



Georgia Department of Revenue
Policy Bulletin SUT-2017-06, Revised March 13, 2018
Sales and Use Tax Exemption for Qualifying Theaters

Purpose: This Policy Bulletin provides guidance on the sales and use tax exemption for qualifying theaters.

Date: March 13, 2018

Authority: O.C.G.A. § 48-8-3(99).

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 It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.

Exemption:

From July 1, 2017 until January 1, 2019, the sale or use of tangible personal property used for or in the renovation or expansion of theaters is exempt from state and local sales taxes pursuant to O.C.G.A. § 48-8-3(99), subject to the following:

(1) Qualifying theaters.

- (a) To qualify for the exemption, the theater must be located within a facility in Georgia that
1. Contains an art museum, symphonic hall, and theater;
 2. Charges admission; and
 3. Is owned or operated by an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and that has a primary mission to provide arts and education programming for the benefit of the citizens of Georgia.

(2) Qualifying items.

- (a) Items qualifying for exemption include all tangible personal property used for or in the renovation or expansion of qualifying theaters that
1. Will remain at the theater after completion of construction; or
 2. Will become incorporated into the real property structures of the theater.
- (b) The exemption excludes all items that remain tangible personal property in the possession of a contractor after the completion of construction.

- (3) Effective dates.
 - (a) The exemption from state sales tax begins July 1, 2017 and ends the earlier of
 - 1. Midnight of January 1, 2019 or
 - 2. The time at which the aggregate state sales tax refunded pursuant to O.C.G.A. § 48-8-3(99) exceeds \$750,000.
 - (b) The exemption from local sales taxes begins July 1, 2017 and ends at midnight of January 1, 2019.
 - (c) Purchases must be made within the effective dates to qualify for exemption.
- (4) Administration by refund only.
 - (a) The exemption is administered by refund only. Qualifying theaters must pay tax when purchasing tangible personal property and may obtain the benefit of this exemption only by filing a claim for a refund of taxes paid on qualifying items.
 - (b) Contractors must pay tax on all purchases of tangible personal property. Qualifying theaters may request a refund of taxes paid by contractors on qualifying items.
 - (c) Taxes refunded pursuant to this exemption do not accrue interest.
- (5) Refund procedures.
 - (a) Qualifying theaters may make a claim for refund at any time within three years following the date the tax was paid; however, the Department will refund no more than a total of \$750,000 in state sales tax. The Department will process refund claims in the order that they are received.
 - (b) The claim must be filed through the Georgia Tax Center (GTC). To make a claim for refund on the GTC website, [follow instructions posted on the Department's website](#).

For more information, please contact the Department at 1-877-423-6711 from 8:00 a.m. to 4:30 p.m. EST, Monday through Friday, excluding holidays. For forms and other information, visit the Department's website at dor.georgia.gov.