

House Bill 471 (COMMITTEE SUBSTITUTE)

By: Representative Stephens of the 164th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to
2 specific, business, and occupation taxes, so as to levy and impose a tax on persons who enter
3 certain rental agreements with certain equipment rental companies within a certain period of
4 time; to require such equipment rental companies to collect such taxes and remit them to
5 county tax commissioners for credit against such company's ad valorem tax liability for
6 certain equipment; to provide that county tax commissioners shall retain excess fees; to
7 provide for the reporting of certain statistical data related to such tax; to provide for rules and
8 regulations; to provide for definitions; to provide for related matters; to repeal conflicting
9 laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to specific,
13 business, and occupation taxes, is amended by adding a new article to read as follows:

14 "ARTICLE 8

15 48-13-140.

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

17 (1) 'Equipment rental company' means an entity that is engaged in a line of business
18 described in Code 532412 or 532310 of the North American Industry Classification
19 System published by the United States Census Bureau in 2012.

20 (2) 'Property tax recovery fee' means a 1 1/2 percent tax on the total charge for renting
21 of rental equipment agreement exclusive of any tax, fee, and separately stated charges
22 that are not rental charges, including, but not limited to, charges for delivery and pickup
23 of rental equipment, damage waivers, environmental fees, or other ancillary charges.

H. B. 471 (SUB)

24 (3) 'Rental agreement' means an agreement under which rental equipment is rented for
25 a period of 365 days or less.

26 (4) 'Rental equipment' means a piece of equipment or machinery that is primarily
27 designed and used for construction, industrial, maritime, or mining uses and that is rented
28 without a driver or operator by an equipment rental company.

29 (b)(1) For the period beginning January 1, 2017, and ending December 31, 2020, there
30 is levied and imposed a property tax recovery fee.

31 (2) Every person that enters a rental agreement in this state with an equipment rental
32 company shall be liable for the property tax recovery fee and shall pay such fee to the
33 equipment rental company. The property tax recovery fee shall be separately stated in
34 each rental agreement.

35 (c)(1) Property tax recovery fees collected by an equipment rental company shall be
36 retained by such company until such time when such company's ad valorem tax liability
37 assessed upon such company's rental equipment is due. On or before such due date, the
38 equipment rental company shall remit all property tax recovery fees, in proportion, to the
39 tax commissioners of counties where such company has such an ad valorem tax liability.
40 Such proportion shall be based on the total value of such ad valorem tax liability imposed
41 by all counties.

42 (2) Each county tax commissioner shall accept property tax recovery fees transmitted by
43 an equipment rental company as payment toward such company's ad valorem tax liability.
44 If the total amount of the property tax recovery fees transmitted by an equipment rental
45 company under this Code section in any calendar year exceeds such company's assessed
46 ad valorem tax liability for rental equipment for that calendar year, the county tax
47 commissioner shall remit such fees to the general fund of such county.

48 (d)(1) On or before April 1, 2017, and for the four years thereafter, each county tax
49 commissioner shall submit a report to the department that contains an accounting for the
50 preceding calendar year of the total amount of property tax recovery fees collected and
51 the total ad valorem tax assessed on rental equipment in his or her respective county.

52 (2) On or before July 1, 2020, the department shall submit a report to the Governor, the
53 President of the Senate, and the Speaker of the House of Representatives that contains an
54 accounting for the three preceding calendar years of the total amount of property tax
55 recovery fees collected and the total ad valorem tax assessed on rental equipment for each
56 county in this state.

57 (3) The department shall be authorized to promulgate rules and regulations necessary to
58 implement the provisions of this subsection.

59 (e) The tax levied by this Code section is in addition to all other taxes."

60

SECTION 2.

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