

**A motion by Georgia, Kentucky and North Carolina to amend Sections 302 and 308 of the Agreement to remove certain products from being subject to the uniform state and local base and rate requirements.**

**Section 302: STATE AND LOCAL TAX BASES**

- A. The tax base for local jurisdictions shall be identical to the state tax base unless otherwise prohibited by federal law.
- B. This section does not apply to sales or use taxes levied on:
1. ~~fuel~~Fuel used to power motor vehicles, aircraft, locomotives, or watercraft;
  2. ~~, or to electricity~~Electricity, piped natural or artificial gas or other fuels delivered by the seller;
  3. ~~and the~~The retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes; and
  4. Energy. Solely for purposes of this section and section 308, "energy" means natural or artificial gas, oil, gasoline, electricity, solid fuel, wood, waste, ice, steam, water, and other materials necessary and integral for heat, light, power, refrigeration, climate control, processing, or any other use in any phase of the manufacture of tangible personal property.

**Section 308: STATE AND LOCAL TAX RATES**

- A. No member state shall have multiple state sales and use tax rates on items of personal property or services, except that a member state may impose a single additional rate, which may be zero, on food and food ingredients and drugs as defined by state law pursuant to the Agreement. In addition, if federal law prohibits the imposition of local tax on a product that is subject to state tax, the state may impose an additional rate on such product, provided such rate achieves tax parity for similar products.
- B. A member state that has local jurisdictions that levy a sales or use tax shall not have more than one local sales tax rate or more than one local use tax rate per local jurisdiction. If the local jurisdiction levies both a sales tax and use tax, the local rates must be identical.
- C. The provisions of this section do not apply to sales or use taxes levied on energy as defined in Section 302 of the Agreement, fuel used to power motor vehicles, aircraft, locomotives, or watercraft, or to electricity, piped natural or artificial gas, or other fuels delivered by the seller, or the retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes.