

House Bill 469

By: Representative Parsons of the 44th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the state sales and use tax, so as to create an exemption for certain
3 telecommunications equipment used to provide telecommunications services; to provide for
4 definitions; to provide for related matters; to provide for an effective date and applicability;
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to the
9 state sales and use tax, is amended by deleting "or" at the end of paragraph (94), by replacing
10 the period with "; or" at the end of paragraph (95), and by adding a new paragraph to Code
11 Section 48-8-3, relating to exemptions from state sales and use taxes, read as follows:

12 "(96)(A) The sale or use of telecommunications equipment sold to, leased to, or used
13 by a telecommunications provider that is ultimately to be sold at retail, regardless of
14 whether purchased by the owner, a contractor, or a subcontractor.

15 (B) As used in this paragraph, the term:

16 (i) 'Telecommunications equipment' means any machinery, equipment, and fixtures
17 used in the provision of telecommunications services, including but not limited to:

18 (I) Machinery, equipment, and fixtures utilized in receiving, initiating, amplifying,
19 processing, transmitting, recording, switching, or monitoring telecommunications,
20 such as computers, switches, transformers, amplifiers, routers, bridges, repeaters,
21 multiplexers, and other items performing comparable functions;

22 (II) Machinery, equipment, and fixtures used in the transportation of
23 telecommunications services, such as central office equipment, switching and
24 private branch exchange equipment, satellite equipment, microwave equipment, and
25 other transporting media but not including wire, cable, fiber, poles, or conduit;

26 (III) Ancillary machinery, equipment, and fixtures that regulate, control, protect,
27 or enable any of the machinery, equipment, or fixtures described in divisions (i) and
28 (ii) of this subparagraph to accomplish its intended function, such as auxiliary
29 power supply, test equipment, towers, and heating, ventilating, and air conditioning
30 equipment necessary to the operation of any such machinery, equipment, and
31 fixtures;

32 (IV) Repair and replacement parts, including accessories, whether purchased as
33 spare parts, repair parts, or upgrades or modifications to any machinery, equipment,
34 or fixtures described in divisions (i) through (iii) of this subparagraph; and

35 (V) Software necessary to the operation of any machinery, equipment, or fixtures
36 described in divisions (i) through (iv) of this subparagraph.

37 (ii) 'Telecommunications provider' means any provider of telecommunications
38 services.

39 (C) Any person making a sale of telecommunications equipment to a
40 telecommunications provider shall collect the tax imposed on the sale by this article
41 unless the purchaser furnishes a certificate issued by the commissioner certifying that the
42 purchaser is entitled to purchase the telecommunications equipment without paying the
43 tax."

44 **SECTION 2.**

45 This Act shall become effective upon its approval by the Governor or upon its become law
46 without such approval and shall apply to transactions which occur on or after that date.

47 **SECTION 3.**

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