

House Bill 374 (AS PASSED HOUSE AND SENATE)

By: Representatives Nix of the 69th, Shaw of the 176th, Carter of the 175th, England of the 116th, Williams of the 119th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia
2 Annotated, relating to exemptions from ad valorem taxation, so as to clarify an exemption
3 for certain leased farm equipment; to amend Part 5 of Article 10 of Chapter 5 of Title 48 of
4 the Official Code of Georgia Annotated, relating to an exemption from ad valorem taxation
5 for certain farm equipment held for sale in dealer inventory, so as to provide for additional
6 qualifications; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
10 relating to exemptions from ad valorem taxation, is amended by revising subsection (c) of
11 Code Section 48-5-41.1, relating to an exemption for qualified farm products, as follows:

12 "(c)(1) As used in this subsection, the term 'lease purchase agreement' means a financing
13 agreement under which:

14 (A) A family owned qualified farm products producer has possession and control of
15 farm tractors, combines, or other farm equipment other than motor vehicles equipment
16 and uses such farm equipment directly in the production of agricultural products; and

17 (B) The payments made pursuant to such financing agreement are credited towards the
18 purchase of such farm equipment.

19 (2) Farm tractors, combines, and all other farm equipment other than motor vehicles,
20 whether fixed or mobile, which are owned by or held under a lease purchase agreement
21 and directly used in the production of agricultural products by family owned qualified
22 farm products producers shall be exempt from all ad valorem property taxes in this state."

23 **SECTION 2.**

24 Part 5 of Article 10 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
25 relating to an exemption from ad valorem taxation for certain farm equipment held for sale

26 in dealer inventory, is amended by revising Code Section 48-5-504, relating to self-propelled
27 farm equipment as a subclassification of motor vehicle for ad valorem taxation purposes, as
28 follows:

29 "48-5-504.

30 (a) As used in this Code section, the term:

31 (1) 'Dealer' means any person who is engaged in the business of selling farm equipment
32 at retail.

33 (2) 'Farm equipment' means any vehicle as defined in Code Section 40-1-1 which is
34 self-propelled and which is designed and used primarily for agricultural, horticultural,
35 forestry, or livestock raising operations.

36 (b) Self-propelled farm equipment which is owned by a dealer and held in inventory for
37 sale or resale shall constitute a separate subclassification of motor vehicle within the motor
38 vehicle classification of tangible property for ad valorem taxation purposes. The
39 procedures prescribed in this chapter for returning self-propelled farm equipment for ad
40 valorem taxation, determining the application rates for taxation, and collecting the ad
41 valorem taxes imposed on self-propelled farm equipment do not apply to self-propelled
42 farm equipment which is owned by a dealer and held in inventory for sale or resale. Such
43 self-propelled farm equipment which is owned by a dealer and held in inventory for sale
44 or resale shall not be returned for ad valorem taxation, shall not be taxed, and no taxes shall
45 be collected on such self-propelled farm equipment until it is transferred and then
46 otherwise, if at all, becomes subject to taxation as provided in this chapter."

47 **SECTION 3.**

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