



2016

SUMMARY OF ENACTED LEGISLATION

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ALCOHOL & TOBACCO

HB 899 (O.C.G.A. §§ 10-13-2, 10-13-3, 10-13A-1, 10-13A-7, 10-13A-8, 10-13A-9)

This bill provides updates to the tobacco Master Settlement Agreement.

Relating to definitions regarding tobacco product manufacturers:

- Defines "Importer" as any person in the United States to whom nonfederal excise tax-paid cigarettes manufactured in a foreign country are shipped or consigned, any person who removes cigarettes for sale or consumption in the United States from a customs bonded manufacturing warehouse, or any person who smuggles or otherwise unlawfully brings cigarettes into the United States.
- Clarifies the terms of a "qualified escrow fund." The principal balance in the qualified escrow fund must always be maintained so that both the face value and the cost basis of the account are each equal to or greater than the accumulated principal deposits.
- Gives the Georgia Attorney General power in conjunction with the State Revenue Commissioner to carry out regulations to ascertain determine the amount of state excise tax paid each year on the cigarettes of tobacco manufacturers.

Relating to deposits into escrow accounts:

- Provides that tobacco product manufacturers selling cigarettes to consumers in Georgia that place funds into a qualified escrow fund must do so on a quarterly basis, as opposed to the previous requirement to do so on an annual basis.
- Clarifies that both the importer and the manufacturer shall be jointly liable for escrow deposits due from a nonparticipating manufacturer whose cigarettes the importer imported and sold in this state.

Relating to master settlement agreement enhancements:

- Clarifies multiple definitions within the Master Settlement Agreement.
- Delegates' authority to the Georgia Attorney General, in addition to the State Revenue Commissioner, to carry out regulations to ascertain the amount of state excise tax paid on cigarettes each year.
- Requires all nonparticipating manufacturers to post a bond for the benefit of the state as a condition of it being included in the directory for the following quarter or year. This subsection also provides for the amount of the bond. If a nonparticipating manufacturer fails to make escrow deposits equal to the full amount owed for a quarter within 15 days following the due date, the state may execute upon the bond.

- Increases the frequency with which distributors shall submit information to the Georgia Attorney General about the number of cigarettes for which distributors affixed tax stamps/paid taxes due (now must submit monthly instead of quarterly).
- Authorizes the State Revenue Commissioner and the Georgia Attorney General to disclose information to one another pertaining to this section for the purposes of determining compliance with and enforcing the provisions of Chapters 13 & 13A of Title 10 and Chapter 11 of Title 48.
- Authorizes the termination or suspension of a stamping agent's license if a distributor fails to provide a required report or files an incomplete or inaccurate report of a list by brand family of the total number of cigarettes for which the distributor affixed tax stamps during the previous calendar month.

House Bill 899 is effective July 1, 2016.

INCOME TAX

HB 54 (O.C.G.A. § 20-3-316.2)

Section 2 of this bill, provides that each income tax return for taxable years beginning on or after January 1, 2017 shall contain appropriate language, to be determined by the State Revenue Commissioner, offering the taxpayer the opportunity to make a charitable contribution to the Georgia Student Finance Authority. Contributions will provide financial assistance toward postsecondary educational costs of the children of law enforcement officers, firefighters, paramedics, emergency medical technicians, and prison guards employed by the state or other public employers, and Highway Emergency Response Operators of the Department of Transportation who were permanently disabled or killed in the line of duty by either donating all or any part of any tax refund due and by authorizing a reduction in the refund check otherwise payable, or by contributing any amount over and above any amount of tax owed by adding that amount to the taxpayer's payment. The Department of Revenue shall determine annually the total amount so contributed, and shall transmit such amount to the Georgia Student Finance Authority.

House Bill 54 is effective on July 1, 2016 and is applicable to taxable years beginning on or after January 1, 2017.

HB 742 (O.C.G.A. §§ 48-1-2, 48-7-56, 48-7-80, 48-7-105, 48-7-106, 48-13-77, 48-13-78)

Section 1 of this bill is applicable to taxable years beginning on or after January 1, 2015 (thus it also includes the 2015 tax year). With exceptions discussed below, Section 1 of 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, 2016. For 2015, for Georgia purposes, the Internal Revenue Code (I.R.C.) Section 179 deduction is limited to \$500,000 and the related phase out is \$2,000,000. For 2016, for Georgia purposes, the I.R.C. Section 179 deduction and the related phase out is the same as is provided in the I.R.C. as it existed on January 1, 2016. Georgia has not adopted the I.R.C. 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), 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).

To make Georgia’s return filing and payment dates consistent with the new Federal dates, HB 742 also changes certain return filing and payment dates for taxable years beginning on or after January 1, 2016:

Return Type	Old Due Date	New Due Date
Partnership Income	15th day of 4th month (April 15 for calendar year filers)	15th day of the 3rd month (March 15th for calendar year filers)
C-Corp Income and Net Worth Tax	15th day of the 3rd month (March 15th for calendar year filers)	15th day of 4th month (April 15 for calendar year filers)
W-2 (DOR Copy)	February 28	January 31
1099 MISC for nonemployee compensation with Georgia Withholding (DOR Copy) Note: The due date for all other 1099s with Georgia withholding remains at February 28.	February 28	January 31

House Bill 742 became effective upon the Governor’s signature on February 23, 2016.

HB 768 (O.C.G.A. § 48-7-27)

This bill creates the Georgia ABLE program. The program enables the contribution of funds to tax-exempt accounts to pay for the qualified expenses of eligible individuals with disabilities. The income tax portion of the bill within Section 2 provides that the amount of any qualified withdrawals from an ABLE account established pursuant to a Georgia ABLE program or any Qualified ABLE Program, as such programs are defined under Chapter 9 of Title 30, shall not be subject to state income tax under this chapter. Also for withdrawals other than qualified withdrawals from such an ABLE account, the proportion of earnings in the account balance at the time of the withdrawal shall be applied to the total funds withdrawn to determine the earnings portion to be included in the designated beneficiary's taxable net income in the year of withdrawal.

House Bill 768 became effective upon the Governor’s signature on May 3, 2016.

HB 802 (O.C.G.A. § 48-7-27)

This bill changes the amount of the deduction that is available for contributions to Georgia's Path2College 529 Plan. Now those filing a married joint return can deduct up to \$4,000 per beneficiary instead of the prior \$2,000 per beneficiary amount.

House Bill 802 became effective on May 3, 2016 and is applicable to taxable years beginning on or after January 1, 2016.

HB 904 (O.C.G.A. § 34-8-130)

The income tax portion of this bill within Section 1 authorizes the Department of Labor to obtain certain information from the Department of Revenue for the purpose of preventing fraud and abuse of the Unemployment Trust Fund.

House Bill 904 is effective on July 1, 2016.

HB 922 (O.C.G.A. § 48-7-40.17)

This bill modifies the quality jobs tax credit by providing that "Taxpayer" means any person required by law to file a return or to pay taxes, except that any taxpayer may elect to consider the jobs within its disregarded entities, as defined in the Internal Revenue Code, for purposes of calculating the number of new quality jobs created by the taxpayer under this Code section.

House Bill 922 became effective on May 3, 2016 and is applicable to all taxable years beginning on or after January 1, 2016.

HB 936 (O.C.G.A. §§ 48-7-40, 48-7-40.1, 48-7-40.31)

This bill clarifies that for purposes of the jobs tax credit, the wage of each new job created must be above the average wage of the county that has the lowest average wage of any county in the state to qualify as reported in the most recently available annual issue of the Georgia Employment and Wages Averages Report of the Department of Labor. It also creates a credit for hiring qualified parolees as defined in the statute for taxable years beginning on or after January 1, 2017.

House Bill 936 became effective on July 1, 2016

HB 960 (O.C.G.A. §§ 48-2-35, 48-2-40)

The income tax portions of this bill within Section 2 and Section 3 allow for monthly interest periods beginning on or after July 1, 2016, changes the interest rate on assessments and refunds from 12% per year (accruing monthly) to an annual rate equal to the bank prime loan rate as posted by the Board of Governors of the Federal Reserve System in statistical release H. 15 or any publication that may supersede it, plus 3 percent, to accrue monthly. Such annual interest rate shall be determined for each calendar year based on the first weekly posting of statistical release H. 15 on or after January 1 of each calendar year. Any withholding taxpayer required to pay taxes electronically in accordance with paragraph (2.1) of subsection (f) of Code Section 48-2-32 (those

owing more than \$500.00 in connection with any return, report, or other document) shall also be required to file any claims for refund electronically.

House Bill 960 is effective on July 1, 2016.

HB 1014 (O.C.G.A. § 48-7-29.12)

This bill extends the conservation tax credit such that the Department of Natural Resources shall not accept new applications for the credit after December 31, 2021 instead of the prior December 31, 2016 date. It also requires the Department of Natural Resources to provide a report before December 31, 2021 to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the House Committee on Ways and Means and the Senate Finance Committee on the activity of the program occurring during the preceding years, including the amount of income tax credits granted.

House Bill 1014 is effective on July 1, 2016.

SB 8 (O.C.G.A. § 15-21-209)

This bill imposes assessments on adult entertainment establishments which they would remit to the Department of Revenue. The Department would then transfer the amounts collected to the Safe Harbor for Sexually Exploited Children Fund Commission. These funds would be used to provide care and rehabilitative and social services to individuals in Georgia who have been or may be sexually exploited.

By April 30th of each calendar year, beginning April 30, 2018, a state operation assessment would be imposed on every adult entertainment establishment equal to 1% of the previous calendar year's gross revenue or \$5,000, whichever is greater. The amount due would be assessed and collected by the Department of Revenue in the same manner as taxes due to the state under Title 48. Appeals of such assessments would be within the jurisdiction of the Georgia Tax Tribunal.

Senate Bill 8 is effective January 1, 2017, but only if voters ratify an amendment to the Constitution of Georgia at the 2016 general election which authorizes the General Assembly to provide specific funding to the Safe Harbor for Sexually Exploited Children Fund. (SR 7)

SB 258 (O.C.G.A. §§ 31-8-9.1, 48-7-29.20)

This bill creates a new income tax credit for "qualified rural hospital organization expenses" which means the contribution of funds by an individual or corporate or fiduciary taxpayer to a rural hospital organization for the direct benefit of such organization during the tax year for which a credit under this Code section is claimed. An individual (single or head of household) is eligible for a credit of 70 percent of the actual amount expended or \$2,500.00 per tax year, whichever is less. A married couple filing a joint return (married filing joint) is eligible for a credit of 70 percent of the actual amount expended or \$5,000.00 per tax year, whichever is less. A corporation or fiduciary is eligible for a credit amount not to exceed 70 percent of the actual amount expended or 75 percent of the corporation's or fiduciary's income tax liability, whichever is less. The credit is allowed on a first come, first served basis. In no event shall the aggregate amount of tax credits

allowed under this Code section exceed \$50 million in 2017, \$60 million in 2018, and \$70 million in 2019. No more than \$4 million of the aggregate limit shall be contributed to any individual rural hospital organization in any taxable year. For each individual rural hospital organization, from January 1 to June 30 of each year, the commissioner shall only preapprove credits submitted by individual taxpayers in an amount not to exceed \$2 million, and from corporate and fiduciary donors in an amount not to exceed \$2 million. From July 1 to December 31 of each year, subject to the aggregate limits and the individual rural hospital organization limit, the commissioner shall preapprove credits submitted by individual taxpayers, and corporations and fiduciaries. The taxpayer must add back to Georgia taxable income that part of any federal charitable contribution deduction taken on a federal return for which a credit is allowed.

Senate Bill 258 is applicable to taxable years beginning on or after January 1, 2017 and shall be automatically repealed on December 31, 2019.

MOTOR VEHICLE

HB 736 (O.C.G.A. §§ 40-2-85.1, 40-2-86)

This bill creates a number of new license plates including: a "woman veteran" plate designation on the existing military plates, a license plate supporting the Law Enforcement Division of DNR, a license plate promoting marine habitat conservation for the Coastal Resources Division of DNR, a license plate promoting dog and cat sterilization, a license plate supporting Hampton University, and license plates for two Greek letter organizations. This bill also permits military specialty plates to be given to the spouse of a service member or veteran qualifying for the plate subject to certain limitations.

House Bill 736 became effective upon approval by the Governor on April 26, 2016.

HB 862 (O.C.G.A. §§ 40-2-69, 48-5-478)

For the purposes of receiving a disabled veteran's license plate and exemption from ad valorem taxation for motor vehicles, this bill clarifies the definition of 'disabled veteran' to mean any veteran who is a citizen and resident of Georgia and who has a service-related disability that renders such veteran as being 100 percent totally disabled or as being less than 100 percent totally disabled but is compensated at the 100 percent level because the individual is unemployable.

House Bill 862 went into effect upon approval by the Governor on May 3, 2016.

SB 258 (O.C.G.A. §§ 40-2-69, 48-5-478)

For the purposes of receiving a disabled veteran's license plate and exemption from ad valorem taxation for motor vehicles, this bill clarifies the definition of 'disabled veteran' to mean any veteran who is a citizen and resident of Georgia and who has a service-related disability that renders such veteran as being 100 percent totally disabled or as being less than 100 percent totally disabled but is compensated at the 100 percent level because the individual is unemployable. The language used pertaining to these exemptions is identical to that used in HB 862.

Senate Bill 258 went into effect upon approval by the Governor on April 26, 2016.

PROPERTY TAX

HB 51 (O.C.G.A. §§ 48-4-40, 48-4-42)

This bill adds clarifying language for redemption of real property being sold as part of a tax sale and provides that dues owed to a homeowners' association must also be paid as part of the redemption.

House Bill 51 is effective July 1, 2016.

HB 364 (O.C.G.A. §§ 48-5-342, 50-13A-9)

This bill creates a process whereby the State Revenue Commissioner may strike an item from a county tax digest when the Commissioner determines the item has appeared on the digest illegally. Such finding may be appealed to the State Revenue Commissioner by the County Board of Tax Assessors. If the same item again illegally appears on the county digest within the next 5 years, the county shall no longer be able to receive certain grants from the state; additionally, members of the Board of Tax Assessors can be removed from office by the governing authority of the county and the affected taxpayer can bring an action in the Georgia Tax Tribunal for a refund.

House Bill 364 is effective July 1, 2016.

HB 547 (O.C.G.A. § 53-3-4)

This bill provides certain requirements related to taxes and liens on the homestead of a deceased person and the implication of the taxes and liens as part of the surviving spouse's "year's support".

House Bill 547 is effective July 1, 2016.

HB 769 (O.C.G.A. § 48-5-504.40)

This bill makes permanent the ad valorem tax exemption for watercraft held in dealer inventory. In addition, it creates an ad valorem tax exemption for all-terrain vehicles (ATVs) held in dealer inventory.

House Bill 769 went into effect upon approval by the Governor on May 3, 2016. This bill is applicable to tax years beginning on or after January 1, 2017.

HB 862 (O.C.G.A. § 48-5-48)

For the purpose of the homestead exemption for disabled veterans, this bill amends the definition of 'disabled veteran' to mean any veteran who is a citizen and resident of Georgia and who has a service-related disability that renders such veteran as being 100 percent totally disabled or as being less than 100 percent totally disabled but is compensated at the 100 percent level because the individual is unemployable.

House Bill 862 went into effect upon approval by the Governor on May 3, 2016.

HB 935 (O.C.G.A. §§ 48-5-48.1, 48-5-48.2)

This bill provides the ability for local governments to enact a Freeport exemption for the stock in trade of fulfillment centers. 'Fulfillment center' is defined as a business location in Georgia which is used to pack, ship, store, or otherwise process tangible personal property sold by electronic, Internet, telephonic, or other remote means, provided that such a business location does not allow customers to purchase or receive goods onsite at such business location. 'Stock in trade of a fulfillment center' is defined as the goods, wares, and merchandise held or stored at a fulfillment center. The exemption for this stored property at fulfillment centers shall not exceed 12 months from the date the property is stored in the state. The official books and records of fulfillment centers that claim Freeport exemptions shall be open to inspection by taxation authorities from the state and political subdivision.

House Bill 935 is effective July 1, 2016.

HB 960 (O.C.G.A. §§ 48-2-40, 48-2-44)

This bill changes the interest rate on past due taxes. Taxes owed the state or any local taxing jurisdiction shall bear interest at an annual rate equal to the bank prime loan rate as posted by the Board of Governors of the Federal Reserve System in statistical release H. 15 or any publication that may supersede it, plus 3 percent, to accrue monthly. Such annual interest rate shall be determined for each calendar year based on the first weekly posting of statistical release H. 15 on or after January 1 of each calendar year.

Relating to penalties and interest on failure to file a return or timely pay taxes held in trust for the state:

- Extends the grace period for payment of ad valorem taxes from 90 to 120 days. Reduces initial penalty for failure to pay any ad valorem tax to 5 percent of the amount of tax due and unpaid, together with interest.
- After 120 days from the imposition of the initial penalty, an additional penalty of 5 percent of any tax amount remaining due shall be imposed, together with interest as specified by law. If any tax amount remains due after 120 days from the imposition of such additional penalty, a penalty of 5 percent shall be imposed, together with interest as specified by law. Should any tax amount remain due 120 days after such date, a penalty of 5 percent shall be imposed, together with interest as specified by law. The aggregate amount of penalties imposed pursuant to this subsection shall not exceed an amount equal to 20 percent of the principal amount of the tax originally due. There are certain exceptions to these penalties provided in statute.

House Bill 960 is effective July 1, 2016.

HB 987 (O.C.G.A. § 48-5-7.4)

This bill clarifies how the residential portion of the property may be transferred without breaching the CUVA covenant. This bill also provides that a CUVA property owner may hold a not-for-profit rodeo event on their property without breaching the CUVA covenant.

House Bill 987 is effective July 1, 2016.

HB 991 (O.C.G.A. § 48-5-243)

This bill permits a local tax commissioner to waive penalties and interest on past due ad valorem property taxes when the default was due to the taxpayer's military service in a combat zone and not due to willful neglect or disregard of the law, provided that the taxpayer makes full payment of taxes due, not including penalties and interest, within 60 days of such taxpayer's return from such military service.

House Bill 991 is effective July 1, 2016.

SB 258 (O.C.G.A. §§ 48-5-48, 48-5-299, 48-5-311)

The property tax portion of this bill provides certain limitations on changes in the valuation of real property for ad valorem tax purposes following an appeal of the property's value. The assessed value being appealed may be lowered by the deciding body based upon the evidence presented but cannot be increased from the amount assessed by the county board of tax assessors, provided that:

- The taxpayer or his or her authorized representative attends the appeal hearing or provides written evidence supporting the taxpayer's opinion of value;
- The taxpayer does not file a return at a different valuation during the next two successive years;
- The taxpayer does not file an appeal during the next two successive years;
- There are no significant changes to the property; and
- There is no written agreement between the two parties allowing for the increase in valuation over the next two successive years.

This bill also amends the definition of disabled veteran to match the definition set forth in Georgia Code Section 48-5-48 for purposes of the homestead exemption for disabled veterans.

Senate Bill 258 became effective upon approval by the Governor on April 26, 2016.

SB 379 (O.C.G.A. §§ 48-4-40, 48-4-42, 48-5C-1)

This bill adds clarifying language for redemption of real property being sold as part of a tax sale and provides that dues owed to a homeowners' or property owners' association must also be paid as part of the redemption. This bill also provides that the "true-up" for ad valorem taxes made as part of the TAVT distribution shall include Water and Sewer Authorities.

Senate Bill 379 is effective July 1, 2016.

SALES AND USE TAXES, FEES, & EXCISE TAXES

HB 727 (O.C.G.A. § 25-10-5.1)

This bill changes regulation of fireworks and where and how they may be sold. It also provides for an initial license fee of \$1,500 if registering before July 1, 2016 and \$5,000 if registering on or after July 1, 2016 and an annual renewal fee of \$1,000 for a distributor selling consumer fireworks from a permanent consumer fireworks retail sales facility, to be collected by the Safety Fire Commissioner. For a distributor selling consumer fireworks from a store, it provides for an initial license fee of \$1,500 in addition to the \$250 per store location with an annual renewal fee of \$1,000 plus \$100 per store location, also payable to the Safety Fire Commissioner.

House Bill 727 went into effect upon approval by the Governor on April 26, 2016.

HB 763 (O.C.G.A. § 48-8-3)

This bill extends the sunset date for the sales tax exemptions for qualified food banks from June 30, 2016 to June 30, 2021. In addition, there are new reporting requirements for food banks utilizing this exemption. The taxpayers seeking to claim this exemption are required to submit to the Department the total number of clients served in the previous calendar year, the total pounds of food donated by retailers, and the total amount of exempt purchases made in the preceding year.

House Bill 763 is effective July 1, 2016.

HB 782 (Article VIII, Section VI, Paragraph IV of the Georgia Constitution)

This bill provides for continuation of an alternative method of distribution of the net proceeds of the sales and use tax for educational purposes among the Hall County School District, Gainesville City School District, and Buford City School District. The net proceeds of ESPLOST V are to be distributed using the following method:

- 1 percent into the general fund of the state treasury for administration of the tax;
- \$3.2 million to Buford City School District; and
- All remaining proceeds shall be distributed between Hall County School District and Gainesville City School District according to the ratio of the student enrollment in each school district to the total enrollment of the two school districts.

House Bill 782 became effective upon approval by the Governor on March 15, 2016.

HB 822 (O.C.G.A. § 48-8-3.3)

The bill strikes reference to prepaid "state" tax for motor fuel and instead references "prepaid tax" because there is no longer a prepaid state tax following HB 170 (2015 Session).

House Bill 822 is effective July 1, 2016.

HB 937 (O.C.G.A. § 48-8-3)

This bill extends the sunset date to qualify for a competitive project of regional significance from June 30, 2016 to June 30, 2019. Additionally, this bill extends the sunset period for a local government to impose an excise tax on rental cars from December 31, 2038 to December 31, 2047.

House Bill 937 is effective July 1, 2016.

HB 951 (O.C.G.A. § 48-8-3)

This bill creates a sales tax holiday for certain eligible items from July 30, 2016 - July 31, 2016 and exempts the purchase of Energy Star Qualified Products or WaterSense Products from sales tax from September 30, 2016 - October 2, 2016.

This bill also allows for a sales tax exclusion for tickets to certain nonrecurring major sporting events in the state expected to generate over \$50 million. The term 'major sporting event' means the National Football League championship game; any semifinal game or championship game of a national collegiate tournament; a Major League Baseball, Major League Soccer, or National Basketball Association all-star game; or any other nonrecurring major sporting event determined by the commissioner of economic development and the state revenue commissioner to be a major sporting event. The term 'nonrecurring' means not occurring in this state more than once every three years.

The legislation provides for a sunset date for the major sporting event sales tax exclusion on December 31, 2022.

House Bill 951 is effective July 1, 2016. It is applicable to admissions purchased on or after January 1, 2017.

HB 960 (O.C.G.A. §§ 48-2-35, 48-2-40, 50-13A-19.1)

For interest periods beginning on or after July 1, 2016, this bill changes the interest rate on assessments and refunds from 12% per year (accruing monthly) to an annual rate equal to the bank prime loan rate as posted by the Board of Governors of the Federal Reserve System in statistical release H. 15 or any publication that may supersede it, plus 3 percent, to accrue monthly. Such annual interest rate shall be determined for each calendar year based on the first weekly posting of statistical release H. 15 on or after January 1 of each calendar year.

All sales and use tax refund claims, including claims filed on paper Form ST-12, are required to break down the local sales and use tax portion of the claim. The Department will reject all claims for refunds of local sales and use tax filed on or after July 1, 2016 without the local tax break down.

House Bill 960 additionally requires the Department to notify each political subdivision affected by a "refund claim of local significance." The bill defines "refund claim of local significance" as "a taxpayer's claim for refund of sales and use taxes erroneously or illegally assessed and collected or the department's discovery of any overpayment of such taxes, if such claim for refund or overpayment is for an amount equal to or greater than 10 percent of the total yearly average of aggregate sales and use tax distributions to any single political subdivision based on the average

of the three most recent calendar years.” A “refund claim of local significance” may consist of more than one pending refund claim filed by a taxpayer.

Within 30 business days following the department's receipt of a refund claim of local significance, the department shall notify each affected political subdivision's political subdivision designee that a refund claim of local significance to the political subdivision has been received and shall furnish the taxpayer with a copy of such notification. After the department has completed an audit of the claim for refund and determined a final refund amount, the department shall supplement the above notice by transmitting to the political subdivision designee the final refund amount for which the political subdivision is responsible.

A refund claim of local significance that has been pending with the Department of Revenue for over two years will be sent to the Georgia Tax Tribunal for adjudication on whether the Department of Revenue or the taxpayer is causing the delay.

House Bill 960 is effective July 1, 2016.

SB 350 (O.C.G.A. § 48-13-131)

This bill would provide for the distribution of proceeds from the fireworks excise tax to go to the Georgia Trauma Care Network Commission, the Georgia Firefighter Standards and Training Council, and the operation of 9-1-1 systems in the following ratios:

- 55% shall be provided to the Georgia Trauma Care Network Commission.
- 40% shall be provided to the Georgia Firefighter Standards and Training Council to be exclusively used for the implementation of a grant program to improve the equipping and training of firefighters and to improve the rating of fire departments in this state by the Insurance Services Office.
- 5% shall be provided to local governments to be used solely for public safety for the operation of 9-1-1 systems.

Senate Bill 350 shall become effective on January 1, 2017, but only if there is ratified at the 2016 general election an amendment to the Constitution of Georgia which authorizes the General Assembly to provide for the use, dedication, and deposit of revenues raised by an excise tax on the sale of fireworks or consumer fireworks for purposes of trauma care, fire services, and local public safety. (SR 558)

SB 369 (O.C.G.A. §§ 32-9-13, 48-8-5A, 48-8-261 to 269.36)

This bill allows:

- The City of Atlanta to levy an additional MARTA tax up to .50 percent if approved by referendum in 2016 or in November 2017. Any tax imposed at a rate of less than .50 percent must be in an increment of .05 percent. This tax would be in addition to any tax which is currently authorized and collected under the MARTA Act.

- Counties that are not metropolitan county special districts and participate in a mass transportation regional system to levy a transportation special purpose local option sales and use tax if approved by referendum.
- Fulton County, a Metropolitan County Special District, to levy a transportation SPLOST of up to .75 percent in increments of .05 percent, if approved by referendum.
- The City of Atlanta, a Metropolitan Municipal Special District, to levy a transportation SPLOST of up to .75 percent in increments of .05 percent, if approved by referendum. If this tax is approved in conjunction with the additional new MARTA tax, the two together cannot exceed 1 percent.

Senate Bill 369 became effective upon approval by the Governor on April 26, 2016.

SB 379 (O.C.G.A. § 48-8-3)

This bill adds a sales tax exemption for certain local fire districts. It also creates a state sales and use tax exemption for certain qualified job training organizations that specialize in the retail sale of donated items, provide job training and employment services to individuals with workplace disadvantages and disabilities, and use a majority of their revenues for job training and placement programs. Any qualified job training organization which is granted this exemption shall provide an annual report to the department which contains, but is not limited to, the following:

- The number of individuals trained in the program;
- The number of individuals employed by the organization after receiving such training; and
- The number of individuals employed in full-time positions outside the organization after such training.

Senate Bill 379 is effective July 1, 2016. The sales tax exemption for qualified job training organizations goes into effect on July 1, 2017.