

The House Committee on Ways and Means offers the following substitute to HB 145:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia
2 Annotated, relating to general provisions regarding the state sales and use tax, so as to
3 change the method of charging such tax on jet fuel; to provide for related matters; to provide
4 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 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
8 relating to general provisions regarding the state sales and use tax, is amended by revising
9 paragraph (33) of Code Section 48-8-3, relating to exemptions from state sales and use tax,
10 as follows:

11 "(33)(A) The sale of aircraft, watercraft, railroad locomotives and rolling stock, motor
12 vehicles, and major components of each, which will be used principally to cross the
13 borders of this state in the service of transporting passengers or cargo by common
14 carriers and by carriers who hold common carrier and contract carrier authority in
15 interstate or foreign commerce under authority granted by the United States
16 government. Replacement parts installed by carriers in such aircraft, watercraft,
17 railroad locomotives and rolling stock, and motor vehicles which become an integral
18 part of the craft, equipment, or vehicle shall also be exempt from all taxes under this
19 article;

20 (B) In lieu of any tax under this article which would apply to the purchase, sale, use,
21 storage, or consumption of the tangible personal property described in this paragraph
22 but for this exemption, the tax under this article shall apply, except as otherwise
23 provided in paragraph (33.1) of this Code section and in Code Section 48-8-3.4, with
24 respect to all fuel purchased and delivered within this state by or to any common carrier
25 and with respect to all fuel purchased outside this state and stored in this state
26 irrespective, in either case, of the place of its subsequent use;"

27 **SECTION 2.**

28 Said part is further revised by inserting a new Code section to read as follows:

29 "48-8-3.4.

30 (a) As used in this Code section, the term:

31 (1) 'Commercial aircraft' means any aircraft that has a certified maximum takeoff weight
 32 of more than 50,000 pounds and is regularly used to carry passengers for compensation.

33 (2) 'Qualifying airport' means any airport in this state that has had more than 750,000
 34 takeoffs and landings during a calendar year.

35 (b) On or after July 1, 2017, the state sales and use tax under this chapter shall not be
 36 levied on jet fuel purchased and delivered at a qualifying airport or stored at a qualifying
 37 airport for use in commercial aircraft to the extent such fuel is consumed outside this state
 38 in the operation of commercial aircraft.

39 (c) For purposes of this Code section, it shall be irrebuttably presumed that:

40 (1) Forty-five percent of jet fuel placed aboard commercial aircraft at a qualifying airport
 41 for a flight that is first destined for a location outside this state is consumed in this state,
 42 and 55 percent of such fuel is consumed outside this state; and

43 (2) One hundred percent of jet fuel placed aboard commercial aircraft at a qualifying
 44 airport for a flight that is first destined for a location within this state is consumed in this
 45 state.

46 (3) Subsection (b) of this Code section provides an exclusion from state sales tax for fuel
 47 consumed outside this state in the operation of commercial aircraft. The percentage of
 48 fuel presumed to be consumed outside this state under paragraph (1) of this subsection
 49 shall not be construed as an exemption from or reduction in the rate of sales tax
 50 applicable to jet fuel.

51 (d) This Code section shall apply for state sales and use tax purposes only, and nothing in
 52 this Code section shall be construed to expand, limit, or modify in any way the levy and
 53 imposition of any local sales and use tax or any exemption therefrom. For purposes of this
 54 paragraph, 'local sales and use tax' means any sales and use tax levied and imposed in an
 55 area consisting of less than the entire state.

56 (e) The commissioner shall adopt rules and regulations as necessary to carry out the
 57 provisions of this Code section."

58 **SECTION 3.**

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

60 **SECTION 4.**

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