



GEORGIA DEPARTMENT OF REVENUE

Suite 15116, 1800 Century Blvd, Atlanta, GA 30345-3205

For Immediate Release: February 20, 2013

Contact: Department of Revenue (404) 417-2106

Email: jud.seymour@dor.ga.gov

Birthday Tax to Disappear on Vehicles Purchased after March 1

ATLANTA – A new law that changes the way motor vehicles are taxed in Georgia will go into effect on March 1, 2013. Motor vehicles purchased on or after March 1, 2013 and titled in this state will be exempt from sales and use tax and the annual ad valorem tax, also known as the “birthday tax”. These taxes will be replaced by a one-time tax that is imposed at the time the vehicle is titled on the fair market value of the vehicle called the title ad valorem tax (“TAVT”). For the first year of the TAVT, the rate will be 6.5% of the fair market value as identified by the Georgia Motor Vehicle Assessment Manual. The TAVT is applicable to dealer and casual sales but excludes non-titled vehicles such as trailers and other non-motorized vehicles which will remain subject to ad valorem tax.

Vehicles owned prior to January 1, 2012 will stay in the old system and owners can expect to owe the annual ad valorem tax on their birthday. The period between January 1, 2012 and February 28, 2013 is considered an opt-in period. Vehicles purchased during this period may opt-in to the new TAVT system or they can stay in the annual ad valorem system. The Georgia Department of Revenue’s website www.newtitletax.com provides a TAVT calculator that will help owners decide which option is best for them.

Owners who choose to opt-in to the TAVT system will need to go to their local county tag office at any time between March 1, 2013 and December 31, 2013 to do so.

To view frequently asked questions concerning the new TAVT system or to use the calculator, visit the Georgia Department of Revenue website www.newtitletax.com.