

**RULES  
OF  
DEPARTMENT OF REVENUE  
ALCOHOL AND TOBACCO TAX UNIT**

**CHAPTER 560-2-20  
STATE OPERATION ASSESSMENT**

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**560-2-20-.01 Adult Entertainment State Operation Assessment.**

(1) **Purpose.** This regulation provides guidance concerning the implementation and administration of the adult entertainment state operation assessment under O.C.G.A. § 15-21-209.

(2) **Definitions.** As used in this regulation, the term “adult entertainment establishment” shall have the same meaning as in O.C.G.A. § 15-21-201.

(3) **Required Return.**

(a) By April 30 of each calendar year and using Form AE-SOA, each adult entertainment establishment shall pay to the Department a state operation assessment equal to the greater of 1 percent of the previous calendar year’s Georgia gross revenue or \$5,000.00. The previous year’s Georgia gross revenue of an adult entertainment establishment shall be determined in the same manner as Georgia gross receipts are determined pursuant to O.C.G.A. § 48-7-31 but shall always be determined on a calendar year basis regardless of the tax year of the adult entertainment establishment.

(b) The adult entertainment establishment shall use the Georgia Tax Center to file Form AE-SOA and pay the tax. No other filing or payment method shall be permitted. No extension to file or pay shall be granted by the Department.

**(4) Penalty and Interest.**

(a) Penalty. When any adult entertainment establishment fails to file a return or to pay the full amount of the state operation assessment, in addition to other penalties provided by law, a penalty will be added to the state operation assessment in the amount of 5 percent or \$5.00, whichever is greater, if the failure is for not more than one month. An additional penalty of 5 percent or \$5.00, whichever is greater, will be added for each additional month or fraction of month during which the failure continues. The penalty for any single year shall not exceed 25 percent or \$25.00 in the aggregate, whichever is greater. If the failure is due to reasonable cause shown to the satisfaction of the commissioner, the penalty may be waived. In the case of a false or fraudulent return or of a failure to file a return where willful intent exists to defraud the state of the state operation assessment, a penalty of 50 percent of the state operation assessment due will be assessed.

(b) The state operation assessment shall bear interest in accordance with O.C.G.A. § 48-2-40.

**(5) Periods of limitation for assessment of the tax.**

(a) Except as otherwise provided in this paragraph, in the case where a return is filed, the tax must be assessed within three years after the return was filed. For purposes of this Rule, a return filed before the last filing day prescribed by law will be considered as filed on the last day.

(b) In the case of a false or fraudulent return filed with the intent to evade the tax or a failure to file a return, the tax may be assessed at any time.

(c) Where, before the expiration of the time prescribed in this paragraph for the assessment of the tax, both the commissioner and the person subject to assessment have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the agreed upon period. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the previously agreed upon period. The commissioner is authorized in any such agreement to extend similarly the period within which a claim for refund may be filed.

(d) If a claim for refund of taxes paid for any period is filed within the last six months of the period during which the commissioner may assess the amount of taxes, the assessment period is extended for a period of six months beginning on the day the claim for refund is filed.

(e) No action without assessment may be brought for the collection of any tax after the expiration of the period for assessment.

(6) **Refunds.** Any state operation assessment erroneously or illegally assessed and collected and interest on the tax will be refunded in accordance with O.C.G.A. § 48-2-35. Refund claims must be filed electronically on the Georgia Tax Center. When a purchaser files a refund claim, the Claim for Refund must be accompanied by the information required on the Georgia Tax Center.

(7) **Transfer of Funds.** The state operation assessment and any related penalties and interest collected shall be remitted to the Safe Harbor for Sexually Exploited Children Fund Commission, to

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be deposited into the Safe Harbor for Sexually Exploited Children Fund.

(8) **Effective Date.** This regulation shall be applicable to calendar years beginning on or after January 1, 2017 and the first return shall be due April 30, 2018.

Authority: O.C.G.A. §§ 48-2-12, 15-21-201, and 15-21-209.