

House Bill 115

By: Representative Powell of the 32<sup>nd</sup>

A BILL TO BE ENTITLED  
AN ACT

To amend Titles 40 and 48 of the Official Code of Georgia Annotated, relating to motor vehicles and revenue and taxation, respectively, so as to provide for tax decals in lieu of sales and use taxes for taxi services and limousine carriers; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended by revising subsection (b) of Code Section 40-2-168, relating to registration and licensing of taxicabs and limousines, as follows:

"(b)(1) As used in this subsection, the term 'for-hire vehicle' means a motor vehicle used in this state by a limousine carrier, ~~ride share network, ride share network driver,~~ or taxi service, as such terms are defined in Code Section 40-1-190, for the purpose of transporting passengers for compensation or donation.

(2) On and after July 1, 2017, an owner of each for-hire vehicle, prior to commencing operations in this state and annually thereafter, shall obtain a for-hire vehicle ~~master license~~ decal from the department and shall display such decal on such vehicle at all times in the manner prescribed by the department by rule or regulation. ~~The department shall issue a decal or certificate for each motor vehicle covered under such master license, and the owner shall display such decal on such vehicle at all times in the manner prescribed by the department by rule or regulation or shall maintain a copy of the certificate in the covered vehicle or electronically on the driver's smartphone which certificate shall be displayed to law enforcement personnel or agents of the department upon request. With regard to ride share drivers who are employed directly by a ride share network service or who operate as independent contractors for a ride share network service, the ride share network service shall be responsible for obtaining a master license for all of its affiliated ride share drivers. The obtaining of a master license shall not~~

~~operate to relieve a taxi service, a limousine carrier, a ride share network service, or the owner of a for-hire vehicle from sales and use taxes on fares which were previously incurred.~~

(3) The owner of each for-hire vehicle in operation in this state on July 1, 2017, shall obtain a for-hire ~~master license~~ vehicle decal from the department prior to such date and shall ~~obtain a decal or certificate for each motor vehicle covered under such master license, and the owner shall either display such decal on such vehicle at all times in the manner prescribed by the department by rule or regulation or shall maintain a copy of the certificate in the covered vehicle or electronically on the driver's smartphone which certificate shall be displayed to law enforcement personnel or agents of the department upon request. With regard to ride share drivers who are employed directly by a ride share network service or who operate as independent contractors for a ride share network service, the ride share network service shall be responsible for obtaining a master license for all of its affiliated ride share drivers. The obtaining of a master license shall not~~ operate to relieve a taxi service, a limousine carrier, a ride share network service, or the owner of a for-hire vehicle from sales and use taxes on fares which were previously incurred.

(4) ~~The annual fee for such master license shall be as follows:~~

<del>(A) For 1 to 5 for-hire vehicles</del>	<del>..... \$1,500.00</del>
<del>(B) For 6 to 59 for-hire vehicles</del>	<del>..... 12,050.00</del>
<del>(C) For 60 to 100 for-hire vehicles</del>	<del>..... 25,000.00</del>
<del>(D) For 101 to 150 for-hire vehicles</del>	<del>..... 40,000.00</del>
<del>(E) For 151 to 200 for-hire vehicles</del>	<del>..... 56,000.00</del>
<del>(F) For 201 to 250 for-hire vehicles</del>	<del>..... 75,000.00</del>
<del>(G) For 251 to 300 for-hire vehicles</del>	<del>..... 90,000.00</del>
<del>(H) For 301 to 350 for-hire vehicles</del>	<del>..... 105,000.00</del>
<del>(I) For 351 to 500 for-hire vehicles</del>	<del>..... 150,000.00</del>
<del>(J) For 501 to 1,000 for-hire vehicles</del>	<del>..... 300,000.00</del>
<del>(K) For 1,001 and greater for-hire vehicles</del>	<del>..... 300,000.00</del>
	<del>plus \$25,000.00 for each</del>
	<del>additional 100 vehicles or</del>
	<del>fraction thereof.</del>

~~Decals or certificates shall be issued in connection with the master license at no charge by the department. The number of vehicles shall be determined by adding the number of for-hire vehicles utilized by the owner during each of the preceding months in the immediately preceding 12-month period and dividing such sum by 12.~~

63 The fee for such decal shall be \$300.00 per year for each such vehicle. Such fee shall be  
64 in lieu of the payment of any sales and use tax on fares generated by such for-hire  
65 vehicle.

66 (5) Of this ~~annual master license~~ fee, 57 percent shall be retained by the state for deposit  
67 in the general fund of the state treasury. ~~At the time of payment of the annual master~~  
68 ~~license fee, the owner obtaining the master license shall provide to the department a~~  
69 ~~written declaration setting forth the county or counties in which vehicles operate. The~~  
70 remaining 43 percent of the ~~annual master license fee~~ shall be divided by the department  
71 ~~proportionately according to population to the county or counties set forth in such~~  
72 ~~declaration. The proportional amounts shall be distributed~~ forwarded to the county tag  
73 agent ~~in each such county~~ to allocate and distribute to the county governing authority and  
74 to municipal governing authorities, the board of education of the county school system,  
75 and the board of education of any independent school system located in such county in  
76 the manner provided in this paragraph:

77 (A) An amount equal to one-third of such proceeds shall be distributed to the board of  
78 education of the county school system and the board of education of each independent  
79 school system located in such county in the same manner as required for any local sales  
80 and use tax for educational purposes levied pursuant to Part 2 of Article 3 of Chapter 8  
81 of Title 48 currently in effect. If such tax is not currently in effect, such proceeds shall  
82 be distributed to such board or boards of education in the same manner as if such tax  
83 were in effect;

84 (B)(i) Except as otherwise provided in this subparagraph, an amount equal to  
85 one-third of such proceeds shall be distributed to the governing authority of the  
86 county and the governing authority of each qualified municipality located in such  
87 county in the same manner as specified under the distribution certificate for the joint  
88 county and municipal sales and use tax under Article 2 of Chapter 8 of Title 48  
89 currently in effect;

90 (ii) If such tax were never in effect, such proceeds shall be distributed to the  
91 governing authority of the county and the governing authority of each qualified  
92 municipality located in such county on a pro rata basis according to the ratio of the  
93 population that each such municipality bears to the population of the entire county;

94 (iii) If such tax is currently in effect as well as a local option sales and use tax for  
95 educational purposes levied pursuant to a local constitutional amendment, an amount  
96 equal to one-third of such proceeds shall be distributed in the same manner as  
97 required under division (i) of this subparagraph and an amount equal to one-third of  
98 such proceeds shall be distributed to the board of education of the county school  
99 system;

(iv) If such tax is not currently in effect and a local option sales and use tax for educational purposes levied pursuant to a local constitutional amendment is currently in effect, such proceeds shall be distributed to the board of education of the county school system and the board of education of any independent school system in the same manner as required under such local constitutional amendment; and

(v) If such tax is not currently in effect and a homestead option sales and use tax under Article 2A of Chapter 8 of Title 48 is in effect, such proceeds shall be distributed to the governing authority of the county, each qualified municipality, and each existing municipality in the same proportion as otherwise required under Code Section 48-8-104; and

(C)(i) An amount equal to one-third of such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county in the same manner as specified under an intergovernmental agreement or as otherwise required under the county special purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of Title 48 currently in effect; provided, however, that this division shall not apply if division (iii) of subparagraph (B) of this paragraph is applicable.

(ii) If such tax were in effect but expired and is not currently in effect, such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county in the same manner as if such tax were still in effect according to an intergovernmental agreement or as otherwise required under the county special purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of Title 48 for the 12 month period commencing at the expiration of such tax. If such tax is not renewed prior to the expiration of such 12 month period, such amount shall be distributed in accordance with division (i) of subparagraph (B) of this paragraph; provided, however, that if a tax under Article 2 of Chapter 8 of Title 48 is not in effect, such amount shall be distributed in accordance with division (ii) of subparagraph (B) of this paragraph.

(iii) If such tax is not currently in effect in a county in which a tax is levied for purposes of a metropolitan area system of public transportation, as authorized by the amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution; and the laws enacted pursuant to such constitutional amendment, such proceeds shall be distributed to the governing body of the authority created by local Act to operate such metropolitan area system of public transportation.

(iv) If such tax were never in effect, such proceeds shall be distributed in the same manner as specified under the distribution certificate for the joint county and

municipal sales and use tax under Article 2 of Chapter 8 of Title 48 currently in effect; provided, however, that if such tax under such article is not in effect, such proceeds shall be distributed to the governing authority of the county and the governing authority of each qualified municipality located in such county on a pro rata basis according to the ratio of the population that each such municipality bears to the population of the entire county.

(6) On and after July 1, 2017, it shall be illegal for ~~a taxi service, a limousine carrier, a ride share network service, or~~ an owner of a for-hire vehicle who is providing transportation services to fail to display a current tax decal ~~or maintain a physical or electronic certificate in~~ on such vehicle as prescribed by this subsection and as may be required by the department by rule or regulation. Any person who violates this paragraph shall be guilty of a misdemeanor of a high and aggravated nature and additionally shall be subject to a civil fine of not more than \$5,000.00 per violation.

~~(7) This subsection shall be repealed by operation of law on July 1, 2017."~~

## SECTION 2.

Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended by revising paragraph (25) of Code Section 48-8-3, relating to exemptions from sales and use taxes, as follows:

"(25) On and after July 1, 2017, fares of for-hire vehicles, as such term is defined in subsection (b) of Code Section 40-2-168, for which taxi services; or limousine carriers; ~~ride share network services,~~ or the owners of such vehicles have purchased a for-hire ~~master license~~ vehicle decal in lieu of paying sales and use taxes on fares pursuant to the provisions of subsection (b) of Code Section 40-2-168. This provision shall not relieve taxi services; or limousine carriers; ~~transportation referral services, transportation referral service providers, or ride share service networks~~ of sales and use tax liability on fares incurred prior to the purchase of such for-hire ~~master license~~ vehicle decal. ~~This paragraph shall be repealed by operation of law on July 1, 2017~~ Fares of entities providing transportation services for hire other than taxi services and limousine carriers shall remain subject to sales and use taxation;"

## SECTION 3.

This Act shall become effective on July 1, 2017.

## SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.