

House Bill 56

By: Representatives Stephens of the 164th, Powell of the 171st, and Harrell of the 106th

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 provide for definitions; to require such equipment rental companies to collect such
5 taxes and hold them in escrow for a period of time; to provide that such companies shall pay
6 their ad valorem tax liability for certain rental equipment with such taxes and shall remit any
7 excess funds to the general fund of the state treasury; to provide for the reporting of statistical
8 data related to such tax; to provide for rules and regulations; to provide for related matters;
9 to repeal conflicting 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 fee on the total charge for a rental
21 agreement exclusive of any tax, fee, and separately stated charges that are not rental
22 charges, including, but not limited to, charges for delivery and pickup of rental
23 equipment, damage waivers, environmental fees, or other ancillary charges.

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

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

30 (b)(1) For the period beginning January 1, 2018, and ending December 31, 2022, there
 31 is levied and imposed a property tax recovery fee.

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

36 (c) Property tax recovery fees collected by an equipment rental company shall be
 37 retained by such company in an escrow account until ad valorem tax is assessed upon
 38 such company's rental equipment. Such an escrow account shall be subject to inspection
 39 by the department.

40 (d)(1) Each equipment rental company shall submit a report to the department on or
 41 before February 15 of 2019, 2020, 2021, 2022, and 2023 that contains an accounting for
 42 the preceding calendar year of the total amount of property tax recovery fees collected
 43 and the total ad valorem tax assessed on such company's rental equipment in this state.

44 (2) If the total amount of property tax recovery fees collected 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 equipment rental
 47 company shall remit such fees, along with any accrued interest in the escrow account,
 48 with its report to the department to be deposited into the general fund of the state
 49 treasury.

50 (e)(1) On or before July 1, 2023, the department shall submit a report to the Governor,
 51 the President of the Senate, and the Speaker of the House of Representatives that contains
 52 an accounting for the five preceding calendar years of the total amount of property tax
 53 recovery fees collected and the total ad valorem tax assessed on rental equipment for each
 54 county in this state.

55 (2) The department shall be authorized to promulgate rules and regulations necessary to
 56 implement the provisions of this subsection.

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

58 **SECTION 2.**

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