

House Bill 80 (COMMITTEE SUBSTITUTE)

By: Representatives Rice of the 95<sup>th</sup> and Geisinger of the 48<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to revise provisions of law regarding state and local title ad valorem tax fees;  
3 to revise definitions regarding such fees; to revise the time for submitting such fees and  
4 penalties for failure to submit such fees timely; to provide for the payment of such fees over  
5 time in certain circumstances; to clarify the provisions of law regarding rental and leased  
6 motor vehicles; to extend the period of time which a loaner vehicle may be removed from  
7 inventory; to provide for a title ad valorem tax fee for rental and leased vehicles; to clarify  
8 the provisions of law regarding the application of title ad valorem tax fees to certain title  
9 transactions; to provide for motor vehicles titled in other states but based in this state; to  
10 exclude the application of certain sales and use taxes to motor vehicle sales and leases; to  
11 provide for related matters; to provide for an effective date; to repeal conflicting laws; and  
12 for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14 style="text-align:center">**SECTION 1.**

15 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
16 amended by revising Code Section 48-5C-1, relating to definitions, exemption from taxation,  
17 allocation and disbursement of proceeds collected by tag agents, fair market value of vehicle  
18 appealable, and reports, as follows:

19 "48-5C-1.

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

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

22 (A) ~~The~~ For a used motor vehicle, the greater of the retail selling price or, in the case  
23 of a lease of a used motor vehicle, the agreed upon value of the vehicle pursuant to the  
24 lease agreement or the average of the current fair market value and the current  
25 wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad  
26 valorem assessment manual utilized by the state revenue commissioner in determining

27 the taxable value of a motor vehicle under Code Section 48-5-442, less any reduction  
 28 for the trade-in value of another motor vehicle and any rebate or any cash discounts  
 29 provided by the selling dealer and taken at the time of sale. The retail selling price or  
 30 agreed upon value shall include any charges for labor, freight, delivery, and similar  
 31 charges and dealer add-ons and mark-ups, but shall not include any extended warranty  
 32 or maintenance agreement itemized on the dealer's invoice to the customer or any  
 33 finance, insurance, and interest charges for deferred payments billed separately;

34 (B) For a used motor vehicle which is not so listed in such current motor vehicle ad  
 35 valorem assessment manual, the ~~value~~ retail selling price from the bill of sale or the  
 36 value from a reputable used car market guide designated by the commissioner,  
 37 whichever is greater, and, in the case of a used car dealer, less any reduction for the  
 38 trade-in value of another motor vehicle and any rebate or any cash discounts provided  
 39 by the selling dealer and taken at the time of sale. In the case of a used car dealer, the  
 40 value shall include any charges for labor, freight, delivery, and similar charges and  
 41 dealer add-ons and mark-ups, but shall not include any extended warranty or  
 42 maintenance agreement itemized on the dealer's invoice to the customer or any finance,  
 43 insurance, and interest charges for deferred payments billed separately; or

44 (C) ~~The fair market value determined by the state revenue commissioner from the bill~~  
 45 ~~of sale of a new motor vehicle for which there is no value under subparagraph (A) of~~  
 46 ~~this paragraph, less any rebate and before any reduction for the trade-in value of another~~  
 47 ~~motor vehicle. For a new motor vehicle, the greater of the retail selling price or, in the~~  
 48 ~~case of a lease of a new motor vehicle, the agreed upon value of the vehicle pursuant~~  
 49 ~~to the lease agreement or the average of the current fair market value and the current~~  
 50 ~~wholesale value of a motor vehicle for a vehicle listed in the current motor vehicle ad~~  
 51 ~~valorem assessment manual utilized by the state revenue commissioner in determining~~  
 52 ~~the taxable value of a motor vehicle under Code Section 48-5-442, less any reduction~~  
 53 ~~for the trade-in value of another motor vehicle and any rebate or any cash discounts~~  
 54 ~~provided by the selling dealer and taken at the time of sale. The retail selling price or~~  
 55 ~~agreed upon value shall include any charges for labor, freight, delivery, and similar~~  
 56 ~~charges and dealer add-ons and mark-ups, but shall not include any extended warranty~~  
 57 ~~or maintenance agreement itemized on the dealer's invoice to the customer or any~~  
 58 ~~finance, insurance, and interest charges for deferred payments billed separately.~~

59 (2) 'Immediate family member' means spouse, parent, child, sibling, grandparent, or  
 60 grandchild.

61 (3) 'Loaner vehicle' means a motor vehicle owned by a dealer which is withdrawn  
 62 temporarily from dealer inventory for exclusive use as a courtesy vehicle loaned at no

63 charge for a period not to exceed 30 days within a ~~calendar year~~ 366 day period to any  
64 one customer whose motor vehicle is being serviced by such dealer.

65 (4) 'Rental charge' means the total value received by a rental motor vehicle concern for  
66 the rental or lease for 31 or fewer consecutive days of a rental motor vehicle, including  
67 the total cash and nonmonetary consideration for the rental or lease, including, but not  
68 limited to, charges based on time or mileage and charges for insurance coverage or  
69 collision damage waiver but excluding all charges for motor fuel taxes or sales and use  
70 taxes.

71 (5) 'Rental motor vehicle' means a motor vehicle designed to carry ten or fewer  
72 passengers and used primarily for the transportation of persons that is rented or leased  
73 without a driver.

74 (6) 'Rental motor vehicle concern' means a person or legal entity which owns or leases  
75 five or more rental motor vehicles and which regularly rents or leases such vehicles to the  
76 public for value.

77 (7) 'Trade-in value' means the value of the motor vehicle as stated in the bill of sale for  
78 a vehicle which has been traded in to the dealer in a transaction involving the purchase  
79 of another vehicle from the dealer.

80 (b)(1)(A) Except as otherwise provided in this subsection, any motor vehicle for which  
81 a title is issued in this state on or after March 1, 2013, shall be exempt from sales and  
82 use taxes to the extent provided under paragraph ~~(92)~~ (95) of Code Section 48-8-3 and  
83 shall not be subject to the ad valorem tax as otherwise required under Chapter 5 of ~~Title~~  
84 ~~48~~ this title. Any such motor vehicle shall be titled as otherwise required under Title  
85 40 but shall be subject to a state title fee and a local title fee which shall be alternative  
86 ad valorem taxes as authorized by Article VII, Section I, Paragraph III(b)(3) of the  
87 Georgia Constitution. Motor vehicles registered under the International Registration  
88 Plan shall not be subject to state and local title ad valorem tax fees but shall continue  
89 to be subject to apportioned ad valorem taxation under Article 10 of Chapter 5 of this  
90 title.

91 (B)(i) As used in this subparagraph, the term:

92 (I) 'Local base amount' means \$1 billion.

93 (II) 'Local current collection amount' means the total amount of sales and use taxes  
94 on the sale of motor vehicles under Chapter 8 of this title and motor vehicle local  
95 ad valorem tax proceeds ~~collected~~ under this Code section and Chapter 5 of this title  
96 which were collected during the calendar year which immediately precedes the tax  
97 year in which the title ad valorem tax adjustments are required to be made under this  
98 subparagraph.

99 (III) 'Local target collection amount' means an amount equal to the local base  
100 amount added to the product of 2 percent of the local base amount multiplied by the  
101 number of years since 2012 with a maximum amount of \$1.2 billion.

102 (IV) 'State base amount' means \$535 million.

103 (V) 'State current collection amount' means the total amount of sales and use taxes  
104 on the sale of motor vehicles under Chapter 8 of this title and motor vehicle state ad  
105 valorem tax proceeds ~~collected~~ under this Code section and Chapter 5 of this title  
106 which were collected during the calendar year which immediately precedes the tax  
107 year in which the state and local title ad valorem tax rate is to be reviewed for  
108 adjustment under division (xiv) of this subparagraph. Notwithstanding the other  
109 provisions of this subdivision to the contrary, the term 'state current collection  
110 amount' for the 2014 calendar year for the purposes of the 2015 review under  
111 division (xiv) of this subparagraph shall be adjusted so that such amount is equal to  
112 the amount of motor vehicle state ad valorem tax proceeds that would have been  
113 collected under this Code section in 2014 if the combined state and local title ad  
114 valorem tax rate was 7 percent of the fair market value of the motor vehicle less any  
115 trade-in value plus the total amount of motor vehicle state ad valorem tax proceeds  
116 collected under Chapter 5 of this title during 2014.

117 (VI) 'State target collection amount' means an amount equal to the state base  
118 amount added to the product of 2 percent of the state base amount multiplied by the  
119 number of years since 2012.

120 (ii) The combined state and local title ad valorem tax shall be at a rate equal to:

121 (I) For the period commencing March 1, 2013, through December 31, 2013, 6.5  
122 percent of the fair market value of the motor vehicle ~~less any trade-in value~~;

123 (II) For the 2014 tax year, 6.75 percent of the fair market value of the motor vehicle  
124 ~~less any trade-in value~~; and

125 (III) Except as provided in division (xiv) of this subparagraph, for the 2015 and  
126 subsequent tax years, 7 percent of the fair market value of the motor vehicle ~~less~~  
127 ~~any trade-in value~~.

128 (iii) For the period commencing March 1, 2013, through December 31, 2013, the  
129 state title ad valorem tax shall be at a rate equal to 57 percent of the tax rate specified  
130 in division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate  
131 equal to 43 percent of the tax rate specified in division (ii) of this subparagraph.

132 (iv) For the 2014 tax year, the state title ad valorem tax shall be at a rate equal to 55  
133 percent of the tax rate specified in division (ii) of this subparagraph, and the local title  
134 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in  
135 division (ii) of this subparagraph.

136 (v) For the 2015 tax year, the state title ad valorem tax shall be at a rate equal to 55  
137 percent of the tax rate specified in division (ii) of this subparagraph, and the local title  
138 ad valorem tax shall be at a rate equal to 45 percent of the tax rate specified in  
139 division (ii) of this subparagraph.

140 (vi) For the 2016 tax year, except as otherwise provided in division (xiii) of this  
141 subparagraph, the state title ad valorem tax shall be at a rate equal to 53.5 percent of  
142 the tax rate specified in division (ii) of this subparagraph, and the local title ad  
143 valorem tax shall be at a rate equal to 46.5 percent of the tax rate specified in division  
144 (ii) of this subparagraph.

145 (vii) For the 2017 tax year, except as otherwise provided in divisions (xiii) and (xiv)  
146 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 44 percent  
147 of the tax rate specified in division (ii) of this subparagraph, and the local title ad  
148 valorem tax shall be at a rate equal to 56 percent of the tax rate specified in division  
149 (ii) of this subparagraph.

150 (viii) For the 2018 tax year, except as otherwise provided in division (xiii) of this  
151 subparagraph, the state title ad valorem tax shall be at a rate equal to 40 percent of the  
152 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem  
153 tax shall be at a rate equal to 60 percent of the tax rate specified in division (ii) of this  
154 subparagraph.

155 (ix) For the 2019 tax year, except as otherwise provided in divisions (xiii) and (xiv)  
156 of this subparagraph, the state title ad valorem tax shall be at a rate equal to 36 percent  
157 of the tax rate specified in division (ii) of this subparagraph, and the local title ad  
158 valorem tax shall be at a rate equal to 64 percent of the tax rate specified in division  
159 (ii) of this subparagraph.

160 (x) For the 2020 tax year, except as otherwise provided in division (xiii) of this  
161 subparagraph, the state title ad valorem tax shall be at a rate equal to 34 percent of the  
162 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem  
163 tax shall be at a rate equal to 66 percent of the tax rate specified in division (ii) of this  
164 subparagraph.

165 (xi) For the 2021 tax year, except as otherwise provided in division (xiii) of this  
166 subparagraph, the state title ad valorem tax shall be at a rate equal to 30 percent of the  
167 tax rate specified in division (ii) of this subparagraph, and the local title ad valorem  
168 tax shall be at a rate equal to 70 percent of the tax rate specified in division (ii) of this  
169 subparagraph.

170 (xii) For the 2022 and all subsequent tax years, except as otherwise provided in  
171 division (xiii) of this subparagraph for tax years 2022, 2023, and 2024 and except as  
172 otherwise provided in division (xiv) of this subparagraph for tax year 2023, the state

173 title ad valorem tax shall be at a rate equal to 28 percent of the tax rate specified in  
174 division (ii) of this subparagraph, and the local title ad valorem tax shall be at a rate  
175 equal to 72 percent of the tax rate specified in division (ii) of this subparagraph.

176 (xiii) Beginning in 2016, by not later than January 15 of each tax year through the  
177 2022 tax year, the state revenue commissioner shall determine the local target  
178 collection amount and the local current collection amount for the preceding calendar  
179 year. If such local current collection amount is equal to or within 1 percent of the  
180 local target collection amount, then the state title ad valorem tax rate and the local title  
181 ad valorem tax rate for such tax year shall remain at the rate specified in this  
182 subparagraph for that year. If the local current collection amount is more than 1  
183 percent greater than the local target collection amount, then the local title ad valorem  
184 tax rate for such tax year shall be reduced automatically by operation of this division  
185 by such percentage amount as may be necessary so that, if such rate had been in effect  
186 for the calendar year under review, the local current collection amount would have  
187 produced an amount equal to the local target collection amount, and the state title ad  
188 valorem tax rate for such tax year shall be increased by an equal amount to maintain  
189 the combined state and local title ad valorem tax rate at the rate specified in  
190 division (ii) of this subparagraph. If the local current collection amount is more than  
191 1 percent less than the local target collection amount, then the local title ad valorem  
192 tax rate for such tax year shall be increased automatically by operation of this division  
193 by such percentage amount as may be necessary so that, if such rate had been in effect  
194 for the calendar year under review, the local current collection amount would have  
195 produced an amount equal to the local target collection amount, and the state title ad  
196 valorem tax rate for such tax year shall be reduced by an equal amount to maintain the  
197 combined state and local title ad valorem tax rate at the rate specified in division (ii)  
198 of this subparagraph. In the event of an adjustment of such ad valorem tax rates, by  
199 not later than January 31 of such tax year, the state revenue commissioner shall notify  
200 the tax commissioner of each county in this state of the adjusted rate amounts. The  
201 effective date of such adjusted rate amounts shall be January 1 of such tax year.

202 (xiv) In tax years 2015, 2018, and 2022, by not later than July 1 of each such tax  
203 year, the state revenue commissioner shall determine the state target collection  
204 amount and the state current collection amount for the preceding calendar year. If  
205 such state current collection amount is greater than, equal to, or within 1 percent of  
206 the state target collection amount after making the adjustment, if any, required in  
207 division (xiii) of this subparagraph, then the combined state and local title ad valorem  
208 tax rate provided in division (ii) of this subparagraph shall remain at the rate specified  
209 in such division. If the state current collection amount is more than 1 percent less

210 than the state target collection amount after making the adjustment, if any, required  
 211 by division (xiii) of this subparagraph, then the combined state and local title ad  
 212 valorem tax rate provided in division (ii) of this subparagraph shall be increased  
 213 automatically by operation of this division by such percentage amount as may be  
 214 necessary so that, if such rate had been in effect for the calendar year under review,  
 215 the state current collection amount would have produced an amount equal to the state  
 216 target collection amount, and the state title ad valorem tax rate and the local title ad  
 217 valorem tax rate for the tax year in which such increase in the combined state and  
 218 local title ad valorem tax rate shall become effective shall be adjusted from the rates  
 219 specified in this subparagraph or division (xiii) of this subparagraph for such tax year  
 220 such that the proceeds from such increase in the combined state and local title ad  
 221 valorem tax rate shall be allocated in full to the state. In the event of an adjustment  
 222 of the combined state and local title ad valorem tax rate, by not later than August 31  
 223 of such tax year, the state revenue commissioner shall notify the tax commissioner of  
 224 each county in this state of the adjusted combined state and local title ad valorem tax  
 225 rate for the next calendar year. The effective date of such adjusted combined state  
 226 and local title ad valorem tax rate shall be January 1 of the next calendar year.  
 227 Notwithstanding the provisions of this division, the combined state and local title ad  
 228 valorem tax rate shall not exceed 9 percent.

229 (xv) The state revenue commissioner shall promulgate such rules and regulations as  
 230 may be necessary and appropriate to implement and administer this Code section,  
 231 including, but not limited to, rules and regulations regarding appropriate public  
 232 notification of any changes in rate amounts and the effective date of such changes and  
 233 rules and regulations regarding appropriate enforcement and compliance procedures  
 234 and methods for the implementation and operation of this Code section.

235 (C) The application for title and the state and local title ad valorem tax fees provided  
 236 for in subparagraph (A) of this paragraph shall be paid to the tag agent in the county ~~in~~  
 237 ~~which the purchaser registers such motor vehicle~~ where the motor vehicle is to be  
 238 registered and shall be paid at the time ~~the purchaser applies for a title and registers~~  
 239 ~~such motor vehicle~~ the application for a certificate of title is submitted or, in the case  
 240 of an electronic title transaction, at the time when the electronic title transaction is  
 241 finalized. In an electronic title transaction, the state and local title ad valorem tax fees  
 242 shall be remitted electronically directly to the county tag agent. A dealer of new or  
 243 used motor vehicles may accept such application for title and state and local title ad  
 244 valorem tax fees on behalf of the purchaser of a new or used motor vehicle for the  
 245 purpose of ~~delivering~~ submitting or, in the case of an electronic title application,

246 finalizing such title application and remitting state and local title ad valorem tax fees  
247 to the county tag agent to obtain a tag and title for the purchaser of such motor vehicle.

248 (D) There shall be a penalty imposed on any person who, in the determination of the  
249 commissioner, falsifies any information in any bill of sale used for purposes of  
250 determining the fair market value of the motor vehicle. Such penalty shall not exceed  
251 \$2,500.00 as a state penalty and shall not exceed \$2,500.00 as a local penalty as  
252 determined by the commissioner. Such determination shall be made within 60 days of  
253 the commissioner receiving information of a possible violation of this paragraph.

254 (E)(i) Except in the case in which an extension of the registration period has been  
255 granted by the county tag agent under Code Section 40-2-20, a A dealer of new or  
256 used motor vehicles that accepts an application for title and state and local title ad  
257 valorem tax fees from a purchaser of a new or used motor vehicle and does not  
258 transmit submit or, in the case of an electronic title transaction, finalize such  
259 application for title and remit such state and local title ad valorem tax fees to the  
260 county tag agent within ~~10~~ 30 days following the date of purchase shall be liable to  
261 the county tag agent for an amount equal to 5 percent of the amount of such state and  
262 local title ad valorem tax fees. An additional penalty equal to 10 percent of the  
263 amount of such state and local title ad valorem tax fees shall be imposed if such  
264 payment is not transmitted within 60 days following the date of purchase. An  
265 additional ~~5 percent~~ penalty equal to 15 percent of the amount of such state and local  
266 title ad valorem tax fees shall be imposed if such payment is not transmitted within  
267 90 days following the date of purchase, and an additional penalty equal to 20 percent  
268 of the amount of such state and local title ad valorem tax fees shall be imposed if such  
269 payment is not transmitted within 120 days following the date of purchase. An  
270 additional penalty equal to 25 percent of the amount of such state and local title ad  
271 valorem tax fees shall be imposed for each subsequent ~~month~~ 30 day period in which  
272 the payment is not transmitted.

273 (F) A dealer of new or used motor vehicles that accepts an application for title and state  
274 and local title ad valorem tax fees from a purchaser of a new or used motor vehicle and  
275 converts such fees to his or her own use shall be guilty of theft by conversion and, upon  
276 conviction, shall be punished as provided in Code Section 16-8-12.

277 (2) A person or entity acquiring a salvage title pursuant to subsection (b) of Code  
278 Section 40-3-36 shall not be subject to the fee specified in paragraph (1) of this  
279 subsection but shall be subject to a state title ad valorem tax fee in an amount equal to 1  
280 percent of the fair market value of the motor vehicle. Such state title ad valorem tax fee  
281 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph  
282 III(b)(3) of the Georgia Constitution.



283 (c)(1) The amount of proceeds collected by tag agents each month as state and local title  
 284 ad valorem tax fees, state salvage title ad valorem tax fees, administrative fees, penalties,  
 285 and interest pursuant to subsection (b) of this Code section shall be allocated and  
 286 disbursed as provided in this subsection.

287 (2) For the 2013 tax year and in each subsequent tax year, the amount of such funds shall  
 288 be disbursed within ~~30~~ 20 days following the end of each calendar month as follows:

289 (A) State title ad valorem tax fees, state salvage title ad valorem tax fees,  
 290 administrative fees, penalties, and interest shall be remitted to the state revenue  
 291 commissioner who shall deposit such proceeds in the general fund of the state less an  
 292 amount to be retained by the tag agent not to exceed 1 percent of the total amount  
 293 otherwise required to be remitted under this subparagraph to defray the cost of  
 294 administration. Such retained amount shall be remitted to the collecting county's  
 295 general fund. Failure by the tag agent to disburse within such ~~30~~ 20 day period shall  
 296 result in a forfeiture of such administrative fee plus interest on such amount at the rate  
 297 specified in Code Section 48-2-40; and

298 (B) Local title ad valorem tax fees, administrative fees, penalties, and interest shall be  
 299 designated as local government ad valorem tax funds. The tag agent shall then  
 300 distribute the proceeds as specified in paragraph (3) of this subsection.

301 (3) The local title ad valorem tax fee proceeds required under this subsection shall be  
 302 distributed as follows:

303 (A) The tag agent of the county shall within ~~30~~ 20 days following the end of each  
 304 calendar month allocate and distribute to the county governing authority and to  
 305 municipal governing authorities, the board of education of the county school district,  
 306 and the board of education of any independent school district located in such county an  
 307 amount of those proceeds necessary to offset any reduction in ad valorem tax on motor  
 308 vehicles collected under Chapter 5 of ~~Title 48~~ this title in the taxing jurisdiction of each  
 309 governing authority and school district from the amount of ad valorem taxes on motor  
 310 vehicles collected under Chapter 5 of ~~Title 48~~ this title in each such governing authority  
 311 and school district during the same calendar month of 2012. This reduction shall be  
 312 calculated by subtracting the amount of ad valorem tax on motor vehicles collected  
 313 under Chapter 5 of ~~Title 48~~ this title in each such taxing jurisdiction from the amount  
 314 of ad valorem tax on motor vehicles collected under Chapter 5 of ~~Title 48~~ this title in  
 315 that taxing jurisdiction in the same calendar month of 2012. In the event that the local  
 316 title ad valorem tax fee proceeds are insufficient to fully offset such reduction in ad  
 317 valorem taxes on motor vehicles, the tag agent shall allocate a proportionate amount of  
 318 the proceeds to each governing authority and to the board of education of each such  
 319 school district, and any remaining shortfall shall be paid from the following month's

320 local title ad valorem tax fee proceeds. In the event that a shortfall remains, the tag  
 321 agent shall continue to first allocate local title ad valorem tax fee proceeds to offset  
 322 such shortfalls until the shortfall has been fully repaid; and

323 (B) Of the proceeds remaining following the allocation and distribution under  
 324 subparagraph (A) of this paragraph, the tag agent shall allocate and distribute to the  
 325 county governing authority and to municipal governing authorities, the board of  
 326 education of the county school district, and the board of education of any independent  
 327 school district located in such county the remaining amount of those proceeds in the  
 328 manner provided in this subparagraph. Such proceeds shall be deposited in the general  
 329 fund of such governing authority or board of education and shall not be subject to any  
 330 use or expenditure requirements provided for under any of the following described local  
 331 sales and use taxes but shall be authorized to be expended in the same manner as  
 332 authorized for the ad valorem tax revenues on motor vehicles under Chapter 5 of ~~Title~~  
 333 ~~48~~ this title which would otherwise have been collected for such governing authority  
 334 or board of education. Of such remaining proceeds:

335 (i) An amount equal to one-third of such proceeds shall be distributed to the board  
 336 of education of the county school district and the board of education of each  
 337 independent school district located in such county in the same manner as required for  
 338 any local sales and use tax for educational purposes levied pursuant to Part 2 of  
 339 Article 3 of Chapter 8 of ~~Title 48~~ this title currently in effect. If such tax is not  
 340 currently in effect, such proceeds shall be distributed to such board or boards of  
 341 education in the same manner as if such tax were in effect;

342 (ii)(I) Except as otherwise provided in this division, an amount equal to one-third  
 343 of such proceeds shall be distributed to the governing authority of the county and  
 344 the governing authority of each qualified municipality located in such county in the  
 345 same manner as specified under the distribution certificate for the joint county and  
 346 municipal sales and use tax under Article 2 of Chapter 8 of ~~Title 48~~ this title  
 347 currently in effect.

348 (II) If such tax were never in effect, such proceeds shall be distributed to the  
 349 governing authority of the county and the governing authority of each qualified  
 350 municipality located in such county on a pro rata basis according to the ratio of the  
 351 population that each such municipality bears to the population of the entire county.

352 (III) If such tax is currently in effect as well as a local option sales and use tax for  
 353 educational purposes levied pursuant to a local constitutional amendment, an  
 354 amount equal to one-third of such proceeds shall be distributed in the same manner  
 355 as required under subdivision (I) of this division and an amount equal to one-third

356 of such proceeds shall be distributed to the board of education of the county school  
 357 district.

358 (IV) If such tax is not currently in effect and a local option sales and use tax for  
 359 educational purposes levied pursuant to a local constitutional amendment is  
 360 currently in effect, such proceeds shall be distributed to the board of education of  
 361 the county school district and the board of education of any independent school  
 362 district in the same manner as required under that local constitutional amendment.

363 (V) If such tax is not currently in effect and a homestead option sales and use tax  
 364 under Article 2A of Chapter 8 of ~~Title 48~~ this title is in effect, such proceeds shall  
 365 be distributed to the governing authority of the county, each qualified municipality,  
 366 and each existing municipality in the same proportion as otherwise required under  
 367 Code Section 48-8-104; and

368 (iii)(I) An amount equal to one-third of such proceeds shall be distributed to the  
 369 governing authority of the county and the governing authority of each qualified  
 370 municipality located in such county in the same manner as specified under an  
 371 intergovernmental agreement or as otherwise required under the county special  
 372 purpose local option sales and use tax under Part 1 of Article 3 of Chapter 8 of ~~Title~~  
 373 ~~48~~ this title currently in effect; provided, however, that this subdivision shall not  
 374 apply if subdivision (III) of division (ii) of this subparagraph is applicable.

375 (II) If such tax were in effect but expired and is not currently in effect, such  
 376 proceeds shall be distributed to the governing authority of the county and the  
 377 governing authority of each qualified municipality located in such county in the  
 378 same manner as if such tax were still in effect according to the intergovernmental  
 379 agreement or as otherwise required under the county special purpose local sales and  
 380 use tax under Part 1 of Article 3 of Chapter 8 of ~~Title 48~~ this title for the 12 month  
 381 period commencing at the expiration of such tax. If such tax is not renewed prior  
 382 to the expiration of such 12 month period, such amount shall be distributed in  
 383 accordance with subdivision (I) of division (ii) of this subparagraph; provided,  
 384 however, that if a tax under Article 2 of Chapter 8 of ~~Title 48~~ this title is not in  
 385 effect, such amount shall be distributed in accordance with subdivision (II) of  
 386 division (ii) of this subparagraph.

387 (III) If such tax is not currently in effect in a county in which a tax is levied for  
 388 purposes of a metropolitan area system of public transportation, as authorized by the  
 389 amendment to the Constitution set out at Ga. L. 1964, p. 1008; the continuation of  
 390 such amendment under Article XI, Section I, Paragraph IV(d) of the Constitution;  
 391 and the laws enacted pursuant to such constitutional amendment, such proceeds

392 shall be distributed to the governing body of the authority created by local Act to  
 393 operate such metropolitan area system of public transportation.

394 (IV) If such tax were never in effect, such proceeds shall be distributed in the same  
 395 manner as specified under the distribution certificate for the joint county and  
 396 municipal sales and use tax under Article 2 of Chapter 8 of ~~Title 48~~ this title  
 397 currently in effect; provided, however, that if such tax under such article is not in  
 398 effect, such proceeds shall be distributed to the governing authority of the county  
 399 and the governing authority of each qualified municipality located in such county  
 400 on a pro rata basis according to the ratio of the population that each such  
 401 municipality bears to the population of the entire county.

402 (d)(1)(A) Upon the death of an owner of a motor vehicle which has not become subject  
 403 to paragraph (1) of subsection (b) of this Code section, the immediate family member  
 404 or immediate family members of such owner who receive such motor vehicle pursuant  
 405 to a will or under the rules of inheritance shall, subsequent to the transfer of title of such  
 406 motor vehicle, continue to be subject to ad valorem tax under Chapter 5 of ~~Title 48~~ this  
 407 title and shall not be subject to the state and local title ad valorem tax fees provided for  
 408 in paragraph (1) of subsection (b) of this Code section unless the immediate family  
 409 member or immediate family members make an affirmative written election to become  
 410 subject to paragraph (1) of subsection (b) of this Code section. In the event of such  
 411 election, such transfer shall be subject to the state and local title ad valorem tax fees  
 412 provided for in paragraph (1) of subsection (b) of this Code section.

413 (B) Upon the death of an owner of a motor vehicle which has become subject to  
 414 paragraph (1) of subsection (b) of this Code section, the immediate family member or  
 415 immediate family members of such owner who receive such motor vehicle pursuant to  
 416 a will or under the rules of inheritance shall be subject to a state title ad valorem tax fee  
 417 in an amount equal to one-quarter of 1 percent of the fair market value of the motor  
 418 vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of 1  
 419 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees  
 420 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph  
 421 III(b)(3) of the Georgia Constitution.

422 (2)(A) Upon the transfer from an immediate family member of a motor vehicle which  
 423 has not become subject to paragraph (1) of subsection (b) of this Code section, the  
 424 immediate family member or immediate family members who receive such motor  
 425 vehicle shall, subsequent to the transfer of title of such motor vehicle, continue to be  
 426 subject to ad valorem tax under Chapter 5 of ~~Title 48~~ this title and shall not be subject  
 427 to the state and local title ad valorem tax fees provided for in paragraph (1) of  
 428 subsection (b) of this Code section unless the immediate family member or immediate

429 family members make an affirmative written election to become subject to paragraph  
 430 (1) of subsection (b) of this Code section. In the event of such election, such transfer  
 431 shall be subject to the state and local title ad valorem tax fees provided for in paragraph  
 432 (1) of subsection (b) of this Code section.

433 (B) Upon the transfer from an immediate family member of a motor vehicle which has  
 434 become subject to paragraph (1) of subsection (b) of this Code section, the immediate  
 435 family member who receives such motor vehicle shall transfer title of such motor  
 436 vehicle to such recipient family member and shall be subject to a state title ad valorem  
 437 tax fee in an amount equal to one-quarter of 1 percent of the fair market value of the  
 438 motor vehicle and a local title ad valorem tax fee in an amount equal to one-quarter of  
 439 1 percent of the fair market value of the motor vehicle. Such title ad valorem tax fees  
 440 shall be an alternative ad valorem tax as authorized by Article VII, Section I, Paragraph  
 441 III(b)(3) of the Georgia Constitution.

442 (C) Any title transfer under this paragraph shall be accompanied by an affidavit of the  
 443 transferor and transferee that such persons are immediate family members to one  
 444 another. There shall be a penalty imposed on any person who, in the determination of  
 445 the state revenue commissioner, falsifies any material information in such affidavit.  
 446 Such penalty shall not exceed \$2,500.00 as a state penalty and shall not exceed  
 447 \$2,500.00 as a local penalty as determined by the state revenue commissioner. Such  
 448 determination shall be made within 60 days of the state revenue commissioner  
 449 receiving information of a possible violation of this paragraph.

450 (3) Any individual who:

451 (A) Is required by law to register a motor vehicle or motor vehicles in this state which  
 452 were registered in the state in which such person formerly resided; and

453 (B) Is required to file an application for a certificate of title under Code Section  
 454 40-3-21 or 40-3-32

455 shall only be required to pay state and local title ad valorem tax fees in the amount of 50  
 456 percent of the amount which would otherwise be due and payable under this subsection  
 457 at the time of filing the application for a certificate of title, and the remaining 50 percent  
 458 shall be paid within 12 months.

459 (4) The state and local title ad valorem tax fees provided for under this Code section  
 460 shall not apply to corrected titles, replacement titles under Code Section 40-3-31, or titles  
 461 reissued to the same owner pursuant to Code Sections 40-3-50 through 40-3-56.

462 (5) Any motor vehicle subject to state and local title ad valorem tax fees under paragraph  
 463 (1) of subsection (b) of this Code section shall continue to be subject to the title, license  
 464 plate, revalidation decal, and registration requirements and applicable fees as otherwise  
 465 provided in Title 40 in the same manner as motor vehicles which are not subject to state

466 and local title ad valorem tax fees under paragraph (1) of subsection (b) of this Code  
467 section.

468 (6) Motor vehicles owned or leased by or to the state or any county, consolidated  
469 government, municipality, county or independent school district, or other government  
470 entity in this state shall not be subject to the state and local title ad valorem tax fees  
471 provided for under paragraph (1) of subsection (b) of this Code section; provided,  
472 however, that such other government entity shall not qualify for the exclusion under this  
473 paragraph unless it is exempt from ad valorem tax and sales and use tax pursuant to  
474 general law.

475 (7)(A) Any motor vehicle which is exempt from sales and use tax pursuant to  
476 paragraph (30) of Code Section 48-8-3 shall be exempt from state and local title ad  
477 valorem tax fees under this subsection.

478 (B) Any motor vehicle which is exempt from ad valorem taxation pursuant to Code  
479 Section 48-5-478, 48-5-478.1, 48-5-478.2, or 48-5-478.3 shall be exempt from state and  
480 local title ad valorem tax fees under paragraph (1) of subsection (b) of this Code  
481 section.

482 (8) There shall be a penalty imposed on the transfer of all or any part of the interest in a  
483 business entity that includes primarily as an asset of such business entity one or more  
484 motor vehicles, when, in the determination of the state revenue commissioner, such  
485 transfer is done to evade the payment of state and local title ad valorem tax fees under  
486 this subsection. Such penalty shall not exceed \$2,500.00 as a state penalty per motor  
487 vehicle and shall not exceed \$2,500.00 as a local penalty per motor vehicle, as  
488 determined by the state revenue commissioner, plus the amount of the state and local title  
489 ad valorem tax fees. Such determination shall be made within 60 days of the state  
490 revenue commissioner receiving information that a transfer may be in violation of this  
491 paragraph.

492 (9) Any owner of any motor vehicle who fails to submit within 30 days of the date such  
493 owner is required by law to register such vehicle in this state an application for a first  
494 certificate of title under Code Section 40-3-21 or a certificate of title under Code  
495 Section 40-3-32 shall be required to pay a penalty in the amount of 10 percent of the state  
496 title ad valorem tax fees and 10 percent of the local title ad valorem tax fees required  
497 under this Code section, ~~plus and, if such state and local title ad valorem tax fees and the~~  
498 ~~penalty are not paid within 60 days following the date such owner is required by law to~~  
499 ~~register such vehicle,~~ interest at the rate of 1.0 percent per month shall be imposed on the  
500 state and local title ad valorem tax fees due under this Code section, unless a temporary  
501 permit has been issued by the tax commissioner. The tax commissioner shall grant a  
502 temporary permit in the event the failure to timely apply for a first certificate of title is

503 due to the failure of a lienholder to comply with Code Section 40-3-56, regarding release  
 504 of a security interest or lien, and no penalty or interest shall be assessed. Such penalty  
 505 and interest shall be in addition to the penalty and fee required under Code Section  
 506 40-3-21 or 40-3-32, as applicable. A new or used motor vehicle dealer shall be  
 507 responsible for remitting state and local title ad valorem tax fees in the same manner as  
 508 otherwise required of an owner under this paragraph and shall be subject to the same  
 509 penalties and interest as an owner for noncompliance with the requirements of this  
 510 paragraph.

511 (10) The owner of any motor vehicle ~~purchased in this state~~ for which a title was issued  
 512 in this state on or after January 1, 2012, and prior to March 1, 2013, shall be authorized  
 513 to opt in to the provisions of this subsection at any time prior to ~~January 1~~ February 28,  
 514 2014, upon compliance with the following requirements:

515 (A)(i) The total amount of Georgia state and local title ad valorem tax fees which  
 516 would be due from March 1, 2013, to December 31, 2013, if such vehicle had been  
 517 titled in 2013 shall be determined; and

518 (ii) The total amount of Georgia state and local sales and use tax and Georgia state  
 519 and local ad valorem tax under Chapter 5 of ~~Title 48~~ this title which were due and  
 520 paid in 2012 for that motor vehicle and, if applicable, the total amount of such taxes  
 521 which were due and paid for that motor vehicle in 2013 and 2014 shall be determined;  
 522 and

523 (B)(i) If the amount derived under division (i) of subparagraph (A) of this paragraph  
 524 is greater than the amount derived under division (ii) subparagraph (A) of this  
 525 paragraph, the owner shall remit the difference to the tag agent. Such remittance shall  
 526 be deemed local title ad valorem tax fee proceeds; or

527 (ii) If the amount derived under division (i) of subparagraph (A) of this paragraph is  
 528 less than the amount derived under division (ii) of subparagraph (A) of this paragraph,  
 529 no additional amount shall be due and payable by the owner.

530 Upon certification by the tag agent of compliance with the requirements of this  
 531 paragraph, such motor vehicle shall not be subject to ad valorem tax as otherwise  
 532 required under Chapter 5 of ~~Title 48~~ this title in the same manner as otherwise provided  
 533 in paragraph (1) of subsection (b) of this Code section.

534 (11)(A) In the case of rental motor vehicles owned by a rental motor vehicle concern,  
 535 the state title ad valorem tax fee shall be in an amount equal to ~~.75~~ .375 percent of the  
 536 fair market value of the motor vehicle, and the local title ad valorem tax fee shall be in  
 537 an amount equal to ~~.75~~ .375 percent of the fair market value of the motor vehicle, but  
 538 only if in the immediately prior calendar year the average amount of sales and use tax  
 539 attributable to the rental charge of each such rental motor vehicle was at least \$400.00

540 as certified by the state revenue commissioner. If, in the immediately prior calendar  
 541 year, the average amount of sales and use tax attributable to the rental charge of each  
 542 such rental motor vehicle was not at least \$400.00, this paragraph shall not apply and  
 543 such vehicles shall be subject to the state and local title ad valorem tax fees prescribed  
 544 in division (b)(1)(B)(ii) of this Code section.

545 (B) Such title ad valorem tax fees shall be an alternative ad valorem tax as authorized  
 546 by Article VII, Section I, Paragraph III(b)(3) of the Georgia Constitution.

547 (12) A loaner vehicle shall not be subject to state and local title ad valorem tax fees  
 548 under paragraph (1) of subsection (b) of this Code section for a period of time not to  
 549 exceed ~~six months in a calendar year~~ 366 days commencing on the date such loaner  
 550 vehicle is withdrawn temporarily from inventory. Immediately upon the expiration of  
 551 such ~~six-month~~ 366 day period, if the dealer does not return the loaner vehicle to  
 552 inventory for resale, the dealer shall be responsible for remitting state and local title ad  
 553 valorem tax fees in the same manner as otherwise required of an owner under paragraph  
 554 (9) of this subsection and shall be subject to the same penalties and interest as an owner  
 555 for noncompliance with the requirements of paragraph (9) of this subsection.

556 (13) Any motor vehicle which is donated to a nonprofit organization exempt from  
 557 taxation under Section 501(c)(3) of the Internal Revenue Code for the purpose of being  
 558 transferred to another person shall, when titled in the name of such nonprofit  
 559 organization, not be subject to state and local title ad valorem tax fees under  
 560 paragraph (1) of subsection (b) of this Code section but shall be subject to state and local  
 561 title ad valorem tax fees otherwise applicable to salvage titles under paragraph (2) of  
 562 subsection (b) of this Code section.

563 (14)(A) A lessor of motor vehicles that leases motor vehicles for more than 31  
 564 consecutive days to lessees residing in this state shall register with the department. The  
 565 department shall collect an annual fee of \$100.00 for such registrations. Failure of a  
 566 lessor to register under this subparagraph shall subject such lessor to a civil penalty of  
 567 \$2,500.00.

568 (B) A lessee residing in this state who leases a motor vehicle under this paragraph shall  
 569 register such motor vehicle with the tag agent in such lessee's county of residence  
 570 within 30 days of the commencement of the lease of such motor vehicle or beginning  
 571 residence in this state, whichever is later.

572 (C) A lessor that leases a motor vehicle under this paragraph to a lessee residing in this  
 573 state shall apply for a certificate of title in this state within 30 days of the  
 574 commencement of the lease of such motor vehicle.

575 (15) There shall be no liability for any additional state or local title ad valorem tax fees  
 576 in any of the following title transactions:



- 577 (A) The addition or substitution of lienholders on a motor vehicle title so long as the  
 578 owner of the motor vehicle remains the same;
- 579 (B) The acquisition of a bonded title by a person or entity pursuant to Code  
 580 Section 40-3-28 if the title is to be issued in the name of such person or entity;
- 581 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the  
 582 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be  
 583 issued in the name of such lienholder;
- 584 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity  
 585 pursuant to Chapter 11 of this title if such person or entity is a manufacturer or dealer  
 586 of motor vehicles and the title is to be issued in the name of such person or entity;
- 587 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to  
 588 Code Section 40-3-43;
- 589 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,  
 590 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of resale or  
 591 to obtain a corrected title, provided that the manufacturer, distributor, dealer, or  
 592 rebuilder shall submit an affidavit in a form promulgated by the commissioner attesting  
 593 that the transfer of title is for the purpose of accomplishing a resale or to correct a title  
 594 only;
- 595 (G) The obtaining of a title by and in the name of the holder of a security interest when  
 596 a motor vehicle has been repossessed after default in accordance with Part 6 of Article 9  
 597 of Title 11 if such title is to be issued in the name of such security interest holder; and
- 598 (H) The obtaining of a title by a person or entity for purposes of correcting a title,  
 599 changing an odometer reading, or removing an odometer discrepancy legend, provided  
 600 that, subject to subparagraph (F) of this paragraph, title is not being transferred to  
 601 another person or entity.
- 602 (16) It shall be unlawful for a person to fail to obtain a title for and register a motor  
 603 vehicle in accordance with the provisions of this chapter. Any person who knowingly  
 604 and willfully fails to obtain a title for or register a motor vehicle in accordance with the  
 605 provisions of this chapter shall be guilty of a misdemeanor.
- 606 (17) Any person who purchases a 1963 through 1985 model year motor vehicle for  
 607 which such person obtains a title shall be subject to this Code section, but the state title  
 608 ad valorem tax fee shall be in an amount equal to .50 percent of the fair market value of  
 609 such motor vehicle, and the local title ad valorem tax fee shall be in an amount equal to  
 610 .50 percent of the fair market value of such motor vehicle.
- 611 (e) The fair market value of any motor vehicle subject to this Code section shall be  
 612 appealable in the same manner as otherwise authorized for a motor vehicle subject to ad  
 613 valorem taxation under Code Section 48-5-450; provided, however, that the person

614 appealing the fair market value shall first pay the full amount of the state and local title ad  
 615 valorem tax prior to filing any appeal. If the appeal is successful, the amount of the tax  
 616 owed shall be recalculated and, if the amount paid by the person appealing the  
 617 determination of fair market value is greater than the recalculated tax owed, the person  
 618 shall be promptly given a refund of the difference.

619 (f) Beginning in 2014, on or before January 31 of each year, the department shall provide  
 620 a report to the chairpersons of the House Committee on Ways and Means and the Senate  
 621 Finance Committee showing the state and local title ad valorem tax fee revenues collected  
 622 pursuant to this chapter and the motor vehicle ad valorem tax proceeds collected pursuant  
 623 to Chapter 5 of this title during the preceding calendar year."

624 **SECTION 2.**

625 Said title is further amended by revising paragraph (95) of Code Section 48-8-3, relating to  
 626 exemptions from state sales and use taxes, as follows:

627 "(95) The sale or purchase of any motor vehicle titled in this state on or after March 1,  
 628 2013, pursuant to Code Section 48-5C-1. This Except as otherwise provided in this  
 629 paragraph, this exemption shall not apply to leases or rentals of motor vehicles for  
 630 periods of 31 or fewer consecutive days or to those sales and use taxes collected pursuant  
 631 to subsection (d) of Code Section 48-8-241. Lease payments for a motor vehicle that is  
 632 leased for more than 31 consecutive days for which a state and local title ad valorem tax  
 633 is paid shall be exempt from sales and use taxes as provided for in this paragraph. No  
 634 sales and use taxes shall be imposed upon state and local title ad valorem tax fees  
 635 imposed pursuant to Chapter 5C of this title as a part of the purchase price of a motor  
 636 vehicle or any portion of a lease or rental payment that is attributable to payment of state  
 637 and local title ad valorem tax fees under Chapter 5C of this title."

638 **SECTION 3.**

639 This Act shall become effective upon its approval by the Governor or upon its becoming law  
 640 without such approval.

641 **SECTION 4.**

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