

House Bill 900 (AS PASSED HOUSE AND SENATE)

By: Representatives Harrell of the 106th, Carson of the 46th, and Peake of the 141st

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-8-3.2 of the Official Code of Georgia Annotated, relating to a
2 state sales tax exemption for machinery and other items used in manufacturing, so as to
3 include consumable supplies in the exemption; to provide for related matters; to provide an
4 effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

7 Code Section 48-8-3.2 of the Official Code of Georgia Annotated, relating to a state sales tax
8 exemption for machinery and other items used in manufacturing, is amended by revising
9 paragraphs (1) and (3) of subsection (a) and paragraph (7) of subsection (e) as follows:

10 "(1) 'Consumable supplies' means tangible personal property, other than machinery;
11 ~~equipment~~, and industrial materials, that is consumed or expended during the
12 manufacture of tangible personal property. The term includes, but is not limited to, water
13 treatment chemicals for use in, on, or in conjunction with machinery or equipment and
14 items that are readily disposable. The term excludes packaging supplies and energy."

15 "(3) 'Equipment' means tangible personal property, other than machinery; and industrial
16 materials, ~~and consumable supplies~~. The term includes durable devices and apparatuses
17 that are generally designed for long-term continuous or repetitive use. The term also
18 includes consumable supplies. Examples of equipment include, but are not limited to,
19 machinery clothing, cones, cores, pallets, hand tools, tooling, molds, dies, waxes, jigs,
20 patterns, conveyors, safety devices, and pollution control devices. The term includes
21 components and repair or replacement parts. The term excludes real property."

22 "(7) Machinery or equipment used to provide safety for the employees working at a
23 manufacturing plant, including, but not limited to, safety machinery and equipment
24 required by federal or state law, gloves, ear plugs, face masks, protective eyewear, hard
25 hats or helmets, or breathing apparatuses, ~~regardless of whether the items would~~
26 ~~otherwise be considered consumable supplies;~~"

27 **SECTION 2.**

28 This Act shall become effective on July 1, 2014.

29 **SECTION 3.**

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