

House Bill 115

By: Representative Powell of the 32nd

A BILL TO BE ENTITLED
AN ACT

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

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

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

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

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

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

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

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

45 (A) For 1 to 5 for-hire vehicles	\$1,500.00
46 (B) For 6 to 59 for-hire vehicles	12,050.00
47 (C) For 60 to 100 for-hire vehicles	25,000.00
48 (D) For 101 to 150 for-hire vehicles	40,000.00
49 (E) For 151 to 200 for-hire vehicles	56,000.00
50 (F) For 201 to 250 for-hire vehicles	75,000.00
51 (G) For 251 to 300 for-hire vehicles	90,000.00
52 (H) For 301 to 350 for-hire vehicles	105,000.00
53 (I) For 351 to 500 for-hire vehicles	150,000.00
54 (J) For 501 to 1,000 for-hire vehicles	300,000.00
55 (K) For 1,001 and greater for-hire vehicles	300,000.00

56 plus \$25,000.00 for each
57 additional 100 vehicles or
58 fraction thereof.

59 Decals or certificates shall be issued in connection with the master license at no charge
60 by the department. The number of vehicles shall be determined by adding the number
61 of for-hire vehicles utilized by the owner during each of the preceding months in the
62 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;

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

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

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

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

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

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

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

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

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

151 SECTION 2.

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

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

166 SECTION 3.

167 This Act shall become effective on July 1, 2017.

168 SECTION 4.

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