes a 5% excise tax on the sale of consumer fireworks, which will be collected by the Department, will be in addition to the sales tax, and will operate like sales tax.

House Bill 110 became effective on July 1, 2015.

House Bill 110 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153851.pdf>

**HB 170 (O.C.G.A. §§ 48-8-2(23)-(24), -8-3(33.1), -8-3.1, -8-6(a)(4)-(6), -8-30, -8-49(b)(2), -8-50(b)(2)-(4), -8-82, -8-102(b), -8-110.1(c)-(d), -8-141, -8-201(e), -8-241(d)-(e), -8-242, -8-245, -8-260 to 269.6, -9-3, -13-50.3)** (Note: This section of the legislative summary covers only those portions of the bill related to how it affects the excise and sales and use taxes on motor and jet fuels, the sales and use tax on accommodations, and the levying of a SPLOST . For information on how it affects the income tax credit on alternative fuel vehicles and annual registration fees, see “HB 170” under the Income Tax and/or Motor Vehicle sections.) This legislation:

- Repeals the exemption from state sales and use taxes for jet fuel purchased by a qualifying airport (was exempt from 1% of the 4% state sales tax). Provides that, on or after July 1, 2017, proceeds of sales and use tax on jet fuel shall be used for a certain state aviation program or airport related purposes.
- Aviation gasoline continues to be subject to a 1¢ per gallon excise tax so long as the fuel is sold to a licensed distributor. This rate will not be adjusted annually.
- Exempts sales of motor fuels from state sales and use taxes and thereby pre-paid state tax on motor fuel.
- Limits local sales and use taxes on motor fuel to 1% of the retail sales price of motor fuel which is not more than \$3 per gallon.
- Increases excise tax on motor fuel to 26 cents per gallon. Imposes an excise tax on diesel fuel of 29 cents per gallon. Provides for an annual rate adjustment beginning July 1, 2016 to counteract the reduction in tax revenue due to improved fuel efficiency and to adjust for inflation according to the Consumer Price Index.
- Creates a \$5 per night fee on the rental of rooms, lodgings, or accommodations, provided that they aren’t extended stay (30 consecutive days or more).
- Creates a new method to approve, levy, and collect a T-SPLOST by local governments.
  - The tax may be no more than 1% and shall be in .05% increments. If the county and all qualified municipalities do not enter into an intergovernmental agreement, the tax is limited to .75%.
  - Provides certain exemptions from the tax.

House Bill 170 became effective on July 1, 2015.

House Bill 170 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153458.pdf>

**HB 202 (O.C.G.A. § 48-8-3(96))** This legislation creates a sales and use tax exemption for construction materials for construction of buildings at a private college, which is defined to mean a college in Georgia operated by a 501(c)(3) organization with enrollment between 1,000 and 3,000 students. To obtain the benefit of the exemption, the college must file a claim for refund. The exemption applies from July 1, 2015 to June 30, 2016 or until the total amount of tax to be refunded exceeds \$350,000, whichever comes first. (Note: This section of the legislative summary only covers those portions of the bill concerning the sales and use tax exemption for

construction materials at a private college For information on the issuance of a new license plate for vehicle manufacturing headquarters or the revision of the ad valorem taxation, assessment, and appeal process, see “HB 202” under the Motor Vehicle or Property sections.)

House Bill 202 became effective July 1, 2015.

House Bill 202 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153902.pdf>

**HB 213 (Metropolitan Atlanta Rapid Transit Authority Act of 1965)** This legislation extends the 1% tax through June 30, 2057. It also changes the manner in which MARTA may spend its proceeds. This bill provides a permanent suspension of restrictions on the use of sales and use tax proceeds when the MARTA Board submits an independent management audit report to certain officials. The report must be filed every four years. If the report is not filed as required, in the year immediately following the year in which the report was due but not submitted, no more than 50% of the proceeds of the tax can be used to subsidize the operation costs of the system.

House Bill 213 became effective upon approval by the Governor on May 5, 2015.

House Bill 213 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153868.pdf>

**HB 215 (O.C.G.A. §§ 48-8-6(a)(2), 48-8-100 to -109.10):** This legislation allows a new type of HOST called the Equalized Homestead Option Sales Tax in DeKalb County (by referendum).

House Bill 215 became effective upon approval by the Governor on May 4, 2015.

House Bill 215 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153575.pdf>

**HB 225 (O.C.G.A. §§ 40-1-190 to -200, 48-8-3(25))** This legislation provides a new licensing system of regulation related to for-hire transportation and ride share services. On or after July 1, 2017, fares of for-hire vehicles that have purchased a for-hire master license are exempt from sales and use tax. Repealed by operation of law on July 1, 2017. (Note: This section of the legislative summary only discusses the portion of this bill concerning the new licensing system for “for hire” and “ride share” vehicles. For information on the regulations for “for hire” and “ride share” services, see the Motor Vehicle section.)

House Bill 225 is effective July 1, 2016.

House Bill 225 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153884.pdf>

**HB 234 (O.C.G.A. § 48-2-39)** This legislation provides that when the due date for filing a return or paying a tax or fee falls on a day that the Federal Reserve Bank is closed, the due date will be postponed to the next business day.

House Bill 234 became effective upon approval by the Governor on May 6, 2015.

House Bill 234 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153469.pdf>

**HB 277 (O.C.G.A. § 48-8-39(b)(1)(B))** This legislation expands the sales and use tax valuation methodology for carpet samples to all “floor covering samples.”

House Bill 277 became effective on July 1, 2015.

House Bill 277 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153408.pdf>

**HB 426 (O.C.G.A. § 48-8-3(7.05), (7.3), (57.2), (57.3))** This legislation reinstates the sales and use tax exemptions for sales to nonprofit health centers and nonprofit volunteer health clinics (from July 1, 2015 to June 30, 2018) and for use of donated food for hunger relief by qualified nonprofit agencies or for disaster relief (from July 1, 2015 to June 30, 2020). Creates new reporting requirements for taxpayers claiming these exemptions.

House Bill 426 became effective on July 1, 2015.

House Bill 426 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153795.pdf>

**HB 428 (O.C.G.A. § 48-8-3(76), (87))** This legislation creates an exemption from sales and use tax for tangible personal property used for or in the renovation or expansion of a qualifying aquarium or zoological institution. The aquarium or zoo must request a refund of the tax paid. The total amount of tax to be refunded under the exemptions is capped at \$750,000 for aquariums and \$350,000 for zoos. This exemption shall apply from July 1, 2015, until January 1, 2017 for aquariums and from July 1, 2016, until June 30, 2018 for zoos.

House Bill 428 became effective on July 1, 2015.

House Bill 428 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153930.pdf>

**HB 601** This legislation changes the method of distribution of proceeds from sales tax for education purposes in Carroll County.

House Bill 601 became effective upon approval by the Governor on May 12, 2015.

House Bill 601 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/152761.pdf>

**SB 122 (O.C.G.A. § 48-8-111(a))** This legislation authorizes local governments to use SPLOST proceeds to pay for repairs needed as a result of a natural disaster. Provides that SPLOST proceeds can be used for projects owned, operated, or administered by the state.

Senate Bill 122 became effective on July 1, 2015.

Senate Bill 122 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153771.pdf>

**SB 125 (O.C.G.A. § 32-10-109)** This legislation expands the tax exemption for the State Road and Tollway Authority to include an exemption from sales and use tax on property purchased or used by the Authority.

Senate Bill 125 became effective upon approval by the Governor on May 6, 2015.

Senate Bill 125 can be viewed at the following link:  
<http://www.legis.ga.gov/Legislation/20152016/153871.pdf>