

House Bill 365 (COMMITTEE SUBSTITUTE)

By: Representatives Blackmon of the 146th, Harrell of the 106th, Powell of the 171st, Holcomb of the 81st, Carson of the 46th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to
2 alternative ad valorem taxes on motor vehicles, so as to lower the tax rate imposed; to revise
3 a definition; to revise the date range for antique motor vehicles; to provide for related
4 matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad
8 valorem taxes on motor vehicles, is amended by revising paragraph (1) of subsection (a) of
9 Code Section 48-5C-1, relating to definitions, exemption from taxation, allocation and
10 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,
11 and report, as follows:

12 "(1) 'Fair market value of the motor vehicle' means:

13 (A) For a used motor vehicle purchased from a new or used car dealer other than under
14 a seller financed sale arrangement, the average of the current fair market value and the
15 current wholesale value of a motor vehicle for a vehicle listed in the current motor
16 vehicle ad valorem assessment manual utilized by the state revenue commissioner and
17 based upon a nationally recognized motor vehicle industry pricing guide for fair market
18 and wholesale market values in determining the taxable value of a motor vehicle under
19 Code Section 48-5-442 retail selling price of the motor vehicle, and, in the case of a
20 used car dealer, less any reduction for the trade-in value of another motor vehicle;

21 (B) For a used motor vehicle purchased from a person other than a new or used car
22 dealer or purchased under a seller financed sale arrangement, the average of the current
23 fair market value and the current wholesale value of a motor vehicle for a vehicle listed
24 in the current motor vehicle ad valorem assessment manual utilized by the state revenue
25 commissioner and based upon a nationally recognized motor vehicle industry pricing
26 guide for fair market and wholesale market values in determining the taxable value of

27 a motor vehicle under Code Section 48-5-442; provided, however, that, if the motor
 28 vehicle which is not listed in such current motor vehicle ad valorem assessment manual,
 29 the fair market value from the bill of sale or shall be the value from a reputable used car
 30 market guide designated by the commissioner, whichever is greater, and, in the case of
 31 a used car dealer, less any reduction for the trade-in value of another motor vehicle;

32 (C) Upon written application and supporting documentation submitted by an applicant
 33 under this Code section, a county tag agent may deviate from the fair market value as
 34 defined in subparagraph (A), (B), or (D) of this paragraph based upon mileage and
 35 condition of the used vehicle. Supporting documentation may include, but not be
 36 limited to, bill of sale, odometer statement, and values from reputable pricing guides.
 37 The fair market value as determined by the county tag agent pursuant to this
 38 subparagraph shall be appealable as provided in subsection (e) of this Code section;

39 (D) For a new motor vehicle, ~~the greater of the retail selling price or the average of the~~
 40 ~~current fair market value and the current wholesale value of a motor vehicle for a~~
 41 ~~vehicle listed in the current motor vehicle ad valorem assessment manual utilized by~~
 42 ~~the state revenue commissioner in determining the taxable value of a motor vehicle~~
 43 ~~under Code Section 48-5-442,~~ less any reduction for the trade-in value of another motor
 44 vehicle and any rebate. The retail selling price shall include any charges for labor,
 45 freight, delivery, dealer fees and similar charges, tangible accessories, dealer add-ons,
 46 and mark-ups, but shall not include any federal retailers' excise tax or extended
 47 warranty, service contract, maintenance agreement, or similar products itemized on the
 48 dealer's invoice to the customer or any finance, insurance, and interest charges for
 49 deferred payments billed separately. No reduction for the trade-in value of another
 50 motor vehicle shall be taken unless the name of the owner and the vehicle identification
 51 number of such trade-in motor vehicle are shown on the bill of sale;

52 (E) For a motor vehicle that is leased:

53 (i) In the case of a motor vehicle that is leased to a lessee for use primarily in the
 54 lessee's trade or business and for which the lease agreement contains a provision for
 55 the adjustment of the rental price as described in Code Section 40-3-60, the agreed
 56 upon value of the motor vehicle less any reduction for the trade-in value of another
 57 motor vehicle and any rebate; or

58 (ii) In the case of a motor vehicle that is leased other than described in division (i) of
 59 this subparagraph, the total of the base payments pursuant to the lease agreement plus
 60 any down payments.

61 The term 'any down payments' as used in this subparagraph shall mean cash collected
 62 from the lessee at the inception of the lease which shall include cash supplied as a
 63 capital cost reduction; shall not include rebates, noncash credits, or net trade

64 allowances; and shall include any upfront payments collected from the lessee at the
 65 inception of the lease except for taxes or fees imposed by law and monthly lease
 66 payments made in advance; or

67 (F) For a kit car which is assembled by the purchaser from parts supplied by a
 68 manufacturer, the ~~greater of the retail selling price of the kit or the average of the~~
 69 ~~current fair market value and the current wholesale value of the motor vehicle if listed~~
 70 ~~in the current motor vehicle ad valorem assessment manual utilized by the state revenue~~
 71 ~~commissioner and based upon a nationally recognized motor vehicle industry pricing~~
 72 ~~guide for fair market and wholesale market values in determining the taxable value of~~
 73 ~~a motor vehicle under Code Section 48-5-442.~~ A kit car shall not include a rebuilt or
 74 salvage vehicle."

75 **SECTION 2.**

76 Said chapter is further amended by revising division (b)(1)(A)(ii) of Code Section 48-5C-1,
 77 relating to definitions, exemption from taxation, allocation and disbursement of proceeds
 78 collected by tag agents, fair market value of vehicle appealable, and report, as follows:

79 "(ii) The combined state and local title ad valorem tax shall be at a rate equal to 7
 80 percent of the fair market value of the motor vehicle; provided, however, that,
 81 beginning on July 1, 2019, and continuing through June 30, 2023, such rate shall be
 82 equal to 6.6 percent of the fair market value of the motor vehicle."

83 **SECTION 3.**

84 Said chapter is further amended by revising subparagraph (d)(17)(A) of Code
 85 Section 48-5C-1, relating to definitions, exemption from taxation, allocation and
 86 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,
 87 and report, as follows:

88 "(A) Any person who purchases a 1963 through ~~1985~~ 1989 model year motor vehicle
 89 for which such person obtains a title shall be subject to this Code section, but the state
 90 title ad valorem tax fee shall be in an amount equal to 0.5 percent of the fair market
 91 value of such motor vehicle, and the local title ad valorem tax fee shall be in an amount
 92 equal to 0.5 percent of the fair market value of such motor vehicle."

93 **SECTION 4.**

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