

The House Committee on Transportation offers the following substitute to HB 170:

A BILL TO BE ENTITLED
AN ACT

1 To amend various provisions of the Official Code of Georgia Annotated so as to provide for
2 additional revenue necessary for funding transportation purposes in this state; to amend
3 Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to elementary and
4 secondary education, so as to define education transportation purposes; to amend Title 40 of
5 the Official Code of Georgia Annotated, relating to motor vehicles and traffic, so as to levy
6 a registration fee on alternative fueled vehicles; to amend Chapter 12 of Title 45 of the
7 Official Code of Georgia Annotated, relating to the Governor, so as to limit the Governor's
8 power to suspend the collection of certain motor fuel taxes and require ratification by the
9 General Assembly; to amend Title 48 of the Official Code of Georgia Annotated, relating to
10 revenue and taxation, so as to reduce the state income tax credits for low-emission vehicles
11 to zero; to provide for the elimination of sales and use taxes with respect to certain sales of
12 motor fuels; to provide for revised definitions of certain terms relating to prepaid motor fuel
13 taxes; to change the rate and method of computation of the excise tax on motor fuels; to
14 repeal the second motor fuel tax; to provide for editorial revision; to prohibit the levy of
15 certain local sales and use taxes on motor fuel; to prohibit the levy of local sales and use
16 taxes on diesel fuel; to provide for the use of proceeds from the special purpose local option
17 sales tax for transportation purposes; to define transportation purposes; to provide for the use
18 of proceeds from the education special purpose local option sales tax for education
19 transportation purposes; to define education transportation purposes; to amend Part 3 of
20 Article 2 of Chapter 10 of Title 32 of the Official Code of Georgia Annotated, the "Georgia
21 Transportation Infrastructure Bank Act," so as to provide revised criteria for determination
22 of eligible projects by the Transportation Infrastructure Bank; to provide for a short title; to
23 provide for related matters; to provide for an effective date and applicability; to repeal
24 conflicting laws; and for other purposes.

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

26 **PART I**

27 **SECTION 1-1.**

28 This Act shall be known and may be cited as the "Transportation Funding Act of 2015."

29 **SECTION 1-2.**

30 Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to elementary and
31 secondary education, is amended by revising Code Section 20-2-411, relating to the use of
32 school funds, as follows:

33 "20-2-411.

34 (a) When the public school fund shall be received and receipted for, it shall be the duty of
35 the officers authorized by law to receive such fund and keep it separate and distinct from
36 other funds. The school funds shall be used for educational purposes and may be used to
37 pay the salaries of personnel and to pay for the utilization of school facilities, including
38 school buses, for extracurricular and interscholastic activities, including literary events,
39 music and athletic programs within individual schools and between schools in the same or
40 in different school systems when such activities are sponsored by local boards of education
41 as an integral part of the total school program, and for no other purpose. When taxes are
42 paid into the state treasury, the comptroller general shall in no case receipt a tax collector
43 for them until that part of the tax so paid in which was raised for school purposes is
44 separated in amount from the gross amount paid in. It shall be lawful to invest school
45 funds in securities of the states, United States, or municipalities of this state or in
46 certificates of deposit.

47 (b)(1) In addition to the proper uses of school funds contained in subsection (a) of this
48 Code section, it is the intention of the General Assembly, pursuant to the authority
49 granted by Article VIII, Section VI, Paragraph IV of the Constitution of Georgia, to
50 further define and implement by general law that education transportation purposes shall
51 constitute a proper expenditure of school funds derived from proceeds from the levy of
52 a sales tax for educational purposes.

53 (2) As used in this subsection, the term 'education transportation purposes' means, for
54 purposes of proceeds of a tax levied on motor fuel pursuant to Part 2 of Article 3 of
55 Chapter 8 of Title 48, pursuant to the authority granted to the General Assembly by
56 Article VIII, Section VI, Paragraph IV of the Constitution of Georgia, transportation
57 necessary to move students to and from educational facilities in this state and all
58 accompanying infrastructure and services necessary to provide safe and efficient access
59 to and egress from these educational facilities."

PART II

SECTION 2-1.

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Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles and traffic, is amended by revising paragraph (7) of subsection (l) of Code Section 40-2-86.1, relating to certain special license plates, as follows:

"(7)(A) A special license plate to be issued for alternative fueled vehicles, which license plate shall be similar in design to the license plate issued to all other residents of ~~the~~ this state except that the commissioner shall place a distinctive logo or emblem on the license plate which shall distinguish the vehicle as an alternative fueled vehicle eligible to travel in travel lanes designated for such vehicles under paragraph (4) of subsection (a) of Code Section 32-9-4. The words 'alternative fueled vehicle' shall be imprinted on such special license plate in lieu of the county name decal. The funds raised by the sale of this license plate shall be deposited in the general fund.

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

(i) 'Alternative fuel' means ~~methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more or such other percentage, but not less than 70 percent, as determined by the United States secretary of energy, by rule as it existed on January 1, 1997, to provide for requirements relating to cold start, safety, or vehicle functions, by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas, liquefied petroleum gas, hydrogen; coal derived liquid fuels; fuels other than alcohol derived from biological materials; electricity including electricity from solar energy; and any other fuel the United States secretary of energy determined by rule as it existed on January 1, 1997, is substantially not petroleum and would yield substantial energy security benefits and substantial environmental benefits~~ electricity, natural gas, and propane.

(ii) 'Alternative fueled vehicle' means: ~~(I) Any any vehicle fueled solely by alternative fuel as defined in division (i) of this subparagraph, bi-fuel, or dual fuel; or (II) A hybrid vehicle, which means a motor vehicle which draws propulsion energy from onboard sources of stored energy which include an internal combustion or heat engine using combustible fuel and a rechargeable energy storage system; and, in the case of a passenger automobile or light truck, means for any 2000 and later model, a vehicle which has received a certificate of conformity under the Clean Air Act, 42 U.S.C. Section 7401, et seq., and meets or exceeds the equivalent qualifying California low-emission vehicle standard under Section 243(e)(2) of the Clean Air Act, 42 U.S.C. Section 7583(c)(2), for that make and model year or, for any 2004 and later model, a vehicle which has received a certificate that such vehicle meets~~

96 or exceeds the Bin 5 Tier II emission level established in regulations prescribed by
 97 the administrator of the Environmental Protection Agency under Section 202(i) of
 98 the Clean Air Act, 42 U.S.C. Section 7521(i), for that make and model year vehicle
 99 and which achieves a composite label fuel economy greater than or equal to 1.5
 100 times the Model Year 2002 EPA composite class average for the same vehicle class
 101 and which is made by a manufacturer.

102 (C) Pursuant to paragraph (19) of subsection (a) of Code Section 40-2-151, the
 103 applicant for a special license plate for any alternative fueled vehicle shall provide
 104 proof that he or she has paid the registration fee prescribed therein prior to the issuance
 105 of any special license plate under this paragraph."

106 **SECTION 2-2.**

107 Said title is further amended by adding a new paragraph to subsection (a) of Code Section
 108 40-2-151, relating to the annual license fees for the operation of vehicles, to read as follows:

109 "(19)(A)(i) Upon registration of an alternative fueled vehicle not operated
 110 for commercial purposes 200.00

111 (ii) Upon registration of an alternative fueled vehicle operated for
 112 commercial purposes 300.00

113 (B)(i) As used in this paragraph, the term 'alternative fueled vehicle' shall have the
 114 same meaning as in division (1)(7)(B)(ii) of Code Section 40-2-86.1; provided,
 115 however, that the fees in this paragraph shall not be assessed on vehicles which
 116 operate primarily on compressed natural gas, liquefied natural gas, or liquefied
 117 petroleum gas.

118 (ii) The fees in this paragraph shall be in addition to any other fee imposed on the
 119 vehicle by this Code section.

120 (iii) The fees in this paragraph shall be automatically adjusted on an annual basis by
 121 multiplying the percentage of increase or decrease in a given year in highway
 122 construction costs as measured by the National Highway Construction Cost Index
 123 published by the Office of Highway Policy Information of the Federal Highway
 124 Administration by the current fee. The resulting calculation shall be added to the fees
 125 assessed by this paragraph. The first adjustment shall be calculated and implemented
 126 on July 1, 2016."

PART III
SECTION 3-1.

127 Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to the Governor,
130 is amended by revising Code Section 45-12-22, relating to the Governor's authority to
131 suspend the collection of taxes, as follows:

132 "45-12-22.

133 (a) Except as provided in subsection (b) of this Code section, the ~~The~~ Governor may
134 suspend the collection of taxes, or any part thereof, due the state until the meeting of the
135 next General Assembly but no longer; but he or she shall not otherwise interfere with the
136 collection of taxes.

137 (b) Unless there has been a state of emergency declaration by the Governor, the Governor
138 shall not suspend or modify in any manner the collection of any rate of state motor fuel
139 under Code Section 48-9-3 as it applies to sales of motor fuel and aviation gasoline as such
140 terms are defined in Code Section 48-9-2. Any suspension or modification of any rate of
141 state motor fuel taxes under this subsection by the Governor shall be effective only until
142 the next meeting of the General Assembly which must ratify such suspension or
143 modification by a two-thirds' vote of both chambers. In the event the General Assembly
144 fails to ratify the Governor's actions, state motor fuel taxes under this subsection shall be
145 collected at the rate specified absent such suspension or modification and any amounts
146 unpaid due to such suspension or modification shall be collected using such rate."

PART IV
SECTION 4-1.

149 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
150 amended by revising subsection (b) of Code Section 48-7-40.16, relating to state income tax
151 credits for low-emission vehicles, as follows:

152 "(b)(1) A tax credit is allowed against the tax imposed under this article to a taxpayer for
153 the purchase or lease of a new low-emission vehicle or new zero emission vehicle that
154 is registered in the State of Georgia. The amount of the credit shall be:

155 ~~(1)(A)~~ For any new low-emission vehicle, 10 percent of the cost of such vehicle or
156 \$2,500.00, whichever is less; and

157 ~~(2)(B)~~ For any new zero emission vehicle, 20 percent of the cost of such vehicle or
158 \$5,000.00, whichever is less.

159 (2) For any new low-emission vehicle or new zero emission vehicle purchased on or
160 after July 1, 2015, the amount of the credit shall be \$0.00."

161 **SECTION 4-2.**

162 Said title is further amended by revising paragraphs (23) and (24) of Code Section 48-8-2,
 163 relating to definitions regarding state sales and use taxes, as follows:

164 "(23) 'Prepaid local tax' means any local sales and use tax which is levied on the sale or
 165 use of motor fuel and imposed in an area consisting of less than the entire state, however
 166 authorized, including, but not limited to, such taxes authorized by or pursuant to
 167 constitutional amendment; by or pursuant to Section 25 of an Act approved March 10,
 168 1965 (Ga. L. 1965, p. 2243), as amended, known as the 'Metropolitan Atlanta Rapid
 169 Transit Authority Act of 1965'; or by or pursuant to Article 2, 2A, 3, or 4 of this chapter.
 170 Such tax is based on the same average retail sales price ~~as set forth in subparagraph~~
 171 ~~(b)(2)(B) of Code Section 48-9-14~~ as compiled by the Energy Information Agency of the
 172 United States Department of Energy, the Oil Pricing Information Service, or a similar
 173 reliable published index less taxes imposed under Code Section 48-9-3 and all local sales
 174 and use or excise taxes levied on motor fuel. Such price shall be used to compute the
 175 prepaid sales tax rate for local jurisdictions by multiplying such retail price by the
 176 applicable rate imposed by the jurisdiction. The person collecting and reporting the
 177 prepaid local tax for the local jurisdiction shall provide a schedule as to which jurisdiction
 178 these collections relate. This determination shall be based upon the shipping papers of
 179 the conveyance that delivered the motor fuel to the dealer or consumer in the local
 180 jurisdiction. A seller may rely upon the representation made by the purchaser as to which
 181 jurisdiction the shipment is bound and prepare shipping papers in accordance with those
 182 instructions.

183 ~~(24) 'Prepaid state tax' means the tax levied under Code Section 48-8-30 in conjunction~~
 184 ~~with Code Section 48-8-3.1 and Code Section 48-9-14 on the retail sale of motor fuels~~
 185 ~~for highway use and collected prior to that retail sale. This tax is based upon the average~~
 186 ~~retail sales price as set forth in Code Section 48-9-14~~ Reserved."

187 **SECTION 4-3.**

188 Said title is further amended by revising subsections (a) and (b) of Code Section 48-8-3.1,
 189 relating to sales tax exemptions as applied to motor fuels, as follows:

190 "(a) Except as provided in subsection (b) of this Code section, sales of motor fuels as
 191 defined in paragraph (9) of Code Section 48-9-2 shall be exempt from the ~~first 3 percent~~
 192 ~~of the~~ state sales and use taxes levied or imposed by this article ~~and shall be subject to the~~
 193 ~~remaining 1 percent of the sales and use taxes levied or imposed by this article.~~

194 (b) Sales of motor fuel, other than gasoline, ~~which motor fuel other than gasoline is~~
 195 purchased for purposes other than propelling motor vehicles on public highways as defined
 196 in Article 1 of Chapter 9 of this title shall be fully subject to the ~~4 percent~~ state sales and

197 use taxes levied or imposed by this article unless otherwise specifically exempted by this
198 article."

199 **SECTION 4-4.**

200 Said title is further amended by revising subsection (k) of Code Section 48-8-30, relating to
201 the imposition, rate, and collection of state sales tax, as follows:

202 "(k) The prepaid local tax shall be imposed at the time tax is imposed ~~under subparagraph~~
203 ~~(b)(2)(B) of Code Section 48-9-14~~ under Code Section 48-9-3."

204 **SECTION 4-5.**

205 Said title is further amended by revising paragraph (2) of subsection (b) of Code Section
206 48-8-49, relating to dealers' returns as gross proceeds of sales and purchases, as follows:

207 "(2) If the tax liability of a dealer in the preceding calendar year was greater than
208 \$60,000.00 excluding local sales taxes, the dealer shall file a return and remit to the
209 commissioner not less than 50 percent of the estimated tax liability for the taxable period
210 on or before the twentieth day of the period. The amount of the payment of the estimated
211 tax liability shall be credited against the amount to be due on the return required under
212 subsection (a) of this Code section. ~~This subsection shall not apply to any dealer whose~~
213 ~~primary business is the sale of motor fuels who is remitting prepaid state tax under~~
214 ~~paragraph (2) of subsection (b) of Code Section 48-9-14.~~"

215 **SECTION 4-6.**

216 Said title is further amended by revising paragraphs (2), (3), and (4) of subsection (b) of
217 Code Section 48-8-50, relating to compensation of dealers for reporting and paying tax, as
218 follows:

219 "(2) With respect to each certificate of registration number on such return, a deduction
220 of one-half of 1 percent of that portion exceeding \$3,000.00 of the combined total amount
221 of all sales and use taxes reported due on such return for each location other than the
222 taxes specified in paragraph (3) of this subsection; and

223 (3) With respect to each certificate of registration number on such return, a deduction of
224 3 percent of the combined total amount due of all sales and use taxes on motor fuel as
225 defined under paragraph (9) of Code Section 48-9-2, which are imposed under any
226 provision of this title, including, but not limited to, sales and use taxes on motor fuel
227 imposed under any of the provisions described in subsection (f) of this Code section, ~~but~~
228 ~~not including Code Section 48-9-14; and~~

229 ~~(4) A deduction with respect to Code Section 48-9-14, as defined in Code Section~~
230 ~~48-8-2, shall be at the rate of one-half of 1 percent of the total amount due of the prepaid~~

231 ~~state tax reported due on such return, so long as the return and payment are timely,~~
 232 ~~regardless of the classification of tax return upon which the remittance is made."~~

233 **SECTION 4-7.**

234 Said title is further amended by revising Code Section 48-8-82, relating to authorization of
 235 counties and municipalities to impose a joint sales and use tax, as follows:

236 "48-8-82.

237 (a) When the imposition of a joint county and municipal sales and use tax is authorized
 238 according to the procedures provided in this article within a special district, the county
 239 whose geographical boundary is conterminous with that of the special district and each
 240 qualified municipality located wholly or partially within the special district shall levy a
 241 joint sales and use tax at the rate of 1 percent. Except as to rate, the joint tax shall
 242 correspond to the tax imposed and administered by Article 1 of this chapter. No item or
 243 transaction which is not subject to taxation by Article 1 of this chapter shall be subject to
 244 the tax levied pursuant to this article, except that the joint tax provided in this article shall
 245 be applicable to ~~sales of motor fuels as prepaid local tax as that term is defined in Code~~
 246 ~~Section 48-8-2 and shall be applicable to~~ the sale of food and food ingredients and
 247 alcoholic beverages only to the extent provided for in paragraph (57) of Code Section
 248 48-8-3.

249 (b) On or after July 1, 2015, such joint sales and use tax shall be levied at the rate of 1.25
 250 percent.

251 (c) On or after July 1, 2015, such joint sales and use tax shall not be levied on motor fuel
 252 as defined in Code Section 48-9-2."

253 **SECTION 4-8.**

254 Said title is further amended by revising subsection (b) of Code Section 48-8-102, relating
 255 to the creation of special districts and use of proceeds of the homestead option sales and use
 256 tax, as follows:

257 "(b)(1) When the imposition of a local sales and use tax is authorized according to the
 258 procedures provided in this article within a special district, the county whose
 259 geographical boundary is conterminous with that of the special district shall levy a local
 260 sales and use tax at the rate of 1 percent. Except as to rate, the local sales and use tax
 261 shall correspond to the tax imposed and administered by Article 1 of this chapter. No
 262 item or transaction which is not subject to taxation by Article 1 of this chapter shall be
 263 subject to the sales and use tax levied pursuant to this article, except that the sales and use
 264 tax provided in this article shall be applicable to ~~sales of motor fuels as prepaid local tax~~
 265 ~~as that term is defined in Code Section 48-8-2 and shall be applicable to~~ the sale of food

266 and food ingredients and alcoholic beverages only to the extent provided for in paragraph
267 (57) of Code Section 48-8-3.

268 (2) On or after July 1, 2015, such tax shall be levied at the rate of 1.25 percent.

269 (3) On or after July 1, 2015, such tax shall not be levied on motor fuel as defined in Code
270 Section 48-9-2."

271 **SECTION 4-9.**

272 Said title is further amended by revising subparagraph (A) of paragraph (2) and by adding
273 a new paragraph to Code Section 48-8-110, relating to definitions regarding the county
274 special purpose local option sales tax, to read as follows:

275 "(A) 'Level one county-wide project' means transportation purposes or a county-wide
276 project or projects of the county to carry out functions on behalf of the state and is
277 limited to a county courthouse; a county administrative building primarily for county
278 constitutional officers or elected officials; a county or regional jail, correctional
279 institution, or other detention facility; a county health department facility; or any
280 combination of such projects; and"

281 "(5)(A) 'Transportation purposes' means and includes roads, bridges, public transit,
282 rails, airports, buses, seaports, including without limitation road, street, and bridge
283 purposes pursuant to paragraph (1) of subsection (b) of Code Section 48-8-121, and all
284 accompanying infrastructure and services necessary to provide access to these
285 transportation facilities, including general obligation debt, revenue debt, and other
286 multiyear obligations issued to finance such purposes.

287 (B) 'Education transportation purposes' means, for purposes of proceeds of a tax levied
288 on motor fuel pursuant to Part 2 of this article, pursuant to the authority granted to the
289 General Assembly by Article VIII, Section VI, Paragraph IV of the Constitution of
290 Georgia, transportation necessary to move students to and from educational facilities
291 in this state and all accompanying infrastructure and services necessary to provide safe
292 and efficient access to and egress from these educational facilities."

293 **SECTION 4-10.**

294 Said title is further amended by revising subsection (c) of and by adding a new subsection
295 to Code Section 48-8-110.1, relating to the authorization for a county special purpose local
296 option sales tax, to read as follows:

297 "(c) Any tax imposed under this part shall be at the rate of 1 percent. Except as to rate, a
298 tax imposed under this part shall correspond to the tax imposed by Article 1 of this chapter.
299 No item or transaction which is not subject to taxation under Article 1 of this chapter shall
300 be subject to a tax imposed under this part, except that a tax imposed under this part shall

301 apply to sales of motor fuels, except diesel fuel, as prepaid local tax as that term is defined
 302 in Code Section 48-8-2 and shall be applicable to the sale of food and food ingredients and
 303 alcoholic beverages as provided for in Code Section 48-8-3.

304 (d) On or after July 1, 2015, following the expiration in a special district of the
 305 authorization for the levy of the tax authorized in this part, any renewal or continuation of
 306 a levy of the tax authorized in this part shall include a provision authorizing the expenditure
 307 for transportation purposes of at least the amount collected, as determined by an average
 308 of the previous three calendar years, on the sales of motor fuels in the special district. Such
 309 provision shall be included in the referendum required by this part and list the specific
 310 transportation purposes to be authorized as required under this part."

311 **SECTION 4-11.**

312 Said title is further amended by revising subparagraph (a)(1)(A) of Code Section 48-8-111,
 313 relating to the procedure for the implementation of the county special purpose local option
 314 sales tax, as follows:

315 "(A) A capital outlay project consisting of ~~road, street, and bridge purposes, which~~
 316 ~~purposes may include sidewalks and bicycle paths~~ transportation purposes;"

317 **SECTION 4-12.**

318 Said title is further amended by revising division (b)(2)(A)(ii) of Code Section 48-8-115,
 319 relating to disbursement of tax proceeds, as follows:

320 "(ii) In the event that no level one county-wide project is included in the ordinance
 321 or resolution required by subsection (a) of Code Section 48-8-111, to the governing
 322 authority of the county for one or more level two county-wide projects specified by
 323 the governing authority of the county in the ordinance or resolution required by
 324 subsection (a) of Code Section 48-8-111. In the event no level one county-wide
 325 project is included in the ordinance or resolution required by subsection (a) of Code
 326 Section 48-8-111 and the governing authority of the county has specified one or more
 327 municipal projects as level two county-wide projects in the ordinance or resolution
 328 required by subsection (a) of Code Section 48-8-111, to the governing authority of the
 329 appropriate municipality or municipalities for such level two county-wide projects
 330 specified in the ordinance or resolution required by subsection (a) of Code Section
 331 48-8-111. The total estimated cost of all level two county-wide projects specified
 332 under this division shall not exceed ~~20~~ 30 percent of the proceeds projected to be
 333 collected during the period specified in the ordinance or resolution required by
 334 subsection (a) of Code Section 48-8-111; or"

335 **SECTION 4-13.**

336 Said title is further amended by revising Code Section 48-8-143, relating to distribution of
337 the sales tax for educational purposes, as follows:

338 "48-8-143.

339 (a) The net proceeds of the sales tax for educational purposes shall be distributed in the
340 manner provided under Article VIII, Section VI, Paragraph IV(g) of the Constitution unless
341 another distribution formula is provided for by the enactment of a local Act. Any such
342 local Act providing for an alternate distribution formula shall not be amended during the
343 time period for which the tax was imposed.

344 (b)(1) It is the intention of the General Assembly, pursuant to the authority granted by
345 Article VIII, Section VI, Paragraph IV of the Constitution of Georgia, to further define
346 and implement by general law that education transportation purposes shall constitute a
347 proper expenditure of proceeds from the levy of a sales tax for educational purposes.

348 (2) As used in this subsection, the term 'education transportation purposes' means, for
349 purposes of proceeds of a tax levied on motor fuel pursuant to Part 2 of this article,
350 pursuant to the authority granted to the General Assembly by Article VIII, Section VI,
351 Paragraph IV of the Constitution of Georgia, transportation necessary to move students
352 to and from educational facilities in this state and all accompanying infrastructure and
353 services necessary to provide safe and efficient access to and egress from these
354 educational facilities.

355 (c) On or after July 1, 2015, the tax provided for in this part shall not be levied on diesel
356 fuel."

357 **SECTION 4-14.**

358 Said title is further amended by revising subsection (c) of and adding two new subsections
359 to Code Section 48-8-201, relating to the intergovernmental agreement for the distribution
360 of tax proceeds from the water and sewer projects sales tax, as follows:

361 "(c) In the event a tax imposed under this article is imposed only by the municipality:

362 (1) No item or transaction which is not subject to taxation under Article 1 of this chapter
363 shall be subject to a tax imposed under this article, except that a tax imposed under this
364 article shall apply to:

365 (A) Sales of motor fuels, except for diesel fuel, as prepaid local tax as that term is
366 defined in Code Section 48-8-2 until the expiration of the current authorization for the
367 tax in such municipality. On or after the date immediately following such expiration,
368 such tax shall not be applicable to sales of motor fuels as defined in Code Section
369 48-9-2;

370 (B) The sale of food and food ingredients and alcoholic beverages as provided for in
371 Code Section 48-8-3;

372 (C) The sale of natural or artificial gas used directly in the production of electricity
373 which is subsequently sold, notwithstanding paragraph (70) of Code Section 48-8-3;
374 and

375 (D) The furnishing for value to the public of any room or rooms, lodgings, or
376 accommodations which is subject to taxation under Article 3 of Chapter 13 of this title;
377 and

378 (2) A tax imposed under this article shall not apply to the sale of motor vehicles."

379 "(e) Any tax imposed under this article that is renewed on or after July 1, 2015, shall be
380 levied at the rate of 1.25 percent.

381 (f) On or after July 1, 2015, a tax imposed under this article shall not be levied on diesel
382 fuel."

383 **SECTION 4-15.**

384 Said title is further amended by revising Code Section 48-9-3, relating to an excise tax on
385 motor fuel, as follows:

386 "48-9-3.

387 (a)(1) An excise tax is imposed at the rate of ~~7 1/2¢~~ 29.2¢ per gallon on distributors who
388 sell or use motor fuel, other than diesel fuel, within this state. An excise tax is imposed
389 at the rate of 33¢ per gallon on distributors who sell or use diesel fuel within this state.
390 It is the intention of the General Assembly that the legal incidence of the tax be imposed
391 upon the distributor.

392 (1.1)(A) Beginning on July 1, 2016, and annually thereafter, the amount of this excise
393 tax per gallon on distributors shall be automatically adjusted on an annual basis in
394 accordance with this paragraph.

395 (B) Using 2014 as a base year, the department shall determine the average miles per
396 gallon of all new vehicles registered in this state pursuant to Code Section 48-5C-1
397 using the average of combined miles per gallon published in the United States
398 Department of Energy Fuel Economy Guide. Beginning on July 1, 2016, and each year
399 thereafter, the department shall calculate the average miles per gallon of all new
400 vehicles registered in this state in the previous year. The excise tax rate shall be
401 multiplied by the percentage increase or decrease in fuel efficiency from the previous
402 year, and the resulting increase or decrease shall be added to the excise tax rate to
403 determine the preliminary excise tax rate.

404 (C) Once the preliminary excise tax rate is established, it shall be multiplied by the
405 annual percentage of increase or decrease in highway construction costs as measured

406 by the National Highway Construction Cost Index published by the Office of Highway
 407 Policy Information of the Federal Highway Administration. The resulting calculation
 408 shall be added to the preliminary excise tax rate, and the result of such calculation shall
 409 be the new excise tax rate for motor fuels for the next calendar year.

410 (2) In the event any motor fuels which are not commonly sold or measured by the gallon
 411 are used in any motor vehicles on the public highways of this state, the commissioner
 412 may assess, levy, and collect a tax upon such fuels, under such regulations as the
 413 commissioner may promulgate, in accordance with and measured by the nearest power
 414 potential equivalent to that of one gallon of regular grade gasoline. Any determination
 415 by the commissioner of the power potential equivalent of such motor fuels shall be
 416 prima-facie correct. Upon each such quantity of such fuels used upon the public
 417 highways of this state, a tax at the same rate per gallon imposed on motor fuel under
 418 paragraph (1) of this subsection shall be assessed and collected.

419 (3) No county, municipality, or other political subdivision of this state shall levy any fee,
 420 license, or other excise tax on a gallonage basis upon the sale, purchase, storage, receipt,
 421 distribution, use, consumption, or other disposition of motor fuel. Nothing contained in
 422 this article shall be construed to prevent a county, municipality, or other political
 423 subdivision of this state from levying license fees or taxes upon any business selling
 424 motor fuel.

425 (4)(A) For purposes of this subsection, and notwithstanding the provisions of
 426 paragraph (2) of this subsection and any provision contained in the National Bureau of
 427 Standards Handbook or any other national standard that may be adopted by law or
 428 regulation, the gallon equivalent of compressed natural gas shall be not less than
 429 110,000 British thermal units and the gallon equivalent of liquefied natural gas shall not
 430 be less than 6.06 pounds.

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

432 (i) 'Compressed natural gas' means a mixture of hydrocarbon gases and vapors,
 433 consisting principally of methane in gaseous form, that has been compressed for use
 434 as a motor fuel.

435 (ii) 'Liquefied natural gas' means methane or natural gas in the form of a cryogenic
 436 or refrigerated liquid for use as a motor fuel.

437 (b) No tax is imposed by this article upon or with respect to the following sales by duly
 438 licensed distributors:

439 (1) Bulk sales to a duly licensed distributor;

440 (2) Sales of motor fuel for export from this state when exempted by any provisions of
 441 the Constitutions of the United States or this state;

442 (3) Sales of motor fuel to a licensed distributor for export from this state;

- 443 (4) Sales of motor fuel to the United States for the exclusive use of the United States
444 when the motor fuel is purchased and paid for by the United States;
- 445 (5) Sales of aviation gasoline to a duly licensed aviation gasoline dealer, except for 1¢
446 per gallon of the tax imposed by paragraph (1) of subsection (a) of this Code section ~~and~~
447 ~~all of the tax imposed by Code Section 48-9-14;~~
- 448 (6) Bulk sales of compressed petroleum gas or special fuel to a duly licensed consumer
449 distributor;
- 450 (7)(A) Sales of compressed petroleum gas or special fuel to a consumer who has no
451 highway use of the fuel at the time of the sale and does not resell the fuel. Consumers
452 of compressed petroleum gas or special fuel who have both highway and nonhighway
453 use of the fuel and resellers of such fuel must be licensed as distributors in order for
454 sales of the fuel to be tax exempt. Each type of motor fuel is to be considered
455 separately under this exemption.
- 456 (B)(i) In instances where a sale of compressed petroleum gas has been made to an
457 ultimate consumer who has both highway and nonhighway use of that type of motor
458 fuel and no tax has been paid by the distributor on the sale, the consumer shall
459 become licensed as a consumer distributor of that type of motor fuel. After the
460 consumer is licensed as a consumer distributor and if it is demonstrated to the
461 satisfaction of the commissioner that the motor fuel purchased prior to the licensee's
462 becoming licensed as a consumer distributor was used for nonhighway purposes, such
463 sales shall be exempt from the tax imposed by this article; provided, however, that,
464 if at the time of demonstration the ultimate consumer does not have both highway and
465 nonhighway use of such fuel but it can be demonstrated by the distributor to the
466 satisfaction of the commissioner that the motor fuel was used for nonhighway
467 purposes, the sales shall be exempt from the tax imposed by this article; and
- 468 (ii)(I) Any special fuel sold by a distributor to a purchaser who has a storage
469 receptacle which has a connection to a withdrawal outlet that may be used for
470 highway use, as defined in paragraph (8) of Code Section 48-9-2, is not exempt
471 from the motor fuel and road taxes imposed by this article unless: (1) the purchaser
472 is at the time of sale a valid licensed distributor of that type of motor fuel, or (2) an
473 exemption certificate has been obtained from the purchaser on forms furnished by
474 the Department of Revenue showing that the purchaser has no highway use of such
475 fuels and is not a reseller of such fuels. Each exemption certificate shall be valid
476 for a period of not more than three years and shall be kept by the distributor as one
477 of the records specified in Code Section 48-9-8. It shall be the responsibility of the
478 purchaser to notify the distributor when the purchaser is no longer qualified for the

479 nonhighway exemption. All applicable taxes must be charged the purchaser until
480 the purchaser is granted a valid distributor's license for that type of motor fuel.

481 (II) Any such purchaser granted an exemption under subdivision (I) of this division
482 who falsely claims the exemption or fails to rescind the purchaser's exemption
483 certificate to the distributor in writing when he or she is no longer eligible for the
484 exemption shall be deemed a distributor for purposes of taxation and is subject to
485 all provisions of this article relating to distributors. This division in no way shall
486 restrict the option of the purchaser to become licensed as a distributor. If the
487 distributor sells special fuel to a purchaser who has a storage receptacle which has
488 a connection to a withdrawal outlet that may be used for highway use, as defined in
489 paragraph (8) of Code Section 48-9-2, and the purchaser is not a valid licensed
490 distributor and has not executed a valid signed exemption certificate, the taxes
491 imposed by this article are due from the distributor and not the purchaser on all sales
492 of that type of fuel to that purchaser;

493 (8) Sales of fuel oils, compressed petroleum gas, or special fuel directly to an ultimate
494 consumer to be used for heating purposes only. The delivery of fuel oils, compressed
495 petroleum gas, or special fuel directly to an ultimate consumer to be used for heating
496 purposes only shall be made directly into the storage receptacle of the heating unit of the
497 consumer by the licensed distributor. To qualify for this exemption, sales must be
498 delivered into storage receptacles that are not equipped with any secondary withdrawal
499 outlets for the motor fuel;

500 (9) Sales of dyed fuel oils to a consumer for other than highway use as defined in
501 paragraph (8) of Code Section 48-9-2;

502 (10)(A) During the period of July 1, 2012, through June 30, 2015, sales of motor fuel,
503 as defined in paragraph (9) of Code Section 48-9-2, for public mass transit vehicles
504 which are owned by public transportation systems which receive or are eligible to
505 receive funds pursuant to 49 U.S.C. Sections 5307 and 5311 for which passenger fares
506 are routinely charged and which vehicles are used exclusively for revenue generating
507 purposes which motor fuel sales occur at bulk purchase facilities approved by the
508 department.

509 (B) During the period of July 1, 2012, through June 30, 2015, sales of motor fuel, as
510 defined in paragraph (9) of Code Section 48-9-2, for vehicles operated by a public
511 campus transportation system, provided that such system has a policy which provides
512 for free transfer of passengers from the public transportation system operated by the
513 jurisdiction in which the campus is located; makes the general public aware of such free
514 transfer policy; and receives no state or federal funding to assist in the operation of such

515 public campus transportation system and which motor fuel sales occur at bulk purchase
516 facilities approved by the department.

517 (C) For purposes of this paragraph, the term 'vehicle' or 'vehicles' means buses, vans,
518 minibuses, or other vehicles which have the capacity to transport seven or more
519 passengers; or

520 (11) For the period of time beginning July 1, 2013, and ending June 30, 2015, sales of
521 motor fuel to public school systems in this state for the exclusive use of the school system
522 in operating school buses when the motor fuel is purchased and paid for by the school
523 system.

524 (c) Fuel oils, compressed petroleum gas, or special fuel used by a duly licensed distributor
525 for nonhighway purposes is exempt from the tax imposed by this article.

526 (d) No export from this state shall be recognized as being exempt from tax under
527 paragraphs (2) and (3) of subsection (b) of this Code section unless the exporter informs
528 the seller and the terminal operator of the intention to export and causes to be set out the
529 minimum information specified in subsection (e) of Code Section 48-9-17 on the bill of
530 lading or equivalent documentation under which the motor fuel is transported. In the event
531 that the motor fuel is delivered to any point other than that which is set out on the bill of
532 lading or equivalent documentation, the legal incidence of the tax shall continue to be
533 imposed exclusively upon the exporter who caused the export documentation to be issued
534 and no exemption shall be recognized until suitable proof of exportation has been provided
535 to the commissioner."

536 **SECTION 4-16.**

537 Said title is further amended by repealing in its entirety Code Section 48-9-14, relating to the
538 second motor fuel tax, and designating said Code section as reserved.

539 **PART V**

540 **SECTION 5-1.**

541 Part 3 of Article 2 of Chapter 10 of Title 32 of the Official Code of Georgia Annotated, the
542 "Georgia Transportation Infrastructure Bank Act," is amended by revising subsection (b) of
543 Code Section 32-10-127, relating to loans and other financial assistance and the
544 determination of eligible projects, as follows:

545 "(b)(1) The board shall determine which projects are eligible projects and then select
546 from among the eligible projects qualified projects. When determining eligibility, the
547 board shall make every effort to balance any loans or other financial assistance among
548 all regions of this state.

549 (2) Preference for loans may be given to eligible projects ~~which have local financial~~
550 support in tier 1 and tier 2 counties, as defined in Code Section 48-7-40 and by the
551 Department of Community Affairs.

552 (3) Preference for grants and other financial assistance may be given to eligible projects
553 which have local financial support."

554 **PART VI**
555 **SECTION 6-1.**

556 (a) This Act shall become effective on July 1, 2015.

557 (b) Tax, penalty, and interest liabilities and refund eligibility for prior taxable years shall not
558 be affected by the passage of this Act and shall continue to be governed by the provisions of
559 Title 48 of the Official Code of Georgia Annotated as it existed immediately prior to the
560 effective date of this Act.

561 **SECTION 6-2.**

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