

## DISCUSSION DRAFT OF POSSIBLE LEGISLATION

### A BILL TO BE ENTITLED AN ACT

To amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from state sales and use tax, so as to provide for an exemption with respect to certain sales to development authorities; to provide for conditions and limitations; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

#### SECTION 1.

Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from state sales and use tax, is amended by adding a new paragraph immediately following paragraph (1), to be designated paragraph (1.1), to read as follows:

"(1.1) Sales of tangible personal property that is for a project to be owned by a development authority when paid for directly or indirectly with the proceeds of, or directly or indirectly in exchange for, bonds, revenue bonds, notes or other obligations, issued by such development authority, or with other development authority funds. Such property may be leased by a development authority to any private person or entity, and may be sold by a development authority to any private person or entity and such lease or sale shall be exempt from state sales and use tax. This exemption shall extend to any contractor incorporating such personal property into real property for any such project and to any vendor supplying any such tangible personal property, as well as to the development authority, notwithstanding Code Section 48-8-63 or any other provision of law to the contrary. As used in this paragraph, 'development authority' means any authority or public corporation created by the Constitution of Georgia or any general, local, or special Act of the General Assembly which is authorized by law to issue bonds, revenue bonds, notes or other obligations, and which has purposes or powers relating to promoting the development of any one or more of the following: trade, commerce, industry, agriculture, tourism or employment opportunities. The exemption shall extend, without limitation, to machinery and equipment, building materials incorporated into a building to be sold to a development authority, and to all other types of tangible personal property, provided that the development authority obtains a certificate of exemption under this paragraph for such project. The State Revenue Commissioner shall be responsible for the issuance of such certificates of exemption. The exemption provided for in this paragraph shall not apply to any local sales and use tax levied or imposed at any time, except at the option of the governing body of the county and the governing body of each city participating in the proceeds thereof, which option may be elected or rescinded by such governing body and/or governing bodies from time to time. ";

#### SECTION 2.

This Act shall be known and may be cited as the "Development Authority Projects Assistance Act of 2008".

SECTION 3.

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