

The House Committee on Ways and Means offers the following substitute to HB 821:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to define the terms "Internal Revenue Code" and "Internal Revenue Code of  
3 1986" and thereby incorporate certain provisions of the federal law into Georgia law; to  
4 provide for no liability for state or local title ad valorem tax fees in a replacement title  
5 transaction for a vehicle not less than 15 years old; to exempt jet fuel under certain conditions  
6 and to a certain degree from state sales and use tax and from the sales and use taxes levied  
7 pursuant to the County Special Purpose Local Option Sales Tax (SPLOST), the Sales Tax  
8 for Educational Purposes (ESPLOST), the Special District Transportation Sales and Use Tax  
9 (TSPLOST), and the Special District Mass Transportation Sales and Use Tax; to limit the  
10 taxation of the sale and use of jet fuel pursuant to the Joint County and Municipal Sales and  
11 Use Tax (LOST) and the Metropolitan Atlanta Rapid Transit Authority Act of 1965; to  
12 provide a definition; to remove provisions limiting an exemption from said sales taxes on the  
13 sale or use of jet fuel for certain qualifying airlines at certain qualifying airports; to remove  
14 provisions relating to an expired exemption from a portion of state sales and use tax for  
15 certain qualifying airlines at qualifying airports; to remove inapplicable definitions; to  
16 provide for related matters; to provide for effective dates and applicability; to repeal  
17 conflicting laws; and for other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 PART I  
20 SECTION 1-1.

21 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
22 amended by revising paragraph (14) of Code Section 48-1-2, relating to definitions regarding  
23 revenue and taxation, as follows:

24 "(14) 'Internal Revenue Code' or 'Internal Revenue Code of 1986' means for taxable years  
25 beginning on or after January 1, ~~2016~~ 2017, and before January 1, 2018, the provisions

26 of the United States Internal Revenue Code of 1986, as amended, provided for in federal  
 27 law enacted on or before January 1, ~~2017~~ 2018, except that ~~Section 85(e)~~, Section 108(i),  
 28 Section 163(e)(5)(F), ~~Section 164(a)(6)~~, ~~Section 164(b)(6)~~, Section 168(b)(3)(I), Section  
 29 168(e)(3)(B)(vii), Section 168(e)(3)(E)(ix), Section 168(e)(8), Section 168(k) (~~but not~~  
 30 ~~excepting Section 168(k)(2)(A)(i), Section 168(k)(2)(D)(i), and Section 168(k)(2)(E))~~,  
 31 Section 168(m), Section 168(n), ~~Section 172(b)(1)(H)~~, ~~Section 172(b)(1)(J)~~, ~~Section~~  
 32 ~~172(j)~~, Section 179(f), Section 199, Section 810(b)(4), Section 1400L, Section  
 33 1400N(d)(1), Section 1400N(f), Section 1400N(j), Section 1400N(k), and Section  
 34 1400N(o) of the Internal Revenue Code of 1986, as amended, shall be treated as if they  
 35 were not in effect, and except that Section 168(e)(7), Section 172(b)(1)(F), and Section  
 36 172(i)(1), ~~and Section 1221~~ of the Internal Revenue Code of 1986, as amended, shall be  
 37 treated as they were in effect before the 2008 enactment of federal Public Law 110-343,  
 38 and except that Section 163(i)(1) of the Internal Revenue Code of 1986, as amended,  
 39 shall be treated as it was in effect before the 2009 enactment of federal Public Law 111-5,  
 40 and except that Section 13(e)(4) of 2009 federal Public Law 111-92 shall be treated as  
 41 if it was not in effect, and except that Section 118 of the Internal Revenue Code of 1986,  
 42 as amended, shall be treated as it was in effect before the 2017 enactment of federal  
 43 Public Law 115-97, and except that the limitations provided in Section 179(b)(1) shall  
 44 be \$250,000.00 for tax years beginning in 2010, shall be \$250,000.00 for tax years  
 45 beginning in 2011, shall be \$250,000.00 for tax years beginning in 2012, shall be  
 46 \$250,000.00 for tax years beginning in 2013, and shall be \$500,000.00 for tax years  
 47 beginning in 2014, and except that the limitations provided in Section 179(b)(2) shall be  
 48 \$800,000.00 for tax years beginning in 2010, shall be \$800,000.00 for tax years  
 49 beginning in 2011, shall be \$800,000.00 for tax years beginning in 2012, shall be  
 50 \$800,000.00 for tax years beginning in 2013, and shall be \$2 million for tax years  
 51 beginning in 2014, and provided that Section 1106 of federal Public Law 112-95 as  
 52 amended by federal Public Law 113-243 shall be treated as if it is in effect, except the  
 53 phrase 'Code Section 48-2-35 (or, if later, November 15, 2015)' shall be substituted for  
 54 the phrase 'section 6511(a) of such Code (or, if later, April 15, 2015),' and  
 55 notwithstanding any other provision in this title, no interest shall be refunded with respect  
 56 to any claim for refund filed pursuant to Section 1106 of federal Public Law 112-95, and  
 57 provided that subsection (b) of Section 3 of federal Public Law 114-292 shall be treated  
 58 as if it is in effect, except the phrase 'Code Section 48-2-35' shall be substituted for the  
 59 phrase 'section 6511(a) of the Internal Revenue Code of 1986' and the phrase 'such  
 60 section' shall be substituted for the phrase 'such subsection.' In the event a reference is  
 61 made in this title to the Internal Revenue Code or the Internal Revenue Code of 1954 as  
 62 it existed on a specific date prior to January 1, ~~2017~~ 2018, the term means the provisions

63 of the Internal Revenue Code or the Internal Revenue Code of 1954 as it existed on the  
 64 prior date. Unless otherwise provided in this title, any term used in this title shall have  
 65 the same meaning as when used in a comparable provision or context in the Internal  
 66 Revenue Code of 1986, as amended. For taxable years beginning on or after January 1,  
 67 ~~2016~~ 2017, and before January 1, 2018, provisions of the Internal Revenue Code of 1986,  
 68 as amended, which were as of January 1, ~~2017~~ 2018, enacted into law but not yet  
 69 effective shall become effective for purposes of Georgia taxation on the same dates upon  
 70 which they become effective for federal tax purposes."

71 **SECTION 1-2.**

72 Said title is further amended by revising subparagraph (A) of paragraph (8) and  
 73 subparagraph (A) of paragraph (10.1) of subsection (b) of Code Section 48-7-21, relating to  
 74 taxation of corporations, as follows:

75 "(A) A corporation from sources outside the United States as defined in the Internal  
 76 Revenue Code of 1986. For purposes of this subparagraph, dividends received by a  
 77 corporation from sources outside of the United States shall include amounts treated as  
 78 a dividend and income deemed to have been received under provisions of the Internal  
 79 Revenue Code of 1986 by such corporation if such amounts could have been subtracted  
 80 from taxable income under this paragraph, had such amounts actually been received,  
 81 but shall not include income specified in Section 951A of the Internal Revenue Code  
 82 of 1986. The deduction provided by Section 250 shall apply to the extent the same  
 83 income is included in Georgia taxable net income. Deductions, exclusions, or  
 84 subtractions provided by Section 245A, Section 965, or any other section of the Internal  
 85 Revenue Code of 1986 shall not apply to the extent the related income has been  
 86 subtracted pursuant to this subparagraph. Amounts to be subtracted under this  
 87 subparagraph shall include the following unless previously excluded by this  
 88 subparagraph, as defined by the Internal Revenue Code of 1986:

- 89 (i) Qualified electing fund income;  
 90 (ii) Subpart F income; and  
 91 (iii) Income attributable to an increase in United States property by a controlled  
 92 foreign corporation.

93 The amount subtracted under this subparagraph shall be reduced by any expenses directly  
 94 attributable to the dividend income; and"

95 "(A) For any taxable year in which the taxpayer takes a federal net operating loss  
 96 deduction on its federal income tax return, the amount of such deduction shall be added  
 97 back to federal taxable income, and Georgia taxable net income for such taxable year  
 98 shall be computed from the taxpayer's federal taxable income as so adjusted. There

99 shall be allowed as a separate deduction from Georgia taxable net income so computed  
 100 an amount equal to the aggregate of the Georgia net operating loss carryovers to such  
 101 year, plus the Georgia net operating loss carrybacks to such year if such carrybacks are  
 102 allowed by the Internal Revenue Code of 1986;"

103 **SECTION 1-3.**

104 Said title is further amended by adding a new paragraph to subsection (b) of Code  
 105 Section 48-7-27, relating to computation of taxable income of individuals, to read as follows:

106 "(14) Georgia net operating losses shall be treated in the same manner as provided in  
 107 paragraph (10.1) of subsection (b) of Code Section 48-7-21 but shall be based on the  
 108 income as computed pursuant to this Code section."

109 **PART II**

110 **SECTION 2-1.**

111 Said title is further amended in Chapter 5C, relating to the alternative ad valorem tax on  
 112 motor vehicles, by revising paragraph (15) of subsection (d) of Code Section 48-5C-1,  
 113 relating to definitions, exemption from taxation, allocation and disbursement of proceeds  
 114 collected by tag agents, fair market value of vehicle appealable, and report, as follows:

115 "(15) There shall be no liability for any state or local title ad valorem tax fees in any of  
 116 the following title transactions:

117 (A) The addition or substitution of lienholders on a motor vehicle title so long as the  
 118 owner of the motor vehicle remains the same;

119 (B) The acquisition of a bonded title by a person or entity pursuant to Code Section  
 120 40-3-28 if the title is to be issued in the name of such person or entity;

121 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the  
 122 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be  
 123 issued in the name of such lienholder;

124 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity  
 125 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer  
 126 of motor vehicles and the title is to be issued in the name of such person or entity;

127 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to  
 128 Code Section 40-3-43;

129 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,  
 130 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or  
 131 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,  
 132 or rebuilder shall submit an affidavit in a form promulgated by the commissioner

133 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or  
 134 to correct a title only;

135 (G) The obtaining of a title by and in the name of the holder of a security interest when  
 136 a motor vehicle has been repossessed after default in accordance with Part 6 of Article  
 137 9 of Title 11 if such title is to be issued in the name of such security interest holder;

138 (H) The obtaining of a title by a person or entity for purposes of correcting a title,  
 139 changing an odometer reading, or removing an odometer discrepancy legend, provided  
 140 that, subject to subparagraph (F) of this paragraph, title is not being transferred to  
 141 another person or entity; and

142 (I) The obtaining of a title by a person who pays state and local title ad valorem tax  
 143 fees on a motor vehicle and subsequently moves out of this state but returns and applies  
 144 to retitle such vehicle in this state; and

145 (J) The obtaining of a replacement title on a vehicle that is not less than 15 years old  
 146 upon sufficient proof provided to the commissioner that such title no longer exists."

### 147 **PART III**

#### 148 **SECTION 3-1.**

149 Said title is further amended in Chapter 8, relating to sales and use taxes, by adding a new  
 150 paragraph to Code Section 48-8-2, relating to definitions, to read as follows:

151 "(16.1) 'Jet fuel' means any form of fuel that is designed for or used in the operation of  
 152 aircraft powered by jet turbine or turboprop engines, including but not limited to Jet-A,  
 153 and excludes aviation gasoline designed for or used in piston engines, including but not  
 154 limited to avgas."

#### 155 **SECTION 3-2.**

156 Said chapter is further amended in Code Section 48-8-3, relating to exemptions from state  
 157 sales and use taxes, by revising paragraph (33.1) as follows:

158 ~~"(33.1)(A) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport,~~  
 159 ~~to the extent provided in subparagraphs (B) and (C) of this paragraph.~~

160 ~~(B) For the period of time beginning July 1, 2012, and ending on June 30, 2015, the~~  
 161 ~~sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall be exempt~~  
 162 ~~from 1 percent of the 4 percent state sales and use tax.~~

163 ~~(C) The sale or use of jet fuel to or by a qualifying airline at a qualifying airport shall~~  
 164 ~~be exempt at all times from the sales or use tax levied and imposed as authorized~~  
 165 ~~pursuant to Part 1 of Article 3 of this chapter. As used in this subparagraph, the term~~  
 166 ~~'qualifying airport' means any airport in this state that has had more than 750,000~~

167 takeoffs and landings during a calendar year, and the term 'qualifying airline' shall have  
 168 the same meaning as set forth in subparagraph (E) of this paragraph.

169 ~~(D) Except as provided for in subparagraph (C) of this paragraph, this exemption shall~~  
 170 ~~not apply to any other local sales and use tax levied or imposed at any time in any area~~  
 171 ~~consisting of less than the entire state, however authorized, not to exceed the rate at~~  
 172 ~~which such taxes were levied as of January 1, 2014, including, but not limited to, such~~  
 173 ~~taxes authorized by or pursuant to Section 25 of an Act approved March 10, 1965 (Ga.~~  
 174 ~~L. 1965, p. 2243), as amended, the 'Metropolitan Atlanta Rapid Transit Authority Act~~  
 175 ~~of 1965,' or such taxes as authorized by or pursuant to Part 2 of Article 3 or Article 2,~~  
 176 ~~2A, or 4 of this chapter.~~

177 ~~(E) For purposes of subparagraph (B) of this paragraph and paragraph (2) of subsection~~  
 178 ~~(d) of Code Section 48-8-241, a 'qualifying airline' shall mean any person which is~~  
 179 ~~authorized by the Federal Aviation Administration or appropriate agency of the United~~  
 180 ~~States to operate as an air carrier under an air carrier operating certificate and which~~  
 181 ~~provides regularly scheduled flights for the transportation of passengers or cargo for~~  
 182 ~~hire.~~

183 ~~(F) For purposes of subparagraph (B) of this paragraph and paragraph (2) of subsection~~  
 184 ~~(d) of Code Section 48-8-241, the term 'qualifying airport' means a certificated air~~  
 185 ~~carrier airport in Georgia.~~

186 ~~(G) On or after July 1, 2017, revenue derived from the levy of sales and use taxes on~~  
 187 ~~jet fuel shall be used for a state aviation program or airport related purposes to the~~  
 188 ~~extent required to comply with 49 U.S.C. Sections 47107(b) and 47113. Any portion~~  
 189 ~~of such revenue so derived which is in excess of the amount required for purposes of~~  
 190 ~~such compliance with federal law may be appropriated by the General Assembly for~~  
 191 ~~other purposes.~~

192 ~~(H) The commissioner shall adopt rules and regulations to carry out the provisions of~~  
 193 ~~this paragraph;"~~

194 **SECTION 3-3.**

195 Said chapter is further amended by adding a new Code section to read as follows:

196 "48-8-3.5.

197 (a)(1) The sale or use of jet fuel that is pumped into an aircraft in this state and the use  
 198 of jet fuel that is pumped into an aircraft in another state shall be exempt from all sales  
 199 and use taxes except as provided in subsection (b) of this Code section.

200 (2) The sale of jet fuel in this state that is not pumped into an aircraft in this state shall  
 201 be exempt from 1 percent of the 4 percent state sales and use tax and all other sales and  
 202 use taxes except as provided in subsection (b) of this Code section.

203 (b) The sale or use of jet fuel shall be subject to any tax imposed pursuant to:  
 204 (1) Article 2 of this chapter in the jurisdictions in which such tax was levied on jet fuel  
 205 on December 30, 1987, provided that the rate shall not exceed the rate that was in effect  
 206 on December 30, 1987;  
 207 (2) Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended,  
 208 the Metropolitan Atlanta Rapid Transit Authority Act of 1965, in the jurisdictions in  
 209 which such tax was levied on jet fuel on December 30, 1987, provided that the rate shall  
 210 not exceed the rate that was in effect on December 30, 1987; or  
 211 (3) Both paragraph (1) and paragraph (2) of this subsection, if applicable.  
 212 (c) To the extent required to comply with 49 U.S.C. Sections 47107(b) and 47113, revenue  
 213 derived from the levy of sales and use taxes on jet fuel and other fuels sold or used at an  
 214 airport for aviation purposes shall be used for a state aviation program or airport related  
 215 purposes. Any portion of such revenue so derived which is not required or exceeds the  
 216 amount required for purposes of such compliance with federal law may be appropriated for  
 217 other purposes as provided by law."

218 **SECTION 3-4.**

219 Said chapter is further amended by revising Code Section 48-8-6, relating to prohibition of  
 220 political subdivisions from imposing various taxes, ceiling on local sales and use taxes, and  
 221 taxation of mobile telecommunications, as follows:

222 "48-8-6.

223 (a) There shall not be imposed in any jurisdiction in this state or on any transaction in this  
 224 state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.  
 225 For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and  
 226 use tax which is levied in an area consisting of less than the entire state, however  
 227 authorized, including such taxes authorized by or pursuant to constitutional amendment,  
 228 except that the following taxes shall not count toward or be subject to such 2 percent  
 229 limitation:

230 (1) A sales and use tax for educational purposes exempted from such limitation under  
 231 Article VIII, Section VI, Paragraph IV of the Constitution;

232 (2) Any tax levied for purposes of a metropolitan area system of public transportation,  
 233 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page  
 234 1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)  
 235 of the Constitution; and the laws enacted pursuant to such constitutional amendment;  
 236 provided, however, that the exception provided for under this paragraph shall only apply:

237 (A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code  
 238 Section 48-8-111 in whole or in part for the purpose or purposes of a water capital

239 outlay project or projects, a sewer capital outlay project or projects, a water and sewer  
 240 capital outlay project or projects, water and sewer projects and costs as defined under  
 241 paragraph (4) of Code Section 48-8-200, or any combination thereof and with respect  
 242 to which the county has entered into an intergovernmental contract with a municipality,  
 243 in which the average waste-water system flow of such municipality is not less than 85  
 244 million gallons per day, allocating proceeds to such municipality to be used solely for  
 245 water and sewer projects and costs as defined under paragraph (4) of Code Section  
 246 48-8-200. The exception provided for under this subparagraph shall apply only during  
 247 the period the tax under such subparagraph (a)(1)(D) is in effect. The exception  
 248 provided for under this subparagraph shall not apply in any county in which a tax is  
 249 being imposed under Article 2A of this chapter;

250 (B) In a county in which the tax levied for purposes of a metropolitan area system of  
 251 public transportation is first levied after January 1, 2010, and before November 1, 2016.  
 252 Such tax shall not apply to the following:

253 (i) ~~The sale or use of jet fuel to or by a qualifying airline at a qualifying airport. For~~  
 254 ~~purposes of this division, a 'qualifying airline' means any person which is authorized~~  
 255 ~~by the Federal Aviation Administration or another appropriate agency of the United~~  
 256 ~~States to operate as an air carrier under an air carrier operating certificate and which~~  
 257 ~~provides regularly scheduled flights for the transportation of passengers or cargo for~~  
 258 ~~hire. For purposes of this division, a 'qualifying airport' means any airport in this state~~  
 259 ~~that has had more than 750,000 takeoffs and landings during a calendar year; and~~

260 (ii) The sale of motor vehicles; or

261 (C) In a county in which a tax is levied and collected pursuant to Part 2 of Article 2A  
 262 of this chapter;

263 (3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the  
 264 amount in excess of the initial 1 percent sales and use tax and in the event of a newly  
 265 imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent  
 266 sales and use tax;

267 (4) A sales and use tax levied under Article 4 of this chapter;

268 (5) A sales and use tax levied under Article 5 of this chapter; and

269 (6) A sales and use tax levied under Article 5A of this chapter.

270 If the imposition of any otherwise authorized local sales tax, local use tax, or local sales  
 271 and use tax would result in a tax rate in excess of that authorized by this subsection, then  
 272 such otherwise authorized tax may not be imposed.

273 (b) Reserved.

274 (c) Where the exception specified in paragraph (2) of subsection (a) of this Code section  
 275 applies, the tax imposed under subparagraph (a)(1)(D) of Code Section 48-8-111 shall not  
 276 apply to:

277 ~~(1) Reserved; and~~

278 ~~(2) The to the sale of motor vehicles.~~

279 (c.1) Where the exception specified in paragraph (2) of subsection (a) of this Code section  
 280 applies, on and after July 1, 2007, the aggregate amount of all excise taxes imposed under  
 281 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall  
 282 not exceed 14 percent.

283 (d) Notwithstanding any law or ordinance to the contrary, any tax, charge, or fee levied  
 284 by any political subdivision of this state and applicable to mobile telecommunications  
 285 services, as defined in Section 124(7) of the federal Mobile Telecommunications Sourcing  
 286 Act, 4 U.S.C. Section 124(7), shall apply only if the customer's place of primary use is  
 287 located within the boundaries of the political subdivision levying such local tax, charge,  
 288 or fee. For purposes of this subsection, the provisions of Code Section 48-8-13 shall apply  
 289 in the same manner and to the same extent as such provisions apply to the tax levied by  
 290 Code Section 48-8-1 on mobile telecommunications services. This subsection shall not be  
 291 construed to authorize the imposition of any tax, charge, or fee."

292 **SECTION 3-5.**

293 Said chapter is further amended by revising Code Section 48-8-82, relating to authorization  
 294 of counties and municipalities to impose joint sales and use tax, rate, applicability to sales  
 295 of motor fuels and food and beverages, as follows:

296 "48-8-82.

297 (a) When the imposition of a joint county and municipal sales and use tax is authorized  
 298 according to the procedures provided in this article within a special district, the county  
 299 whose geographical boundary is conterminous with that of the special district and each  
 300 qualified municipality located wholly or partially within the special district shall levy a  
 301 joint sales and use tax at the rate of 1 percent, except as provided in subsection (b) of this  
 302 Code section. Except as to rate, the joint tax shall correspond to the tax imposed and  
 303 administered by Article 1 of this chapter. No item or transaction which is not subject to  
 304 taxation by Article 1 of this chapter shall be subject to the tax levied pursuant to this article,  
 305 except that the joint tax provided in this article shall be applicable to ~~sales~~:

306 (1) Sales of motor fuels as prepaid local tax as that term is defined in Code  
 307 Section 48-8-2 ~~and shall be applicable to the sale~~;

308 (2) The sale of food and food ingredients and alcoholic beverages only to the extent  
 309 provided for in paragraph (57) of Code Section 48-8-3; and

310 (3) The sale or use of jet fuel, as such term is defined in Code Section 48-8-2, only to the  
 311 extent provided for in Code Section 48-8-3.5.

312 (b) On or after July 1, 2015, such joint sales and use tax levied on sales of motor fuels as  
 313 defined in Code Section 48-9-2 shall be at the rate of 1 percent of the retail sales price of  
 314 the motor fuel which is not more than \$3.00 per gallon; provided, however, that in any  
 315 consolidated government levying a joint sales and use tax at 2 percent pursuant to Code  
 316 Section 48-8-96, on or after July 1, 2015, any such joint sales and use tax levied on sales  
 317 of motor fuels as defined in Code Section 48-9-2 shall be at the rate of 2 percent of the  
 318 retail sales price of the motor fuel which is not more than \$3.00 per gallon."

319 **SECTION 3-6.**

320 Said chapter is further amended in Code Section 48-8-241, relating to creation of special  
 321 districts and tax rate for the Special District Transportation Sales and Use Tax (TSPLOST),  
 322 by revising subsection (d) as follows:

323 "(d) Except as otherwise provided in subsection (e) of this Code section, any tax imposed  
 324 under this article shall be at the rate of 1 percent. Except as to rate, a tax imposed under  
 325 this article shall correspond to the tax imposed by Article 1 of this chapter. No item or  
 326 transaction which is not subject to taxation under Article 1 of this chapter shall be subject  
 327 to a tax imposed under this article, ~~except that~~ and a tax imposed under this article shall not  
 328 apply to:

329 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road  
 330 farm or agricultural equipment, or locomotives;

331 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport~~ as such  
 332 term is defined in Code Section 48-8-2;

333 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public  
 334 highways. For purposes of this paragraph, a motor vehicle means a self-propelled vehicle  
 335 designed for operation or required to be licensed for operation upon the public highways;

336 (4) The sale or use of energy used in the manufacturing or processing of tangible goods  
 337 primarily for resale; or

338 (5) Motor fuel as defined under paragraph (9) of Code Section 48-9-2 for public mass  
 339 transit.

340 The tax imposed pursuant to this article shall only be levied on the first \$5,000.00 of any  
 341 transaction involving the sale or lease of a motor vehicle. The tax imposed pursuant to this  
 342 article shall be subject to any sales and use tax exemption which is otherwise imposed by  
 343 law; provided, however, that the tax levied by this article shall be applicable to the sale of  
 344 food and food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

345 **SECTION 3-7.**

346 Said chapter is further amended by revising Code Section 48-8-269, relating to exemption  
347 from taxation pursuant to the Special District Mass Transportation Sales and Use Tax, as  
348 follows:

349 "48-8-269.

350 (a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by  
351 Article 1 of this chapter. No item or transaction which is not subject to taxation under  
352 Article 1 of this chapter shall be subject to a tax imposed under this part, ~~except that~~ and  
353 a tax imposed under this part shall not apply to:

354 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road  
355 farm or agricultural equipment, or locomotives;

356 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport as such~~  
357 term is defined in Code Section 48-8-2;

358 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public  
359 highways;

360 (4) The sale or use of energy used in the manufacturing or processing of tangible goods  
361 primarily for resale;

362 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2  
363 for public mass transit; or

364 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.

365 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this  
366 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;  
367 provided, however, that the tax levied by this part shall be applicable to the sale of food and  
368 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

369 **SECTION 3-8.**

370 Said chapter is further amended by revising Code Section 48-8-269.15, relating to a tax  
371 authorized to be imposed in Metropolitan County Special Districts, as follows:

372 "48-8-269.15.

373 (a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by  
374 Article 1 of this chapter. No item or transaction which is not subject to taxation under  
375 Article 1 of this chapter shall be subject to a tax imposed under this part, ~~except that~~ and  
376 a tax imposed under this part shall not apply to:

377 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road  
378 farm or agricultural equipment, or locomotives;

379 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport as such~~  
380 term is defined in Code Section 48-8-2;

- 381 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public  
 382 highways;
- 383 (4) The sale or use of energy used in the manufacturing or processing of tangible goods  
 384 primarily for resale;
- 385 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2  
 386 for public mass transit; or
- 387 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.
- 388 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this  
 389 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;  
 390 provided, however, that the tax levied by this part shall be applicable to the sale of food and  
 391 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

392 **SECTION 3-9.**

393 Said chapter is further amended by revising Code Section 48-8-269.30, relating to a tax  
 394 authorized to be imposed in Metropolitan Municipality Special Districts, as follows:

395 "48-8-269.30.

396 (a) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by  
 397 Article 1 of this chapter. No item or transaction which is not subject to taxation under  
 398 Article 1 of this chapter shall be subject to a tax imposed under this part, ~~except that~~ and  
 399 a tax imposed under this part shall not apply to:

400 (1) The sale or use of any type of fuel used for off-road heavy-duty equipment, off-road  
 401 farm or agricultural equipment, or locomotives;

402 (2) The sale or use of jet fuel ~~to or by a qualifying airline at a qualifying airport~~ as such  
 403 term is defined in Code Section 48-8-2;

404 (3) The sale or use of fuel that is used for propulsion of motor vehicles on the public  
 405 highways;

406 (4) The sale or use of energy used in the manufacturing or processing of tangible goods  
 407 primarily for resale;

408 (5) The sale or use of motor fuel as defined under paragraph (9) of Code Section 48-9-2  
 409 for public mass transit; or

410 (6) The purchase or lease of any motor vehicle pursuant to Code Section 48-5C-1.

411 (b) Except as otherwise specifically provided in this part, the tax imposed pursuant to this  
 412 part shall be subject to any sales and use tax exemption which is otherwise imposed by law;  
 413 provided, however, that the tax levied by this part shall be applicable to the sale of food and  
 414 food ingredients as provided for in paragraph (57) of Code Section 48-8-3."

415

**PART IV**

416

**SECTION 4-1.**

417 (a) This Act shall become effective upon its approval by the Governor or upon its becoming  
418 law without such approval.

419 (b) Part I of this Act shall be applicable to the taxable year beginning on January 1, 2017,  
420 and before January 1, 2018.

421 (c) Part II and Part III of this Act shall be effective July 1, 2018.

422

**SECTION 4-2.**

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