

REMARKS
Special Council on Tax Reform and Fairness for Georgians
September 9, 2010

Council members, Ladies & Gentlemen.

Thank you for this opportunity to address the Council.

My name is Billy Adams and I serve as President & CEO of the Southern Equipment Dealers Association.

The Association primarily serves the retail farm equipment dealers but also serves light industrial, irrigation, turf, and outdoor power equipment dealers in the states of Georgia, Alabama, and Florida with approximately 80 members in Georgia.

The Association is a non-profit trade Association (501c) established over 65 years ago. Our office is located in Dublin, Georgia.

As retail operations, our members are vitally interested in all forms of taxation and tax exemptions. The Association has always worked closely with the state's tax departments. It has always been a challenge of the Department of Revenue and the Association to provide information necessary and helpful to the dealers to know which farm equipment is taxable and which is tax exempt.

Tax exemptions are of major concern to the farming consumer who is responsible for paying and the dealership who is responsible for collecting the tax or knowing the difference in taxable and tax exempt farm equipment.

In approximately 1971, the Georgia legislature passed legislation providing exemptions to certain farm equipment. These exemptions have withstood reviews and interpretations.

The Georgia tax code, as it affects the dealers and their customers, may need some attention. However, if changes are to be made, we would recommend that the trade Association be deeply involved. Secondly, we should all keep in mind that taxation of farm equipment would mean that the consumer would

almost certainly travel to other states that may have more favorable tax laws to purchase their equipment. They will do this.

The dealer has a huge stake in taxation.

When considering the effects of any tax issues, one should also be mindful of some interesting facts and estimates.

For example:

- **There are approximately 2,600 people employed in Georgia dealerships.**
- **The dealerships' total annual sales are estimated to be approximately \$700 million.**
- **In February 2003, the University of Georgia's Center for Agribusiness and Economic Development was requested by the Southern Equipment Dealers Association to study the local and state economic impact of equipment dealers. According to the study, the total yearly economic impact of equipment dealers indicates that each \$1,000,000 of sales from the average dealership was found to be responsible for generating another \$971,000 of goods and services and 9 other jobs somewhere in Georgia. Further, for every \$1,000,000 of sales, \$55,000 of tax is produced for local and state, and \$119,000 of tax is produced for federal.**
- **Number of dealership organizations with more than one store: 14**
- **Alabama farmers pay 1½% on the sale of farm equipment.**
- **Florida farmers pay no sales tax.**
- **Tennessee farmers pay no sales tax.**
- **North Carolina farmers pay no sales tax.**
- **South Carolina farmers pay no sales tax.**

In conclusion, the Southern Equipment Dealers Association works very closely with the Georgia Department of Revenue on behalf of its members. It is our intention to maintain this spirit of cooperation with this Council as the opportunity presents itself.

We would recommend that exemptions remain and are possibly expanded so that Georgia remains competitive in the sale of farm equipment.

Thank you for this opportunity to address the Council.