

House Bill 277 (AS PASSED HOUSE AND SENATE)

By: Representatives Broadrick of the 4th, Dickson of the 6th, Meadows of the 5th, and Battles of the 15th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 2 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia
2 Annotated, relating to imposition, rate, collection, and assessment of state sales and use
3 taxes, so as to value all flooring samples at the same rate for purposes of fair market value;
4 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 Part 2 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
8 relating to imposition, rate, collection, and assessment of state sales and use taxes, is
9 amended by revising subparagraph (b)(1)(B) of Code Section 48-8-39, relating to the effect
10 of using property for other than retention, demonstration, or display, as follows:

11 "(B)(i) As used in this subparagraph, the term 'total raw material cost' means the
12 manufactured cost of ~~carpet~~ floor covering samples; supplies used in the
13 manufacturing of ~~carpet~~ floor covering samples such as binding, grommets, and
14 similar items; ~~carpet~~ floor covering sample display devices such as racks, binders, and
15 similar items; and inbound freight charges. Such term does not mean or include labor
16 or overhead for assembling or producing samples from finished ~~carpet~~ floor covering
17 and does not mean or include outbound freight charges which may be charged to the
18 expense account for ~~carpet~~ floor covering samples.

19 (ii) As used in this subparagraph, the term 'floor covering sample' or 'floor covering
20 samples' includes, but is not limited to, samples of carpet floor covering, hardwood
21 floor covering, engineered hardwood floor covering, laminate floor covering, stone
22 floor covering, tile floor covering, vinyl floor covering, resilient floor covering,
23 linoleum floor covering, and other floor coverings.

24 (iii) For purposes of subparagraph (A) of this paragraph, the fair market value of any
25 ~~carpet~~ floor covering sample shall be equal to 21.9 percent of the total raw material
26 cost of the sample, except that the fair market value of a sample of ~~carpet~~ any floor

27 covering that is manufactured exclusively for commercial use shall be equal to 1
28 percent of the total raw material cost of the sample."

29 **SECTION 2.**

30 All laws and parts of laws in conflict with this Act are repealed.