Georgia Department of Revenue

For Educational Purposes Only: The material within is intended to give the course participant a solid understanding of general principles in the subject area. As such, the material may not necessarily reflect the official procedure and policies of the Georgia Department of Revenue or the Department's official interpretation of the laws of the State of Georgia. The applicability to specific situations must be determined on a case-by-case basis.

1

Georgia Department of Revenue

Current Ad Valorem Edits and Trends

Thursday, May 19, 2016

Local Government Services

Ellen Mills, Director

2

Georgia Department of Revenue

Review

3

Georgia Department of Revenue

Carl Vinson Institute of Government
John Hulsey

GDOR and CVIOG have developed online training for county tax officials

- 8 hr BOE Update
- 4 hr Specialized Assessments
- 4 hr Exempt Properties
- 4 hr Hearing Officer Appeals

4

Georgia Department of Revenue

Georgia Certification Program
Mark Loyd

- Online course and exam registration and access to training records
- 2016/2017 training schedule
- Course pre-requisites
- Appraiser Exams

5

Georgia Department of Revenue

Delinquent Tax Collection

- Issuing a Fi Fa
- Non – Judicial Tax Sales by Tax Commissioner
- Judicial Tax Sales by Sheriff
- Selling Executions

6

Effective 7/1/16

Georgia Department of Revenue

Summary
House Bill 51
Redemption of Property sold at tax sale

Person redeeming property sold at tax sale must also pay Home Owners Association fees

7

Effective 7/1/16

Georgia Department of Revenue

Summary
House Bill 991
Delinquent Tax – Military

- O.C.G.A. 48-5-243 is a new code section provides for waiver of penalties and interest
- TC may need written guidelines to administer fairly and equitably – consider requirements in 48-5-242

8

Effective 7/1/16

Georgia Department of Revenue

Summary
House Bill 960

- Interest for refunds & delinquent tax changed
- Penalty changed to 5% every 120 days up to 20%
- Distribution of penalty changed
- For sales tax refunds:
  - the county may designation an officer to receive confidential information regarding claims for refunds
  - DOR must notify counties regarding pending claims of significant impact
  - The Georgia Tax Tribunal may hear refund claims that are unresolved after 2 years

9

2016 Tax Bill - Due December 20, 2016			
2016 Fed Reserve H15 = 3.50 (actual)			
DATE	AMOUNT DUE	Int/Penalty	
December 20,2016	3000.00		
December 21, 2017	3016.26	0.542% per month	16.26
2017 Federal Reserve H15 = 3.65 (estimated)			
January 21, 2017	3032.88	0.554% per month	16.62
February 21, 2017	3049.50	0.554% per month	16.62
March 21, 2017	3066.12	0.554% per month	16.62
April 21, 2017	3216.12	5% penalty	150.00
April 21, 2017	3232.74	0.554% per month	16.62
May 21, 2017	3249.36	0.554% per month	16.62
June 21, 2017	3265.98	0.554% per month	16.62
July 21, 2017	3282.60	0.554% per month	16.62
August 21, 2017	3432.60	5% penalty	150.00
August 21, 2017	3449.22	0.554% per month	16.62
September 21, 2017	3465.84	0.554% per month	16.62
October 21, 2017	3482.46	0.554% per month	16.62
November 21, 2017	3499.08	0.554% per month	16.62
December 21, 2017	3649.08	5% Penalty	150.00
December 21, 2017	3665.70	0.554% per month	16.62
2018 Federal Reserve H15 = 3.70 (estimated)			
January 21, 2018	3682.44	0.558% per month	16.74
February 21, 2018	3699.18	0.558% per month	16.74
March 21, 2018	3715.92	0.558% per month	16.74
April 21, 2018	3865.92	5% Penalty	150.00
April 21, 2018	3882.66	0.558% per month	16.74

Georgia Department of Revenue

Ballard v Newton County BTA

Court of Appeals

'fair market value of property' is not defined as the amount a buyer would pay to purchase, and, willing seller would accept, for a defeasible interest in property, **a tax sale does not qualify as an arms length bona fide sale…**

11

Georgia Department of Revenue

Park Solutions LLC v Dekalb BTA

Court of Appeals

Sale at public auction regarding **'judicial' sheriff sale for default judgement, qualifies as arms length transaction**

12

Georgia Department of Revenue

Summary

Agricultural Special Assessments and Exemptions

- Special Assessments
- Standing Timber
- OCGA 48-5-41.1
- OCGA 48-5-43
- OCGA 48-5-504

Georgia Department of Revenue

Special Presentation

Agriculture in Georgia

Dr Kent Wolfe

Sharon Kane

14

Effective 7/1/16

Georgia Department of Revenue

Summary

House Bill 987

Conservation Use

- Clarifies the period of time required before property must be occupied when up to 5 acres taken out of covenant and deeded to family member
- Non-profit rodeos do not constitute a breach

15

Effective 7/1/16

Georgia Department of Revenue

Summary

FLPA Audits

- Update on GDOR audits of Forest Land Assistance Grants

16

Georgia Department of Revenue

Court of Appeals Presentation

Goolsby v Terrell BTA

Judge Edward Collier

17

Georgia Department of Revenue

Slivka v McIntosh Tax Commissioner

Court of appeals

Refund statute may only be used when factual errors exist or when illegal procedures are used…Supreme Court previously defined erroneous assessment to include clerical error, assessment of exempt property or using wrong millage rate.

18

Georgia Department of Revenue

Court of Appeals Presentation

Cherokee BTA v Mason

Aaron Meyer and Christopher Hamilton

19

Effective 7/1/16

Georgia Department of Revenue

House Bill 579
Farm Use Vehicle

Farm Use Vehicle means an all-terrain vehicle or personal transportation vehicle….Farmer who is 16 or older may operate a farm use vehicle on any public road or highway of the state:

- Emblem is affixed
- Vehicle is actively used

20

Effective 5/3/16

Georgia Department of Revenue

Summary
House Bill 769
Exemption – Watercraft & All-Terrain Vehicles

- Removed sunset in the watercraft dealer code
- Defined ATV and added those dealers to exemption

Effective 7/1/16

Georgia Department of Revenue

Summary

House Bill 935

Freeport Level 1
Fulfillment Center

- Creates a category 4 under Freeport Level 1
- Governing Authority must adopt resolution to call for county referendum
- Voters must approve Category 4
- If approved by voters, Governing Authority must adopt resolution setting percentage of exemption

22

Georgia Department of Revenue

Freeport Level 2

48-5-48.5

48-5-48.6

The term "finished goods" means, for purposes of a Level 2 Freeport Exemption, goods, wares, and merchandise of every character and kind constituting a business's inventory which would not otherwise qualify for a Level 1 Freeport Exemption.

Putnam County

County seat	Eatonton
Population	21,353
Size	361 square miles
Parcel Count	18,852
2015 Freeport	21,317,370
2015 Inventory	10,555,448

23

Effective 5/3/16

Georgia Department of Revenue

Summary

House Bill 862

Disabled Veteran

- Equalizes the exemption qualification for …
  - DV Tag,
  - Exemption from MV tax (ad valorem and TAVT, and
  - Homestead exemption.
- Corrects error in homestead code by changing 'and' to 'or'

24

Georgia Department of Revenue

Summary

House Bill 547
Amends Years Support

- Any real property included in the estate may be included in the petition for years support; however
- If homestead is claimed only the taxes on the homestead are divested; and
- If no homestead is claimed then taxes on the real property may be divested

25

Georgia Department of Revenue

Columbus BTA v Medical Center Hospital

Joe Adams, GDOR

Court of Appeals

The mere fact that **Hospital Authority** owns property does not make it exempt but the property need not actually contain a heath care facility to be exemption as long as the use of the property or its income furthers the legitimate functions of the hospital authority

Georgia Department of Revenue

Wednesday Break Out Sessions

1. Appeal Procedures
2. Ethics
3. Income Approach

27

Effective 7/1/16

Georgia Department of Revenue

Summary from Appeals Breakout session

Senate Bill 258

Appeal – Changing Value

- Amended O.C.G.A. 48-5-299 to clarify that 30-day change notices sent in response to taxpayer's appeal ARE NOT subject to 48-5-299(c)
- Amended OCGA 48-5-311 to prevent value increase during appeal process.

28

Georgia Department of Revenue

Today's Agenda

Commissioner Riley

New Digest Requirement for Dev Auth Property

HB364

Ernst & Young – GASB#77

Assessor Autonomy

~~Integrating GIS and CAMA~~

Meet Blair McLinn

Introduce Vendors

29

Georgia Department of Revenue

Georgia Revenue Commissioner

Lynne Riley

30

Georgia Department of Revenue

2016 Digest Submission
New Requirement

Provide Listing of Development Authority Property

- Value of Exempt
- Value of Taxable

31

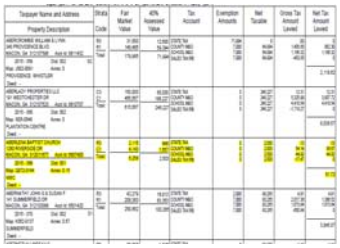
Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Illegal Taxation

O.C.G.A. 48-5-342

The commissioner may examine the itemizations of property appearing on the digest



32

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Illegal Taxation

O.C.G.A. 48-5-342

…and if in the judgment of the commissioner any properties are illegally appearing on the digest and should not be subject to taxation….

33

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Illegal Taxation

O.C.G.A. 48-5-342

…the commissioner shall strike such items and return the digest to the county for removal of such items and resubmission.

34

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Taxpayer Complaint

O.C.G.A. 48-5-342

The examination may be upon the commissioners own initiative or upon complaint by a taxpayer.

35

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Rules for Appeal

O.C.G.A. 48-5-342

The commissioner shall provide rules and regulations on procedures by which the board of assessors may appeal the findings of the commissioner.

36

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Rules for Appeal

O.C.G.A. 48-5-342

If appealed by the board of assessors, the commissioner shall review and issue a final order regarding the taxability of the digest items and shall finalize the digest.

37

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Correct & Recertify

O.C.G.A. 48-5-342

If a property has been found by the commissioner to not be subject to taxation and again appears on the digest at any time within five years of the initial determination and is again determined to be nontaxable…

38

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Correct & Recertify

O.C.G.A. 48-5-342

… the commissioner shall strike such item from the digest and return the digest to the county for removal of such items and resubmission to the commissioner.

39

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Revoke QLG status

O.C.G.A. 48-5-342

The commissioner shall also notify the Department of Community Affairs in writing of his or her finding…

40

Georgia Department of Revenue

Georgia Department of Community Affairs

- Created in 1977 to serve as an advocate for local governments
- The mission of DCA is to partner with communities to promote and implement economic development, local government assistance, and safe and affordable housing.

41

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Revoke QLG status

O.C.G.A. 48-5-342

…upon receipt of such notice, the qualified local government status of such county shall be revoked for three years unless reinstated earlier pursuant to this subsection…

42

Georgia Department of Revenue

Georgia Department of Community Affairs

Appalachian Regional Commission Economic Development Grant Program; Better Home Town /Main Street Program; Bond Allocation Program; CDBG Loan Guarantee Program; Capital Felony Expense Program; Community Development Block Grant; Downtown Development Revolving Loan Fund; Employment Incentive Program; Georgia Downtown Renaissance Fund; Immediate Threat and Danger Grant; Life Sciences Facilities Fund; Local Development Fund; Local Jail Improvement Grant; OneGeorgia Programs; Redevelopment Fund Programs; Regional Economic Business Assistance Program; Georgia Environmental Finance Authority – all funding/financial programs; Georgia Department of Natural Resources – Coastal Incentives Grant, Land and Water Conservation Programs, Historic Preservation Fund Grant, and Georgia Heritage Grant….

43

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Remove Assessors

O.C.G.A. 48-5-342

Upon revocation, the county governing authority, without regard to any limitation of Code 48-5-295, shall be specifically authorized to **remove every member of the board of tax assessors** and reappoint new members who shall serve for the unexpired terms.

44

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Reinstate QLG status

O.C.G.A. 48-5-342

The county governing authority shall provide written notice of removal and new appointment to the commissioner…

45

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Reinstate QLG status

O.C.G.A. 48-5-342

…Upon certification of the corrected digest, the commissioner shall notify in writing the Department of Community Affairs, and upon receipt, DCA shall immediately reinstate the QLG status.

46

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Petition for Refund with GTT

O.C.G.A. 48-5-342

Taxpayer shall be entitled to file a petition for refund directly to the Georgia Tax Tribunal.

47

Georgia Department of Revenue

Georgia Tax Tribunal
Chief Judge Larry O'Neal

The Georgia Tax Tribunal is a specialized court which was established as an autonomous division within the Office of State Administrative Hearings.

The Georgia Tax Tribunal conducts trials of contested cases involving the Georgia Department of Revenue

48

Effective 7/1/16

Georgia Department of Revenue

House Bill 364

Review of Tax Digest – Petition for Refund with GTT

O.C.G.A. 48-5-342

…The refund shall include interest equal to the **bank prime loan rate plus 3%** calculated from the date of payment…

http://www.federalreserve.gov/releases/H15/data.htm

49

FEDERAL RESERVE statistical release

H.15 (519) SELECTED INTEREST RATES

For use at 2:30 p.m. Eastern Time

Yields in percent per annum

December 20, 2010

Instruments	2010 Dec 13	2010 Dec 14	2010 Dec 15	2010 Dec 16	2010 Dec 17	Week Ending Dec 17	Week Ending Dec 10	2010 Nov
Federal funds (effective)[1 2 3]	0.17	0.19	0.20	0.20	0.20	0.17	0.18	0.19
Commercial Paper[2 4 5 6]								
Nonfinancial								
1-month	0.17	0.19	0.24	0.21	0.18	0.20	0.20	0.20
2-month	0.21	0.22	0.22	0.21	n.a.	0.22	0.22	0.21
3-month	0.22	0.29	n.a.	0.24	n.a.	0.25	0.23	0.23
Financial								
1-month	0.16	0.15	0.21	0.16	0.18	0.17	0.21	0.21
2-month	0.22	0.23	0.22	0.22	0.22	0.22	0.23	0.23
3-month	0.29	0.28	0.25	0.25	0.28	0.27	0.28	0.25
CDs (secondary market)[6 7]								
1-month	0.25	0.25	0.26	0.26	0.26	0.26	0.25	0.23
3-month	0.30	0.29	0.29	0.30	0.30	0.30	0.29	0.27
6-month	0.40	0.40	0.40	0.42	0.42	0.41	0.40	0.35
Eurodollar deposits (London)[7 8]								
1-month	0.32	0.32	0.32	0.32	0.32	0.32	0.33	0.33
3-month	0.38	0.38	0.39	0.39	0.39	0.39	0.39	0.40
6-month	0.55	0.55	0.55	0.55	0.55	0.55	0.58	0.60
Bank prime loan[7 9 9]	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Effective 7/1/16

Georgia Department of Revenue

House Bill 364

Review of Tax Digest – Petition for Refund with GTT

O.C.G.A. 48-5-342

…The taxpayer is also entitled to attorney fees in an amount of not less than 15% nor more than 40% of the total of the illegally charged tax and accrued interest.

51

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – Petition for Refund with GTT

O.C.G.A. 48-5-342

The petition to the Georgia Tax Tribunal shall name the board of tax assessors and **the tax commissioner** as the respondent in their official capacities and shall include a summary statement of facts and law upon which the petitioner relies.

52

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – GA Tax Tribunal

O.C.G.A. 48-5-342

The board of tax assessors and the tax commissioner as respondents shall file a response to the statements of facts and law which constitutes their answer with the tribunal no later than 30 days after the service of the petition.

53

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – GTT Default

O.C.G.A. 48-5-342

The case shall automatically be in default for any failure to respond unless the time for filing has been extended by agreement of the parties…

54

Effective 7/1/16

Georgia Department of Revenue

House Bill 364
Review of Tax Digest – GTT Default

O.C.G.A. 48-5-342

…The default may be opened by filing within 15 days or the GTT judge may open the default for cause, for excusable neglect, or the judge determines that a proper case has been made for the default to be opened.

55

Effective 7/1/16

Georgia Department of Revenue

Questions
House Bill 364
Review of Tax Digest – Illegal Taxation

- Commissioner to reject digest when exempt property is taxed – will write regulations
- Disqualify county for DCA grants and loans
- Remove Board of Assessors
- Refund petition at Georgia Tax Tribunal names **TAX ASSESSOR** and **TAX COMMISSIONER** as respondent

56

Georgia Department of Revenue

Special Presentation

GASB #77

Joe Huddleston
Ernst & Young
Executive Director
Indirect Tax Division

57

Georgia Department of Revenue

Special Presentation

Assessor Autonomy

Jennifer Herzog and Tony Rowell

58

Georgia Department of Revenue

Refreshment Break

59

Georgia Department of Revenue

DOR Special Presentation

~~Integrating GIS & CAMA~~

~~Mark Lovett~~ ME1

To be presented at 2016 GAAO Summer Conference

60

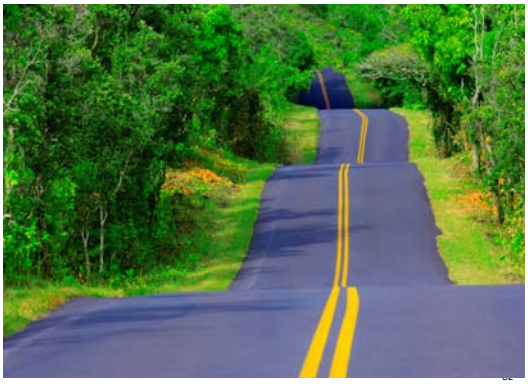
Slide 60

ME1 Mills, Ellen, 5/23/2016

Georgia Department of Revenue

Special Presentation

Vendor Introduction

Blair McLinn

61