Georgia Department of Revenue

Local Government Services Division

Georgia Association of Tax Officials
May 11-14, 2015
Town Hall Session

1

Georgia Department of Revenue

Public Utility Appeal Billing

Bellsouth Telecommunications - 2012, 2013, 2014

CSX Railroad - 2014

AirTran Airways -

American Airlines 2014

Envoy Air *(American Eagle) -2014*

ExpressJet - 2014

Southwest Airlines -2014

U.S. Airways -2014

2

Georgia Department of Revenue

Public Utility Appeal Billing

1 Digest Submission – PU value is placeholder only

Prior to receiving current year PU Digest, TC may bill utility at 85% of what they paid in prior year.

2 DOR submits Utility values to BOA who must meet and approve level of assessment and send notices giving utilities 45 days to appeal.

3. BOA turns digest over to TC for Billing

4. TC bills Utility companies….For those who have appealed …. bills are based on UNDISPUTED VALUE stated in LETTER OF INTENT TO APPEAL.

3

Signed and effective 5/6/15

Georgia Department of Revenue

House Bill 48 – Sections 2, 6 & 7 Real Property and Motor Vehicle

Additions/Amendments to Disabled Veterans exemptions

1. Free **license plates** on motor vehicles per OCGA 40-2-69
2. **Homestead** exemption per OCGA 48-5-48
3. Exemption from **tax on motor vehicles** per OCGA 48-5-478

4

Signed and effective 5/6/15

Does the criteria regarding hands, feet and eyes apply to 100% permanent disabled Veteran?

Any veteran who was discharged under honorable conditions and who has been adjudicated by the VA

(1) as being 100% totally disabled **or**

(2) as being less than 100% totally disabled is compensated at the 100% level due to un-employability **and**

(3) entitled to receive a statutory award from VA for:

1. loss or permanent loss of use one or both feet
2. loss or permanent loss of use one or both hands
3. loss of sight in one or both eyes
4. permanent impairment of vision in both eyes central acuity 20/200 or less in better eye central acuity 20/200

or ….

5

Georgia Department of Revenue

House Bill 202
Comprehensive Ad Valorem Revisions

6

Effective dates for Section 15 regarding appeals filed after 1/1/2016…confusing

House Bill 202 – Sections 27
Effective Dates

Section 1, 2, and 3 become effective upon their approval by the Governor (**May 6, 2015**)

Section 13 and 15 become effective on **July 1, 2015**

Remaining sections become effective **January 1, 2016**... Including Sections 9, 12,and 15 with regards to all appeals filed.

7

effective 1/1/16

DOR Consent Form should also be electronic?

House Bill 202 – Section 5
Tax Bills via electronic transmission

Amends OCGA 48-3-3 regarding electronic **tax bills or tax delinquency notices** at discretion of tax commissioner and at option of taxpayer, in lieu of or in addition to mailed notices…

Tax Commissioner requirements:

- Portable document format (PDF)
- If undeliverable, then mail to address of record in assessors files
- Taxpayer consent via form developed by DOR

8

effective 1/1/16

Review paragraph 'b'—is this miss-numbered?

House Bill 202 – 10
County Appraisal Staff

Amends OCGA 48-5-265

1. Provides that **any county** (formerly only Class I counties) may create a **joint county property appraisal staff** per intergovernmental agreement after consultation with board of tax assessors.)
   - Deemed to be one county for purpose of minimum staff requirements

2. Intergovernmental agreement can also provide for **sharing designated members of appraisal staff**

   **Counties keep their separate character for purpose of minimum staff requirements

   ***there appears to be paragraphs miss-numbered here*

9

effective 1/1/16

Georgia Department of Revenue

House Bill 202 – 10
County Appraisal Staff

Amends OCGA 48-5-265

Provides that **any county** (formerly only Class 1 counties) may **contract with persons to render advice or assistance** to board of tax assessors regarding assessment and equalization of taxes, property valuations or defense of valuations

Function of such persons is ministerial … final decision of assessment and equalization made by board of tax assessors and **set forth in the minutes** of the county board of tax assessors

No contract can provide for payments of **fees on a percentage** basis

Must complete **training courses** required by Revenue Commissioner

10

effective 1/1/16

Digest approval…level of assessment, COD, PRD…

House Bill 202 – Section 11
Sales Ratio Study by DOAA

Amends OCGA 48-5-274 so that State auditor **shall adjust sales prices** upward or downward for effect of price changes between January 1 and date of sale…

- sales prices also reduced by…
  - portion attributable to **personal property**
  - real property **exempt** from taxation
  - **standing timber** included in sales transaction

DEPARTMENT OF AUDITS AND ACCOUNTS
SALES RATIO DIVISION
2013 SALES RATIO STUDY
001 - APPLING COUNTY

11

effective 1/1/16

Georgia Department of Revenue

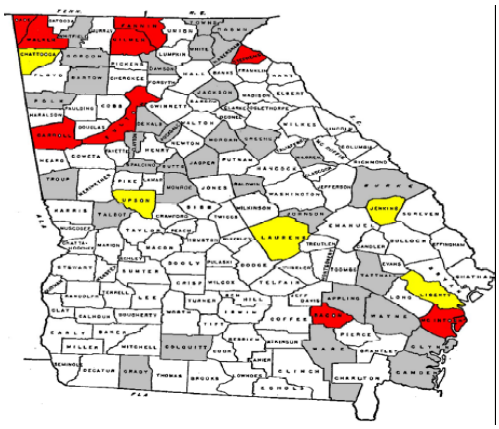
House Bill 202 – Section 18
Amending Code OCGA 48-5-345
Digest

No county subject to assessment of additional state tax due for lower overall assessment ratio

12

Conditional Approval…. $5/parcel Penalties

Digest Approval



13

effective 1/1/16

The Appeal form may be important for billing in future….if assessor fails to respond timely….what about interest?

Amending Appeal Code OCGA 48-5-311
Uniform Appeal Form

Uniform appeal form, established by commissioner, shall require **initial assertion of value by taxpayer**

- such assertion of value subject to later amendment or revision by taxpayer by submission of written evidence to board of tax assessors

14

effective 1/1/16

When does the 180 days begin?

venue

House Bill 202 – Section 15
Amending Appeal Code OCGA 48-5-311
BOE Appeal – Assessor Response Time

Upon receipt of appeal to BOE, the Board of Assessors must review the appeal and must notify the taxpayer of any changes or corrections **within 180 days**.

If assessor fails to respond in 180 days, the property valuation asserted by taxpayer (Return or Notice of Appeal) shall become the final fair market value.

If taxpayer did not make an assertion of value, the appeal shall be forwarded to the board of equalization.

15

effective 1/1/16

Georgia Department of Revenue

House Bill 202 – Section 15
Amending Appeal Code OCGA 48-5-311
Appeal – Final Decision to Tax Commissioner

Within 10 days of expiration of the 30 day appeal period to superior court… the board of tax assessors shall forward final determination of value to the tax commissioner

16

effective 1/1/16

Georgia Department of Revenue

House Bill 202 – Section 15
Amending Appeal Code OCGA 48-5-311
Interest – Refund Owed to Taxpayer

At final billing, if refund owed to taxpayer… Interest calculated from the due date or date paid, whichever later, through the date on which the final determination of value is made subject to the $150 and $5,000 limits for homestead and non-homestead property

Any refund paid after 60th day of final determination of value should include interest at 1% per month not subject to $150 and $5,000 limit

17

effective 1/1/16

What interest should be charged if taxpayer never paid the temporary bill?

House Bill 202 – Section 15
Amending Appeal Code OCGA 48-5-311
Interest – Additional Tax Due

At Final billing, if additional tax due from taxpayer… taxpayer is given 60 days from date of postmark to pay additional tax due without any interest added

Once 60 day payment period is expired bill is considered past due and interest accrues at 1% a month from original billing due date until bill is paid in full

18

effective 1/1/16

Is this regarding a city with an independent school that does not provide service to the entire city?

House Bill 202 – Section 19
Amending Code OCGA 48-5-405
Municipal Taxation

Municipalities may levy a mill rate to support and maintain public schools upon all taxable property within the limits of the independent school system (formerly municipality)

19

effective 1/1/16

Can we continue with May 1st if county BOC approves?

House Bill 202 – Sections 20, 21 & 22
Amending Codes OCGA 48-5-492, 493, 494
Mobile Home Taxation

Deadline to obtain location permit for current year and pay taxes due changes from May 1st to **April 1st**

20

Has this been signed or is it now law?

House Bill 457
Self Propelled Watercraft in Dealer Inventory

OCGA 48-5-504.40 amended to reinstate the dealer inventory exemption from January 1, 2016 through December 31, 2019.

21

Signed and effective 3/31/15

How does the TC receipt AAVT and account for distribution….GRATIS? Also Can TC keep a commission?

Senate Bill 82
Alternative Ad Valorem Tax Distribution

Amends OCGA 40-2-152 by providing for a new distribution formula for AAVT (Alternative Ad Valorem Tax) proceeds collected by DOR on IRP vehicles

22

Signed and effective 3/31/15

Georgia Department of Revenue

Senate Bill 82 – Section 1
AAVT Benchmark Formula

First distribution on or before August 1, 2015

The AAVT will be distributed to counties based on the **2013 benchmark** ad valorem tax digest ($9,007,200) for IRP vehicles determined by the ad valorem tax paid to qualified tax jurisdictions

Year 2015 – 100%
Year 2016 – 80%
Year 2017 – 60%
Year 2018 – 40%
Year 2019 – 20%

23

Signed and effective 3/31/15

Georgia Department of Revenue

Senate Bill 82 – Section 1
AAVT Vehicle Ratio Formula

Any **remaining funds** after satisfying the benchmark **($15,948,038 - $9,007,200 = $ 6,940,838)** will be distributed by the vehicle ratio formula:

The Commissioner shall determine the ratio of IRP vehicles registered and attributed to each county

The allocated proceeds shall then be distributed based on the ratio of each qualified tax jurisdiction within the county

24

Watch for decision on Tax Sale and Fair Market Value

'Pending' Court of Appeals Ballard & Mock v Newton Co BOA

In 2012, Ballard and Mock purchased 22 properties at Newton County tax sale. For 2013, the board of assessors appraised the properties at a value greater than the tax sale price.

Ballard & Mock:

Tax sale constitutes arms length transaction…tax commissioner acting in governments best interest.

County:

Forced sale - not arms length…title did not pass through sheriff to tax sale purchaser…therefore record owner not acting in best interest.

25

Georgia Department of Revenue

Tax Sale Question #1….

I had a call from a gentleman who tells me that some TCs are telling people that they have a year and a day to pay taxes back plus 20% interest. Is it a year and a day or a year?

26

Georgia Department of Revenue

Tax Sale Question #2….

When purchasers at tax sale are calculating what is owed to them at redemption…and they are in year 2 or 3 without barring redemption, do they include the 20% interest for year 1 in the amount when calculating the 10% for year 2, etc?

Example paid $1000 at tax sale and $200 for current year taxes for total of $1200.

For year 1 that would be 1200x20%=240 or $1440.

For year 2 they pay additional $200 in taxes. They are now owed 1000+200+200+240.

Do we calculate the 10% for year 2 on $1400 or $1640?

27

Georgia Department of Revenue

Tax Sale Question #3…

Taxpayer redeems property and purchaser at tax sale sends quit claim deed.

However taxpayer never records quitclaim deed and continues not to pay tax.

If it goes to sale again and original purchaser at tax sale buys same property again … does it revert back to original sale since quitclaim was never recorded.

Also would the second tax sale be against the purchaser at tax sale since the deed was never recorded.

28

Georgia Department of Revenue

Tax Sale Question #4…

Property sells at tax sale.

Right of redemption has not been barred, AND deed has not ripened by prescription.

There is an issue with property and work needs to be done to bring it up to code.

Who is responsible … original owner… or purchaser at tax sale.

29