

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 abolish the state income tax; to increase the rate of tax on the retail  
3 purchase, retail sale, rental, storage, use, or consumption of certain tangible property and on  
4 certain services; to provide for applicability with respect to building and construction  
5 materials and to certain services; to provide for application of sales and use taxes with  
6 respect to certain sales of motor fuels; to provide for conforming changes with respect to  
7 certain tax ceilings, imposition of taxes, collection from dealers, disposition of certain excess  
8 taxes, compensation of dealers for reporting and paying taxes, and payment of taxes by  
9 certain contractors; to provide for editorial revision; to provide for other matters relative to  
10 the foregoing; to provide for an effective date; to repeal conflicting laws; and for other  
11 purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

13 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
14 amended by repealing in its entirety Chapter 7, relating to income taxes.  
15

**SECTION 2.**

16 Said title is further amended by adding a new Chapter 7 to read as follows:  
17

"CHAPTER 7

18 48-7-1.

19 On and after January 1, 2008, there shall be no income taxes whatsoever levied or collected  
20 by the state or any political subdivision thereof and no income tax returns are required."  
21

**SECTION 3.**

Said title is further amended by adding a new Code section immediately following Code Section 48-8-1, to be designated Code Section 48-8-1.1, to read as follows:

"48-8-1.1.

(a) As used in this Code section, the term 'building and construction materials' means all building and construction materials, supplies, fixtures, or equipment, any combination of such items, and any other leased or purchased articles when the materials, supplies, fixtures, equipment, or articles are to be utilized or consumed during construction or are to be incorporated into construction work pursuant to a bona fide written construction contract.

(b) The increased rate of state sales and use taxation from 4 percent to 8 percent shall not apply with respect to the sale or use of building and construction materials when the contract pursuant to which the materials are purchased or used was advertised for bid prior to January 1, 2008, and the contract was entered into as a result of a bid actually submitted in response to the advertisement prior to January 1, 2008; provided, however, that any such sale or use shall remain fully taxable at the prior rate of taxation.

(c) With respect to services which are regularly billed on a monthly basis, the increased rate of state sales and use taxation from 4 percent to 8 percent shall apply to services billed on or after January 1, 2008; provided, however, that any such services billed prior to such date shall remain fully taxable at the prior rate of taxation."

**SECTION 4.**

Said title is further amended by striking subsections (a) and (b) of Code Section 48-8-3.1, relating to sales tax exemptions as applied to motor fuels, in their entirety and inserting in their respective places new subsections (a) and (b) to read as follows:

"(a) Except as provided in subsection (b) of this Code section, sales of motor fuels as defined in paragraph (9) of Code Section 48-9-2 shall be exempt from the first ~~3~~ 7 percent of the sales and use taxes levied or imposed by this article and shall be subject to the remaining 1 percent of the sales and use taxes levied or imposed by this article.

(b) Sales of motor fuel other than gasoline which motor fuel other than gasoline is purchased for purposes other than propelling motor vehicles on public highways as defined in Article 1 of Chapter 9 of this title shall be exempt from the first 4 percent of the sales and use taxes levied or imposed by this article and shall be fully subject to the remaining 4 percent of the sales and use taxes levied or imposed by this article unless otherwise specifically exempted by this article."

**SECTION 5.**

Said title is further amended by striking Code Section 48-8-30, relating to the rate and imposition of the state sales and use tax, in its entirety and inserting in its place a new Code Section 48-8-30 to read as follows:

"48-8-30.

(a) There is levied and imposed a tax on the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on the services described in this article.

(b)(1) Every purchaser of tangible personal property at retail in this state shall be liable for a tax on the purchase at the rate of 4 8 percent of the sales price of the purchase. The tax shall be paid by the purchaser to the retailer making the sale, as provided in this article. The retailer shall remit the tax to the commissioner as provided in this article and, when received by the commissioner, the tax shall be a credit against the tax imposed on the retailer. Every person making a sale or sales of tangible personal property at retail in this state shall be a retailer and a dealer and shall be liable for a tax on the sale at the rate of 4 8 percent of the gross sale or gross sales; or the amount of taxes collected by him or her from his or her purchaser or purchasers, whichever is greater.

(2) No retail sale shall be taxable to the retailer or dealer which is not taxable to the purchaser at retail.

(c)(1) Upon the first instance of use, consumption, distribution, or storage within this state of tangible personal property purchased at retail outside this state, the owner or user of the property shall be a dealer and shall be liable for a tax at the rate of 4 8 percent of the cost price, except as provided in paragraph (2) of this subsection.

(2) Upon the first instance of use, consumption, distribution, or storage within this state of tangible personal property purchased at retail outside this state and used outside this state for more than six months prior to its first use within this state, the owner or user of the property shall be a dealer and shall be liable for a tax at the rate of 4 8 percent of the cost price or fair market value of the property, whichever is the lesser.

(3) This subsection shall not be construed to require a duplication in the payment of the tax. The tax imposed by this subsection shall be subject to the credit otherwise granted by this article for like taxes previously paid in another state.

(c.1)(1) Every purchaser of tangible personal property at retail outside this state from a dealer, as defined in subparagraph (H) of paragraph (3) of Code Section 48-8-2, when such property is to be used, consumed, distributed, or stored within this state, shall be liable for a tax on the purchase at the rate of 4 8 percent of the sales price of the purchase. It shall be prima-facie evidence that such property is to be used, consumed, distributed, or stored within this state if that property is delivered in this state to the purchaser or

1 agent thereof. The tax shall be paid by the purchaser to the retailer making the sale, as  
 2 provided in this article. The retailer shall remit the tax to the commissioner as provided  
 3 in this article and, when received by the commissioner, the tax shall be a credit against  
 4 the tax imposed on the retailer. Every person who is a dealer, as defined in subparagraph  
 5 (H) of paragraph (3) of Code Section 48-8-2<sub>2</sub>, and who makes any sale of tangible  
 6 personal property at retail outside this state which property is to be delivered in this state  
 7 to a purchaser or purchaser's agent shall be a retailer and a dealer for purposes of this  
 8 article and shall be liable for a tax on the sale at the rate of 4 8 percent of such gross sales  
 9 or the amount of tax as collected by that person from purchasers having their purchases  
 10 delivered in this state, whichever is greater.

11 (2) No retail sale shall be taxable to the retailer or dealer which is not taxable to the  
 12 purchaser at retail. The tax imposed by this subsection shall be subject to the credit  
 13 otherwise granted by this article for like taxes previously paid in another state. This  
 14 subsection shall not be construed to require a duplication in the payment of the tax.

15 (d)(1) Every person to whom tangible personal property in the state is leased or rented  
 16 shall be liable for a tax on the lease or rental at the rate of 4 8 percent of the gross lease  
 17 or rental charge. The tax shall be paid to the person who leases or rents the property by  
 18 the person to whom the property is leased or rented. A person who leases or rents  
 19 property to others as a dealer under this article shall remit the tax to the commissioner<sub>2</sub>,  
 20 as provided in this article. When received by the commissioner, the tax shall be a credit  
 21 against the tax imposed on the person who leases or rents the property to others. Every  
 22 person who leases or rents tangible personal property in this state to others shall be a  
 23 dealer and shall be liable for a tax on the lease or rental at the rate of 4 8 percent of the  
 24 gross lease or rental proceeds; or the amount of taxes collected by him or her from  
 25 persons to whom he or she leases or rents tangible personal property, whichever is  
 26 greater.

27 (2) No lease or rental shall be taxable to the person who leases or rents tangible property  
 28 to another which is not taxable to the person to whom the property is leased or rented.

29 (3) The lessee of both taxable and exempt property in this state under a single lease  
 30 agreement containing a lease period of ten years or more shall have the option to  
 31 discharge in full all sales and use taxes imposed by this article relating to the tangible  
 32 personal property by paying in a lump sum 4 8 percent of the fair market value of the  
 33 tangible personal property at the date of inception of the lease agreement in the same  
 34 manner and under the same conditions applicable to sales of the tangible personal  
 35 property.

1 (e) Upon the first instance of use within this state of tangible personal property leased or  
2 rented outside this state, the person to whom the property is leased or rented shall be a  
3 dealer and shall be liable for a tax at the rate of 4 8 percent of the rental charge paid to the  
4 person who leased or rented the property, subject to the credit authorized for like taxes  
5 previously paid in another state.

6 (e.1)(1) Every person who leases, as lessor, or rents tangible personal property outside  
7 this state for use within this state shall be liable for a tax at the rate of 4 8 percent of the  
8 rental charge paid for that lease or rental if that person is a dealer, as defined in  
9 subparagraph (H) of paragraph (3) of Code Section 48-8-2<sub>2</sub>, and title to that property  
10 remains in that person. It shall be prima-facie evidence that such property is to be used  
11 within this state if that property is delivered in this state to the lessee or renter of such  
12 property, or to the agent of either. The tax shall be paid by the lessee or renter and  
13 payment of the tax shall be made to the lessor or person receiving rental payments for that  
14 property, which person shall be the dealer for purposes of this article. The dealer shall  
15 remit the tax to the commissioner as provided in this article; and, when received by the  
16 commissioner, the tax shall be a credit against the tax imposed on the dealer. Every  
17 person who is a dealer, as defined in subparagraph (H) of paragraph (3) of Code Section  
18 48-8-2<sub>2</sub>, and who leases or rents tangible personal property outside this state to be  
19 delivered in this state to the lessee, renter, or agent of either shall be a dealer and shall be  
20 liable as such for a tax on the lease or rental at the rate of 4 8 percent of the gross  
21 proceeds from such leases or rentals or the amount of taxes collected by that dealer for  
22 leases or rentals of tangible personal property delivered in this state, whichever is greater.

23 (2) No lease or rental shall be taxable to the dealer which is not taxable to the lessee or  
24 renter. The tax imposed by this subsection shall be subject to the credit granted by this  
25 article for like taxes previously paid in another state. This subsection shall not be  
26 construed to require a duplication in the payment of the tax.

27 (f)(1) Every person purchasing or receiving any service within this state, the purchase  
28 of which is a retail sale, shall be liable for tax on the purchase at the rate of 4 8 percent  
29 of the gross charge or charges made for the purchase. The tax shall be paid by the person  
30 purchasing or receiving the service to the person furnishing the service. The person  
31 furnishing the service, as a dealer under this article, shall remit the tax to the  
32 commissioner as provided in this article; and, when received by the commissioner, the  
33 tax shall be a credit against the tax imposed on the person furnishing the service. Every  
34 person furnishing a service, the purchase of which is a retail sale, shall be a dealer and  
35 shall be liable for a tax on the sale at the rate of 4 8 percent of the gross charge or charges

1 made for furnishing the service; or the amount of taxes collected by him or her from the  
2 person to whom the service is furnished, whichever is greater.

3 (2) No sale of services shall be taxable to the person furnishing the service which is not  
4 taxable to the purchaser of the service.

5 (g) Whenever a purchaser of tangible personal property under subsection (b) or (c.1) of  
6 this Code section, a lessee or renter of the property under subsection (d) or (e.1) of this  
7 Code section, or a purchaser of taxable services under subsection (f) of this Code section  
8 does not pay the tax imposed upon him or her to the retailer, lessor, or dealer who is  
9 involved in the taxable transaction, the purchaser, lessee, or renter shall be a dealer himself  
10 or herself and the commissioner, whenever he or she has reason to believe that a purchaser  
11 or lessee has not so paid the tax, may assess and collect the tax directly against and from  
12 the purchaser, lessee, or renter, unless the purchaser, lessee, or renter shows that the  
13 retailer, lessor, or dealer who is involved in the transaction has nevertheless remitted to the  
14 commissioner the tax imposed on the transaction. If payment is received directly from the  
15 purchaser, it shall not be collected a second time from the retailer, lessor, or dealer who is  
16 involved.

17 (h) The tax imposed by this Code section shall be collected from the dealer and paid at the  
18 time and in the manner provided in this article. Any person engaging or continuing in  
19 business as a retailer and wholesaler or jobber shall pay the tax imposed on the gross  
20 proceeds of retail sales of the business at the rate specified when proper books are kept  
21 showing separately the gross proceeds of sales for each business. If the records are not  
22 kept separately, the tax shall be paid as a retailer or dealer on the gross sales of the  
23 business. For the purpose of this Code section, all sales through any one vending machine  
24 shall be treated as a single sale. The gross proceeds for reporting vending sales shall be  
25 treated as if the tax is included in the sale and the taxable proceeds shall be net of the tax  
26 included in the sale.

27 (i) The tax levied by this Code section is in addition to all other taxes, whether levied in  
28 the form of excise, license, or privilege taxes, and shall be in addition to all other fees and  
29 taxes levied."

### 30 SECTION 6.

31 Said title is further amended by striking Code Section 48-8-32, relating to collection of the  
32 tax from dealers, in its entirety and inserting in its place a new Code Section 48-8-32 to read  
33 as follows:

34 "48-8-32.

1 The tax at the rate of ~~4~~ 8 percent of the retail sales price at the time of sale or ~~4~~ 8 percent  
 2 of the cost price at the time of purchase, as the case may be, shall be collectable from all  
 3 persons engaged as dealers in the sale at retail, or in the use, consumption, distribution, or  
 4 storage for use or consumption in this state of tangible personal property."

#### 5 SECTION 7.

6 Said title is further amended by striking Code Section 48-8-43, relating to the disposition of  
 7 certain excess taxes, in its entirety and inserting in its place a new Code Section 48-8-43 to  
 8 read as follows:

9 "48-8-43.

10 When the tax collected for any period is in excess of ~~4~~ 8 percent, the total tax collected  
 11 shall be paid over to the commissioner less the compensation to be allowed the dealer."

#### 12 SECTION 8.

13 Said title is further amended by striking subsection (d) of Code Section 48-8-63, relating to  
 14 the payment of the tax by certain contractors, in its entirety and inserting in its place a new  
 15 subsection (d) to read as follows:

16 "(d)(1) Any subcontractor who enters into a construction contract with a general or prime  
 17 contractor shall be liable under this article as a general or prime contractor. Any general  
 18 or prime contractor who enters into any construction contract or contracts with any  
 19 subcontractor, where the total amount of such contract or contracts between such general  
 20 or prime contractor and any subcontractors on any given project equals or exceeds  
 21 \$250,000.00, shall withhold up to ~~4~~ 8 percent of the payments due the subcontractor in  
 22 satisfaction of any sales or use taxes owed this state.

23 (2) The prime or general contractor shall withhold payments on all contracts that meet  
 24 the criteria specified in paragraph (1) of this subsection until the subcontractor furnishes  
 25 such prime or general contractor with a certificate issued by the commissioner showing  
 26 that all sales taxes accruing by reason of the contract between the subcontractor and the  
 27 general or prime contractor have been paid and satisfied. If the prime or general  
 28 contractor for any reason fails to withhold up to ~~4~~ 8 percent of the payments due the  
 29 subcontractor under their contract, such prime or general contractor shall become liable  
 30 for any sales or use taxes due or owed this state by the subcontractor."

#### 31 SECTION 9.

32 Said title is further amended by striking paragraphs (3.1), (4.1), and (5.1) of subsection (a)  
 33 of Code Section 48-13-51, relating to the excise tax on rooms, lodgings, and

1 accommodations, and inserting in their place new paragraphs (3.1), (4.1), and (5.1),  
 2 respectively, to read as follows:

3 "(3.1) Notwithstanding any other provision of this subsection, a county (within the  
 4 territorial limits of the special district located within the county) and the municipalities  
 5 within a county in which a trade and convention center authority has been created by  
 6 intergovernmental contract between a county and one or more municipalities located  
 7 therein, and which trade and convention center authority is in existence on or before  
 8 March 21, 1988, and which trade and convention center authority has not constructed or  
 9 operated any facility before March 21, 1988, may levy a tax under this Code section at  
 10 a rate of 6 percent. A county or municipality levying a tax pursuant to this paragraph  
 11 shall expend (in each fiscal year during which the tax is collected under this paragraph  
 12 (3.1)) an amount equal to at least 62 1/2 percent of the total taxes collected at the rate of  
 13 6 percent for the purpose of: (A) promoting tourism, conventions, and trade shows; (B)  
 14 funding, supporting, acquiring, constructing, renovating, improving, and equipping  
 15 buildings, structures, and facilities, including, but not limited to, a trade and convention  
 16 center, exhibit hall, conference center, performing arts center, accommodations facilities  
 17 including food service, or any combination thereof, for convention, trade show, athletic,  
 18 musical, theatrical, cultural, civic, and performing arts purposes and other events and  
 19 activities for similar and related purposes, acquiring the necessary property therefor, both  
 20 real and personal, and funding all expenses incident thereto, and supporting, maintaining,  
 21 and promoting such facilities owned, operated, or leased by or to the local trade and  
 22 convention center authority; or (C) for some combination of such purposes; provided,  
 23 however, that at least 50 percent of the total taxes collected at the rate of 6 percent shall  
 24 be expended for the purposes specified in subparagraph (B) of this paragraph (3.1).  
 25 Amounts so expended shall be expended only through a contract or contracts with the  
 26 state, a department of state government, a state authority, a convention and visitors bureau  
 27 authority created by local Act of the General Assembly for a municipality, a local  
 28 building authority created by local constitutional amendment, and a trade and convention  
 29 center authority created by intergovernmental contract between a county and one or more  
 30 municipalities located therein, or a private sector nonprofit organization or through a  
 31 contract or contracts with some combination of such entities. The aggregate amount of  
 32 all excise taxes imposed under this paragraph (3.1) and all sales and use taxes, and other  
 33 taxes imposed by a county or municipality, or both, shall not exceed ~~13~~ 17 percent. Any  
 34 tax levied pursuant to this paragraph (3.1) shall terminate not later than December 31,  
 35 2029, provided that during any period during which there remains outstanding any  
 36 obligation issued to fund a facility as contemplated by this paragraph (3.1), secured in

1 whole or in part by a pledge of a tax authorized under this Code section, the powers of  
 2 the counties and municipalities to impose and distribute the tax imposed by this paragraph  
 3 (3.1) shall not be diminished or impaired by the state and no county or municipality  
 4 levying the tax imposed by this paragraph (3.1) shall cease to levy the tax in any manner  
 5 that will impair the interests and rights of the holder of any such obligation. This proviso  
 6 shall be for the benefit of the holder of any such obligation and, upon the issuance of any  
 7 such obligation by a building authority created by local constitutional amendment, shall  
 8 constitute a contract with the holder of such obligation. Notwithstanding any other  
 9 provision of this Code section to the contrary, as used in this paragraph (3.1), the term:  
 10 'fund' or 'funding' shall include the cost and expense of all things deemed necessary by  
 11 a building authority created by local constitutional amendment for the construction and  
 12 operation of a facility or facilities including but not limited to the study, operation,  
 13 marketing, acquisition, construction, financing, including the payment of principal and  
 14 interest on any obligation of the building authority created by local constitutional  
 15 amendment and any obligation of the building authority created by local constitutional  
 16 amendment to refund any prior obligation of the building authority created by local  
 17 constitutional amendment, development, extension, enlargement, or improvement of land,  
 18 waters, property, streets, highways, buildings, structures, equipment, or facilities and the  
 19 repayment of any obligation incurred by an authority in connection therewith; 'obligation'  
 20 shall include bonds, notes, or any instrument creating an obligation to pay or reserve  
 21 moneys and having an initial term of not more than 37 years; and 'facility' or 'facilities'  
 22 shall mean any of the buildings, structures, and facilities described in subparagraph (B)  
 23 of this paragraph (3.1) and any associated parking areas or improvements originally  
 24 owned or operated incident to the ownership or operation of such facility used for any  
 25 purpose or purposes specified in subparagraph (B) of this paragraph (3.1) by a building  
 26 authority created by local constitutional amendment."

27 "(4.1) Notwithstanding any other provision of this subsection, a county (within the  
 28 territorial limits of the special district located within the county) or municipality within  
 29 a county in which a coliseum authority has been created by local Act of the General  
 30 Assembly and which authority is in existence on or before July 1, 1963, for the purpose  
 31 of owning or operating a facility, may levy a tax under this Code section at a rate of 7  
 32 percent. A county or municipality levying a tax pursuant to this paragraph shall expend  
 33 (in each fiscal year during which the tax is collected under this paragraph (4.1)) an  
 34 amount equal to at least 62 1/2 percent of the total taxes collected at the rate of 7 percent  
 35 for the purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding and  
 36 supporting a facility owned or operated by such coliseum authority; or (C) for some

1 combination of such purposes. Amounts so expended shall be expended only through a  
2 contract or contracts with the state, a department of state government, a state authority,  
3 a convention and visitors bureau authority created by local Act of the General Assembly  
4 for a municipality, a local coliseum authority, or a private sector nonprofit organization,  
5 or through a contract or contracts with some combination of such entities, except that  
6 amounts expended for purpose (B) may be so expended in any otherwise lawful manner  
7 without the necessity of a contract. The aggregate amount of all excise taxes imposed  
8 under this paragraph (4.1) and all sales and use taxes, and other taxes imposed by a  
9 county or municipality, or both, shall not exceed ~~12~~ 16 percent. Any tax levied pursuant  
10 to this paragraph (4.1) shall terminate not later than December 31, 2028, provided that  
11 during any period during which there remains outstanding any obligation which is  
12 incurred prior to January 1, 1995, issued to fund a facility as contemplated by this  
13 paragraph (4.1), and secured in whole or in part by a pledge of a tax authorized under this  
14 Code section, the powers of the counties and municipalities to impose and distribute the  
15 tax imposed by this paragraph (4.1) shall not be diminished or impaired by the state and  
16 no county or municipality levying the tax imposed by this paragraph (4.1) shall cease to  
17 levy the tax in any manner that will impair the interest and rights of the holders of any  
18 such obligation. This proviso shall be for the benefit of the holder of any such obligation  
19 and, upon the issuance of any such obligation by a coliseum and exhibit hall authority,  
20 shall constitute a contract with the holder of such obligations. Notwithstanding any other  
21 provision of this Code section to the contrary, as used in this paragraph (4.1), the term:  
22 'fund' and 'funding' shall include the cost and expense of all things deemed necessary by  
23 a local coliseum authority for the construction, renovation, and operation of a facility  
24 including but not limited to the study, operation, marketing, acquisition, construction,  
25 finance, development, extension, enlargement, or improvement of land, waters, property,  
26 streets, highways, buildings, structures, equipment, or facilities, and the repayment of any  
27 obligation incurred by a local coliseum authority in connection therewith; 'obligation'  
28 shall include bonds, notes, or any instrument creating an obligation to pay or reserve  
29 moneys incurred prior to January 1, 1995, and having an initial term of not more than 30  
30 years; and 'facility' shall mean a coliseum or other facility and any associated parking  
31 areas or improvements originally owned or operated incident to the ownership or  
32 operation of a facility used for convention and trade show purposes or amusement  
33 purposes, educational purposes, or a combination thereof and for fairs, expositions, or  
34 exhibitions in connection therewith by a local coliseum authority."

35 "(5.1) Notwithstanding any other provision of this subsection, a county (within the  
36 territorial limits of the special district located within the county) and the municipalities

1 within a county in which a coliseum and exhibit hall authority has been created by local  
2 Act of the General Assembly for a county and one or more municipalities therein, and  
3 which local coliseum and exhibit hall authority is in existence on or before January 1,  
4 1991, and which local coliseum and exhibit hall authority has not constructed or operated  
5 any facility before January 1, 1991, may levy a tax under this Code section at a rate of 8  
6 percent. A county or municipality levying a tax pursuant to this paragraph shall expend  
7 (in each fiscal year during which the tax is collected under this paragraph (5.1)) an  
8 amount equal to at least 62 1/2 percent of the total taxes collected at the rate of 8 percent  
9 for the purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding,  
10 supporting, acquiring, constructing, renovating, improving, and equipping buildings,  
11 structures, and facilities, including, but not limited to, a coliseum, exhibit hall, conference  
12 center, performing arts center, or any combination thereof, for convention, trade show,  
13 athletic, musical, theatrical, cultural, civic, and performing arts purposes and other events  
14 and activities for similar and related purposes, acquiring the necessary property therefor,  
15 both real and personal, and funding all expenses incident thereto, and supporting,  
16 maintaining, and promoting such facilities owned, operated, or leased by or to the local  
17 coliseum and exhibit hall authority or a downtown development authority; or (C) for  
18 some combination of such purposes; provided, however, that at least 50 percent of the  
19 total taxes collected at the rate of 8 percent shall be expended for the purposes specified  
20 in subparagraph (B) of this paragraph (5.1). Amounts so expended shall be expended  
21 only through a contract or contracts with the state, a department of state government, a  
22 state authority, a convention and visitors bureau authority created by local Act of the  
23 General Assembly for a municipality, a local coliseum and exhibit hall authority, a  
24 downtown development authority, or a private sector nonprofit organization or through  
25 a contract or contracts with some combination of such entities, notwithstanding any  
26 provision of paragraph (8) of this subsection to the contrary. The aggregate amount of  
27 all excise taxes imposed under this paragraph (5.1) and all sales and use taxes, and other  
28 taxes imposed by a county or municipality, or both, shall not exceed ~~13~~ 17 percent;  
29 provided, however, that any sales tax for educational purposes which is imposed pursuant  
30 to Article VIII, Section VI, Paragraph IV of the Constitution shall not be included in  
31 calculating such limitation. Any tax levied pursuant to this paragraph (5.1) shall  
32 terminate not later than December 31, 2028, provided that during any period during  
33 which there remains outstanding any obligation issued to fund a facility as contemplated  
34 by this paragraph (5.1), secured in whole or in part by a pledge of a tax authorized under  
35 this Code section, the powers of the counties and municipalities to impose and distribute  
36 the tax imposed by this paragraph (5.1) shall not be diminished or impaired by the state

1 and no county or municipality levying the tax imposed by this paragraph (5.1) shall cease  
 2 to levy the tax in any manner that will impair the interests and rights of the holder of any  
 3 such obligation. This proviso shall be for the benefit of the holder of any such obligation  
 4 and, upon the issuance of any such obligation by a local coliseum and exhibit hall  
 5 authority or a downtown development authority, shall constitute a contract with the holder  
 6 of such obligation. Notwithstanding any other provision of this Code section to the  
 7 contrary, as used in this paragraph (5.1), the term: 'fund' or 'funding' shall include the cost  
 8 and expense of all things deemed necessary by a local coliseum and exhibit hall authority  
 9 or a downtown development authority for the construction and operation of a facility or  
 10 facilities including but not limited to the study, operation, marketing, acquisition,  
 11 construction, financing, including the payment of principal and interest on any obligation  
 12 of the local coliseum and exhibit hall authority or the downtown development authority  
 13 and any obligation of the local coliseum and exhibit hall authority or the downtown  
 14 development authority to refund any prior obligation of the local coliseum and exhibit  
 15 hall authority or the downtown development authority, development, extension,  
 16 enlargement, or improvement of land, waters, property, streets, highways, buildings,  
 17 structures, equipment, or facilities and the repayment of any obligation incurred by an  
 18 authority in connection therewith; 'obligation' shall include bonds, notes, or any  
 19 instrument creating an obligation to pay or reserve moneys and having an initial term of  
 20 not more than 37 years; 'facility' or 'facilities' shall mean any of the buildings, structures,  
 21 and facilities described in subparagraph (B) of this paragraph (5.1) and any associated  
 22 parking areas or improvements originally owned or operated incident to the ownership  
 23 or operation of such facility used for any purpose or purposes specified in subparagraph  
 24 (B) of this paragraph (5.1) by a local coliseum and exhibit hall authority or a downtown  
 25 development authority; and 'downtown development authority' shall mean a downtown  
 26 development authority created by local Act of the General Assembly for a municipality  
 27 pursuant to a local constitutional amendment."

28 **SECTION 10.**

29 This Act shall become effective on January 1, 2008.

30 **SECTION 11.**

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