

House Bill 796

By: Representatives Corbett of the 174th, Shaw of the 176th, Smith of the 70th, and LaRiccia of the 169th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to
2 exemptions from state sales and use taxes, so as to renew the sales tax holiday; to provide for
3 related matters; to provide for an effective date; to repeal conflicting laws; and for other
4 purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from
8 state sales and use taxes, is amended by revising paragraph (75) as follows:

9 "(75)(A) The sale of eligible property. The exemption provided by this paragraph
10 applies only to sales occurring during the ~~period~~ periods commencing at 12:01 A.M.
11 on ~~July 30, 2016~~ August 4, 2018, and concluding at 12:00 Midnight on ~~July 31, 2016~~
12 August 5, 2018, and commencing at 12:01 A.M. on September 29, 2018, and
13 concluding at 12:00 Midnight on September 30, 2018.

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

15 (i) 'Clothing' means all human wearing apparel suitable for general use and includes
16 footwear. The term 'clothing' excludes belt buckles sold separately; costume masks
17 sold separately; patches and emblems sold separately; sewing equipment and supplies,
18 including but not limited to knitting needles, patterns, pins, scissors, sewing machines,
19 sewing needles, tape measures, and thimbles; sewing materials that become part of
20 clothing, including but not limited to buttons, fabric, lace, thread, yarn, and zippers;
21 and clothing accessories or equipment.

22 (ii) 'Clothing accessories or equipment' means incidental items worn on the person
23 or in conjunction with clothing.

24 (iii) 'Computer' means an electronic device that accepts information in digital or
25 similar form and manipulates it for a result based on a sequence of instructions. The
26 term 'computer' excludes cellular phones.

- 27 (iv) 'Computer software' means a set of coded instructions designed to cause a
28 computer or automatic data processing equipment to perform a task.
- 29 (v) 'Eligible property' means:
- 30 (I) Articles of clothing with a sales price of \$100.00 or less per item;
- 31 (II) Computers, computer components, and prewritten computer software
32 purchased for noncommercial home or personal use with a sales price of \$1,000.00
33 or less per item; and
- 34 (III) School supplies, school art supplies, school computer supplies, and school
35 instructional materials purchased for noncommercial use with a sales price of
36 \$20.00 or less per item.
- 37 (vi) 'Prewritten computer software' means computer software, including prewritten
38 upgrades, which is not designed and developed by the author or other creator to the
39 specifications of a specific purchaser. The combining of two or more prewritten
40 computer software programs or prewritten portions thereof does not cause the
41 combination to be other than prewritten computer software. Prewritten computer
42 software includes software designed and developed by the author or other creator to
43 the specifications of a specific purchaser when it is sold to a person other than the
44 specific purchaser. Where a person modifies or enhances computer software of which
45 the person is not the author or creator, the person shall be deemed to be the author or
46 creator only of such person's modifications or enhancements. Prewritten computer
47 software or a prewritten portion thereof that is modified or enhanced to any degree,
48 where such modification or enhancement is designed and developed to the
49 specifications of a specific purchaser, remains prewritten computer software;
50 provided, however, that where there is a reasonable, separately stated charge or an
51 invoice or other statement of the price given to the purchaser for such modification
52 or enhancement, such modification or enhancement shall not constitute prewritten
53 computer software.
- 54 (vii) 'School art supply' means an item commonly used by a student in a course of
55 study for artwork.
- 56 (viii) 'School computer supply' means an item commonly used by a student in a
57 course of study in which a computer is used.
- 58 (ix) 'School instructional material' means written material commonly used by a
59 student in a course of study as a reference and to learn the subject being taught.
- 60 (x) 'School supply' means an item commonly used by a student in a course of study.
- 61 (C) The commissioner shall promulgate any rules and regulations necessary to
62 implement and administer this paragraph including but not be limited to a list of those
63 articles and items qualifying for the exemption pursuant to this paragraph;"

64 **SECTION 2.**

65 This Act shall become effective upon its approval by the Governor or upon its becoming law
66 without such approval.

67 **SECTION 3.**

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