

GEORGIA
DEPARTMENT OF REVENUE
TAX GUIDE



FOR
MOTOR VEHICLE
DEALERS

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EDITOR'S NOTE

The purpose of this guide is to assist motor vehicle dealers with the implementation of the title ad valorem tax fee provisions of O.C.G.A. § 48-5C-1 created by HB 386 passed during the 2012 session of the Georgia General Assembly, and as amended by HB 266 passed during the 2013 session of the Georgia General Assembly. Any statutory revisions that have occurred after March 5, 2013 are not addressed in this version of the manual. Updated versions of this manual will be released, as appropriate.

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INTRODUCTION

Beginning March 1, 2013, the Georgia tax rules applicable to motor vehicles changed significantly. Generally, any motor vehicle purchased on or after March 1, 2013 and titled in Georgia is exempt from sales and use tax and the annual ad valorem tax, also known as the “birthday tax.” These taxes are replaced by a one-time tax called the title ad valorem tax fee (“TAVT”). Dealerships will be required to collect the TAVT on behalf of the customer and submit both the TAVT and the application for certificate of title to the county where the vehicle will be registered.

Like purchased vehicles, leased vehicles are also subject to TAVT. However, lease payments are exempt from sales and use tax on a leased motor vehicle for which TAVT has been paid. Such leased vehicles are also exempt from annual ad valorem taxes.

The purpose of this manual is to provide dealerships with a general understanding of the new Georgia tax rules applicable to motor vehicle transactions.

For additional information, please visit: www.newtitletax.com

TAVT QUICK REFERENCE GUIDE FOR DEALERS

- Dealers should collect the state and local title ad valorem tax fee (“TAVT”) from customers purchasing vehicles on or after March 1, 2013 that will be titled in Georgia, unless an exemption applies. Payment of the TAVT provides an exemption from sales tax on the motor vehicle and the purchaser will also be exempt from the annual ad valorem tax, or “birthday tax”.
- TAVT should be collected by the dealer and submitted, along with the application for certificate of title Form MV-1, to the county where the vehicle will be registered.
 - A list of Georgia tag offices with respective mailing addresses can be found here:
<http://motor.etax.dor.ga.gov/tagoffices/selecttagoffice.aspx>
- The TAVT and application for title must be received by the county within thirty (30) days of the date of purchase or a late penalty will be assessed against the dealer. Additional dealer penalties accrue every subsequent thirty (30) days for which the TAVT and title work have not been submitted.
- Generally, the TAVT is calculated by multiplying the applicable rate times the Fair Market Value (“FMV”), as defined by law.
- FMV is defined differently depending on whether the motor vehicle is new or used.
 - For new motor vehicles, FMV is defined as the greater of the retail selling price (or in the case of a lease, the agreed upon value) or the value listed in the Department of Revenue motor vehicle assessment manual. The higher number that is used is then reduced by any rebate, cash discount, and trade-in when the sale is from a dealer.
 - “Retail selling price” is defined to include the sales price, plus any fees, mark-ups or add-ons such as doc fees.
 - The assessment manual values are available here:
<http://onlinemvd.dor.ga.gov/Tap/Option1.aspx#message>
 - For used motor vehicles, FMV is the value listed in the Department of Revenue motor vehicle assessment manual, minus trade-in for dealer sales.
 - For a used motor vehicle not listed in the manual, FMV is the value from the bill of sale *or* the base “average trade-in” value provided by NADA (National Automobile Dealers Assoc.) from January of the current year, whichever is higher, minus trade-in for dealer sales.
- The TAVT rate is 6.5% in 2013, 6.75% in 2014, and 7% in 2015. Thereafter, the rate is variable and may go as high as 9%.

- Leased vehicles are subject to TAVT upon application for certificate of title. Thereafter, the monthly lease payments are exempt from sales and use tax. Leased vehicles are also thereafter exempt from annual ad valorem tax.
- Georgia Motor Vehicle Forms are available at:
<http://motor.etax.dor.ga.gov/forms/motor.aspx>
- Dealers should not collect sales tax or TAVT from out of state purchasers if the vehicle is going to be driven out of state for immediate use in another state. The process and forms for this and other exemptions are explained in Section VI of the Dealer Manual.

I. STATE AND LOCAL TITLE AD VALOREM TAX FEE

What is the state and local title ad valorem tax fee?

The TAVT is a one-time tax that replaces both sales and use tax as well as the annual ad valorem tax, also known as the “birthday tax.” Unlike sales tax, which is imposed on the price of the vehicle, the TAVT is imposed on the Fair Market Value (“FMV”) of the motor vehicle as defined below. The TAVT must be collected by the dealer and remitted to the county where the vehicle will be registered.

To which vehicles and titles does the TAVT apply?

The TAVT applies to any motor vehicle purchased on or after March 1, 2013 for which a Georgia title is issued, unless an exemption applies. If it is a motor vehicle for which no title is required then the TAVT does not apply. Likewise, if there is a vehicle that has a title but it is not a *motor* vehicle, then the TAVT does not apply. For those vehicles that are not subject to the TAVT law, ordinary sales and use tax rules still apply.

The following are examples of vehicles which do not qualify as a “motor vehicle for which a title is issued” and thus would not be subject to TAVT:

- Pull-behind trailers
- Pull-behind campers
- Mopeds
- Any motor vehicle for which a title is not issued, such as:
 1. Vehicles manufactured prior to 1963 (these vehicles are not eligible to receive a Georgia title)
 2. 1963-1985 model year vehicles that do not have a Georgia title (these vehicles may have a Georgia title but are not required to in all cases)

Further, there are certain types of titles that are exempt from TAVT:

- Titles being corrected, replaced, or reissued to the same owner
- Addition or substitution of lienholders on the title so long as the owner of the motor vehicle remains the same
- Bonded titles pursuant to O.C.G.A. § 40-3-28 issued to registered Georgia dealers
- Titles issued pursuant to the foreclosure of a mechanics lien in O.C.G.A. § 40-3-54
- Titles issued to certain persons acquiring abandoned vehicles under Chapter 11 of Title 40
- Titles issued to an insurance company paying out a claim on a stolen vehicle under O.C.G.A. § 40-3-43
- Titles issued to a registered rebuilder, retail dealer, or manufacturer for the purpose of resale

- Titles issued pursuant to the foreclosure of a security interest in the name of the security interest holder pursuant to Part 6 of Article 9 of Title 11
- Motor vehicles titled in Georgia on which the TAVT was paid and the owner subsequently moves out of state but later returns and retitles the same motor vehicle in Georgia are not subject to TAVT
- Titled vehicles registered in the International Registration Plan (IRP) are not subject to TAVT

Likewise, there are certain types of purchasers who are exempt from TAVT:

- Government entities
 - Certain veterans
- (See Section VI for more information on processing exempt transactions)

What is the Fair Market Value of the motor vehicle?

The FMV is defined by statute in different ways depending on whether the vehicle is new or used and what type of valuation data is available for the vehicle.

How is Fair Market Value determined on a new motor vehicle?

The dealer should compare the retail selling price (or in the case of a lease, the agreed upon value) and the value listed in the Department of Revenue motor vehicle assessment manual. The greater of these two values is the starting point. For the majority of new car transactions, the retail selling price/agreed upon value will be higher than the assessment manual value so generally the retail selling price/agreed upon value will be used. After the higher amount is determined, then that amount is reduced for the trade-in value and any rebate or cash discount offered by the selling dealer at the time of sale (manufacturer rebates provided *after* the time of sale do not qualify). The remaining balance is the FMV.

The retail selling price/agreed upon value includes any charges for labor, freight, delivery, dealer fees, and similar charges and dealer add-ons and mark-ups includes any charges necessary to complete the sale such as doc fees and ETR transaction fees. Retail selling price/agreed upon value does not include any extended warranty or maintenance agreement itemized on the dealer's invoice to the customer or any finance, insurance, and interest charges for deferred payments billed separately.

For the Fair Market Value of a new motor vehicle, what items are and are not considered part of taxable base for the “retail selling price” or in the case of leases the “agreed upon value”?

The retail selling price/agreed upon value is meant to mirror the taxable base that was formerly used for purposes of sales tax.

Items that would be considered part of the retail selling price/agreed upon value include, but are not limited to, the following:

- Sales Price of the Vehicle
- Labor Charges
- Freight Charges
- Delivery Charges
- Dealer Fees including Doc Fees and Electronic Title & Registration (“ETR”) Transaction Fees
- Dealer Add-Ons and Mark-ups
- For Leases Only: Lease Acquisition Fee

Items that would NOT be considered part of the retail selling price/agreed upon value include, but are not limited to, the following:

- Extended Warranty or Maintenance Agreement Itemized on the Invoice
- Finance, Insurance, and Interest Charges for Deferred Payments Billed Separately

Remember that for a dealer sale the retail selling price/agreed upon value is reduced by the trade-in value and any rebate or cash discounts taken by the selling dealer at the time of sale in order to calculate the FMV.

I am selling a new car that is listed in the assessment manual for more than I am selling the car. How do I determine the correct amount for the Fair Market Value?

When determining the FMV of a new motor vehicle, always begin by comparing the retail selling price/agreed upon value of the motor vehicle with the value listed in the motor vehicle assessment manual. The greater of the two values should be used. If the value listed in the state motor vehicle assessment manual is higher than the retail selling price/agreed upon value, then the assessment manual value should be used.

Next, reduce the greater value by any trade-in value and any rebate or cash discount offered by the dealership and applied at the time of sale. Manufacturer rebates redeemed after the sale are not applicable.

Where can I find motor vehicle values listed in the Department of Revenue motor vehicle assessment manual?

The full motor vehicle assessment manual in pdf format is available at:

www.newtitletax.com under “New Title Tax Information”

The value can be looked-up here either by VIN or by vehicle type:

<http://onlinemvd.dor.ga.gov/Tap/Option1.aspx#message>

Please note that using the VIN will give the most accurate number

How is Fair Market Value determined on a used motor vehicle sold by a dealership?

For a used motor vehicle, the FMV is the value listed in the Department of Revenue motor vehicle assessment manual, with a reduction for trade-in value since it is a dealer sale. If the vehicle is not listed in the assessment manual, use the greater of the value listed on the bill of sale or the NADA base “average trade-in” value from January of the current year, then take a reduction for the trade-in value from the value that is used since it is a dealer sale.

How is Fair Market Value determined on a used motor vehicle sold by someone other than a dealership?

For a used motor vehicle sold by someone other than a dealership, the FMV is the value listed in the Department of Revenue motor vehicle assessment manual with no reduction for trade-in value. If the vehicle is not listed in the assessment manual, use the greater of the value from the bill of sale and the NADA base “average trade-in” value from January of the current year. No reduction for trade-in value is allowed in a non-dealer sale.

I am selling a used car that is listed in the assessment manual. What amounts are included when determining the Fair Market Value?

The amount that is relevant for purposes of determining FMV is only the value listed in the assessment manual, with a reduction for trade-in as part of a dealer sale. Even if the car is sold with upgrades or the selling price is higher than the assessment manual value, the only value that should be utilized is the value listed in the manual. As part of a dealer sale there should also be a reduction for any trade-in value from the motor vehicle assessment manual value to determine the FMV.

I am selling a used car that is not listed in the assessment manual. What amounts are included when determining the Fair Market Value?

In this case, the FMV is the higher of the value from the bill of sale or the base “average trade-in” value provided by NADA (National Automobile Dealers Assoc.) from January of the current year. When determining the “value from the bill of sale,” you must include the price of the motor vehicle plus any other items, sold with the vehicle, that add actual value to the vehicle. For example, if the customer adds a roof rack or a stereo, the price of both items must be included in “the value from the bill of sale.” On the other hand, the doc fee would not be included in “the value from the bill of sale” because a doc fee does not add actual value to the vehicle.

If the NADA value is used, the only value that should be considered is the NADA value and the other items should not be considered.

In either case, as part of a dealer sale there should also be a reduction for any trade-in value allowed from the value that is used to determine the FMV.

What items are and are not considered to add actual value to the vehicle for purposes of determining Fair Market Value of a used car when the value is not listed in the assessment manual and the “value form the bill of sale” is being used?

Items that would be considered to add actual value are those items that become part of the vehicle and include, but are not limited to, items such as the following:

- Bed liners
- Floor mats
- Lights
- Leather Seats
- Rims
- Roof racks
- Stereo Equipment
- Tires

Items that would NOT be considered to add actual value to the vehicle include, but are not limited to, the following:

- “Doc fee” or other similar types of processing and service fees such as ETR
- Financing or interest charges
- Fuel or similar goods that will be depleted during the use of the vehicle such as gas, oil, wiper fluid, NoS, etc.
- Lemon law fees or any other federal, state, or locally mandated fees
- Trinkets or prizes such as shirts, key chains, coffee mugs, etc.

If a vehicle taken in trade is subject to an installment note with a balance, what is the correct Trade-in Value?

The allowance for another motor vehicle taken in trade is made without deduction for liens, in the same manner as was previously done for sales tax.

When do I stop charging sales tax and start charging TAVT?

Sales tax should be collected for any motor vehicle for which the date of purchase reported on Form MV-1 is before March 1, 2013. If the date of purchase on Form MV-1 is March 1, 2013 or later, the TAVT should be collected (unless a TAVT exemption applies).

What is the rate of the TAVT?

In 2013, the applicable rate is 6.5%. The rate increases to 6.75% and 7.0% in 2014 and 2015, respectively. After 2015, the rate is variable and can go as high as 9%.

How is TAVT liability calculated for a motor vehicle?

After determining FMV, the TAVT liability is calculated by multiplying the FMV by the TAVT rate in effect on the date of purchase (6.5% in 2013). Remember that the vehicle value utilized for the calculation is different depending on whether the vehicle is new or used as well as what valuation data is available (see information on valuation above).

- For a new motor vehicle purchased from a dealer, the formula is expressed as follows:
 $(\text{vehicle value} - \text{trade-in value} - \text{dealer rebate} - \text{cash discount}) * \text{rate} = \text{TAVT}$
- For a used motor vehicle purchased from a dealer, the formula is expressed as follows:
 $(\text{vehicle value} - \text{trade-in value}) * \text{rate} = \text{TAVT}$
- For a used motor vehicle in a non-dealer sale, the formula is expressed as follows:
 $\text{vehicle value} * \text{rate} = \text{TAVT}$

How does the sales and use tax exemption apply?

When the customer pays the TAVT they are exempt from sales and use tax on the vehicle purchase transaction. Likewise, if a customer has an explicit TAVT exemption provided in O.C.G.A. § 48-5C-1, such as a disabled veteran, they too are also exempt from sales and use tax on the vehicle purchase transaction. The sales and use tax exemption applies to the sale of the motor vehicle itself as well as those items that add actual value to that same motor vehicle. Generally, this means that most items on the same bill of sale for a particular motor vehicle at the time of the same transaction, where the TAVT is paid or where there is an explicit TAVT exemption provided in O.C.G.A. § 48-5C-1, will be exempt from sales tax. The exemption from

sales and use tax also applies to items other than the motor vehicle that would have been considered part of the taxable base for sales tax purposes, such as the “doc fee”.

Each vehicle must be considered separately, so a second vehicle on the same bill of sale must be looked at separately to determine what tax applies.

Likewise, the sales tax exemption for items that become part of the vehicle does not extend or apply to other items purchased in the same transaction that do not become part of the vehicle. For example, if a customer purchases a car where the TAVT is paid and also buys ten tires, the tires affixed to the car would not be subject to sales tax but the other tires would be subject to sales tax.

For the IRP exemption from TAVT, the extent to which the vehicle registered in IRP will also receive an exemption from sales and use tax is determined by O.C.G.A. § 48-8-3(33)(A).

See Sections VI & VII for more information on how the sales tax exemption will work.

Is the Transportation Special Purpose Local Option Sales Tax (“TSPLOST”) also exempted on a motor vehicle sale?

Yes. The sale, purchase, or lease of a motor vehicle where TAVT has been paid or where there is an explicit exemption from TAVT in O.C.G.A. § 48-5C-1 is also exempt from all sales and use tax, including TSPLOST.

Is the TAVT remitted to the state?

No. The TAVT must be sent to the county tag agent of the county where the vehicle will be registered along with the application for certificate of title. Dealers are required to submit both the TAVT and the application for certificate of title to the appropriate county. Dealers will not be able to send title work or the TAVT to the state, or to a county other than the county where the vehicle will be registered. The addresses for all Georgia county tag offices are available here:

<http://motor.etax.dor.ga.gov/tagoffices/selecttagoffice.aspx>

Does the dealer remit a monthly TAVT return similar to sales and use tax?

No. The TAVT is determined on a vehicle by vehicle basis and must be sent to and received by the appropriate county tag agent (along with the application for title) within thirty days of the date of purchase.

Is the dealer required to collect and remit the TAVT and title application to the county?

Yes.

What happens if the dealership is not able to submit the application for title and/or the TAVT to the county of residence within thirty days of the date of purchase?

A penalty of 5% of the TAVT liability will be assessed on the dealer for any application and/or TAVT that is not submitted to the purchaser's county tag office within thirty days from the date of purchase.

Are there any other late penalties after thirty days?

Yes. If the TAVT is not submitted within 60 days of the date of purchase, the dealership will be assessed a penalty equal to 10% of the TAVT. A penalty of 15% of the TAVT will be assessed if the TAVT is not submitted within 90 days. A penalty of 20% of the TAVT will be assessed if the TAVT is not submitted within 120 days. Thereafter, an additional penalty of 25% of the TAVT will be imposed if the payment is submitted more than 150 days late.

What is the "date of purchase" for the purpose of determining the penalty deadlines?

The date of purchase is the date of purchase reported on the Form MV-1.

II. CIRCUMSTANCES WHEN SALES AND USE TAX MAY STILL APPLY

When does the exemption from sales and use tax on motor vehicle sales go into effect?

Beginning March 1, 2013, the sale or purchase of any motor vehicle titled in this state for which the TAVT is paid or for which a specific TAVT exemption provided in O.C.G.A. § 48-5C-1 applies, will be exempt from sales and use tax.

To what does the sales and use tax exemption apply?

The exemption from sales and use tax applies to the sale or purchase of a motor vehicle as well as to fees and other items which are part of the contract for sale of a motor vehicle.

Are lease payments also exempt from sales and use tax?

Yes. For leases of a motor vehicle for longer than 31 consecutive days, the gross monthly lease charge is exempt from sales and use tax.

Since most of my sales are now exempt from sales tax, can I exclude those sales from my monthly sales tax return?

No. Exempt motor vehicle sales must still be reported as non-taxable sales on your monthly sales and use tax return.

All of my sales are exempt from sales and use tax. Do I need to continue filing a monthly sales and use tax return?

Yes. Although you no longer return any sales tax, you must continue to file monthly sales and use tax returns for at least six consecutive months, after which you may be eligible to apply for a reduced frequency of filing. *See* Ga. Comp. R. & Reg. § 560-12-1-.22.

Will sales tax continue to apply to items like doc fees?

No. Ancillary charges such as doc fees incurred as part of the contract for purchase of a motor vehicle will be exempt from sales and use tax. However, for a new motor vehicle, such charges and fees are included in the retail selling price when determining the amount subject to TAVT.

Does sales and use tax still apply to sales of tangible personal property and services if no motor vehicle sale takes place?

Yes. If the item of tangible personal property or service is not transferred in the course of a motor vehicle sale, the general rules of the sales and use tax apply. For example, the parts used to repair a customer's vehicle are subject to sales and use tax.

Are parts used in the non-warranty repair of motor vehicles subject to sales and use tax?

Yes. The parts used to repair a customer's vehicle are subject to sales and use tax. If the charges for parts and labor are itemized on the customer's invoice, only the charge for parts would be subject to the tax.

Is repair labor subject to sales and use tax?

Repair labor that is separately stated on the invoice is not subject to sales and use tax. Repair labor not separately stated is subject to sales and use tax.

Are repairs covered under a manufacturer's factory warranty subject to sales and use tax?

No. Sales and use tax is not due for parts used in repairs covered by a manufacturer's factory warranty regardless of whether the vehicle was subject to sales tax or TAVT when sold.

Are repair charges paid by an insurance company or under an extended warranty subject to sales tax?

The parts used in the repair are subject to sales tax, but the repair labor is not taxable if separately stated on the invoice.

Are customer charges for shop supplies used to repair a motor vehicle subject to sales and use tax?

Yes. Effective May 18, 2006 a charge for shop supplies, when separately stated on a dealer's invoice to the customer, is subject to sales and use tax. Therefore, a dealer may purchase these items under terms of resale through the issuance of a properly executed *Certificate of Exemption* (Form ST-5) because the dealer will later collect sales tax from the customer. However, in the event a dealer does not separately itemize and charge customers for shop supplies, a dealer must pay tax on its own purchase of such supplies or accrue use tax on such items.

Is a charge for a wheel alignment or tire rotation subject to sales and use tax?

No. Only items of tangible personal property are subject to sales and use tax. Labor is therefore not subject to the tax. Charges for labor must be separately stated on the invoice.

Are parts used to recondition a new or used vehicle for resale subject to sales and use tax?

No. Use of parts to recondition a dealer's vehicle for resale is treated as a sale of parts for resale purposes. See Ga. Comp. R. & Regs. r. 560-12-2-.09(7).

Is sales tax due on a free oil change?

No. However, the dealer accrues use tax based on the cost price of the materials used.

Is goodwill extended to a dissatisfied customer subject to sales tax?

Goodwill is considered a transaction where the company gives items to the customer without charge, thus no sales tax liability would be incurred by the customer. However, the dealership generally owes use tax on goodwill transactions based on the cost price of parts. A repair or service covered by a factory warranty is not considered a goodwill transaction and thus a dealership would not owe use tax on the parts used.

Does a dealer incur use tax on shop supplies?

It depends. Effective May 18, 2006 a charge for shop supplies, when separately stated on a dealer's invoice to the customer, is subject to sales and use tax. Therefore, a dealer may purchase these items under terms of resale through the issuance of a properly executed *Certificate of Exemption* (Form ST-5). However, in the event a dealer does not separately itemize and charge customers for shop supplies, a dealer must pay tax on the purchase of such supplies or accrue use tax on such items.

Is use tax due on paint used in a body shop?

Yes. When sales tax is not charged by the vendor, the paint, sandpaper, tape, and brushes used to repair vehicles are treated as items used and not resold. The dealership would be liable for tax on the paint at the time of the dealer's purchase unless specifically itemizing the quantity, color and the price on the customer's invoice and collecting sales tax on such itemized sale of paint.

Does a dealer incur use tax for free oil changes or customer adjustments?

Yes. Generally, by furnishing the wholesaler with an exemption certificate (Form ST-5), the dealership can purchase oil, filters, and other repair parts exempt for resale—and later charge the customer sales tax on those items. But, when an oil change or an adjustment is provided at no charge to the customer, the dealer is treated as the user of the item and thus is liable for use tax at the cost price of the item.

Does a dealer incur any tax liability when a vehicle is sold with a "Tires for Life" allowance?

Yes. Even if the vehicle is subject to the TAVT, the tires for life program or similar dealer sponsored lifetime programs are not considered a resale of tires. Thus, the dealer is responsible for use tax at the cost price of the tires when a tire is withdrawn from inventory to be placed on a vehicle.

Is use tax due on promotional items given to prospective purchasers?

Yes. Promotional items such as key chains, lighters, and other items are not considered purchased for resale. A dealer incurs a use tax liability on the cost price of these items unless the supplier previously charged sales tax at the time of purchase.

Do dealers need to collect Form ST-5 on sales of vehicles to Wholesalers?

Yes. To verify the sales tax exemption on audit.

III. LEASES

For the purpose of TAVT, what is a “lease” and “rental”?

Under O.C.G.A. § 48-5C-1, a “lease” is any transfer of possession or control of a motor vehicle for a term lasting 31 or more consecutive days for consideration. A “rental” is any transfer of possession or control of a motor vehicle for a term lasting 31 consecutive days or fewer.

Are leased vehicles subject to the TAVT?

Yes. For of a vehicle that will be leased, the TAVT is due along with the application for certificate of title within thirty days of the date of purchase.

Is the lease or rental of an automobile subject to sales and use tax?

Rental charges are subject to sales and use tax based upon the county where the motor vehicle is to be registered; however, lease payments are exempt from sales and use tax. For rentals, the tax is computed on the gross rental charge.

Does sales and use tax apply to cash buy-downs?

No. A cash buy-down is treated as a cash payment rendered to lower a lease payment and, like the lease payments, is exempt from sales and use tax.

Does sales and use tax apply to a manufacturer’s rebate used to buy down a lease payment?

No. A manufacturer’s rebate is treated as a cash payment rendered to lower a lease payment and, like lease payments, is exempt from sales and use tax. This is deemed to be the manufacturer paying for part of the vehicle on behalf of the purchaser.

Is a buy-out amount or purchase option at the end of a lease subject to sales and use tax?

No. However, because the title will be transferred to the lessee (who is now the purchaser), the lessee will be liable for the TAVT at the time they apply for a certificate of title. A buy-out or purchase option of a lease, when exercised, is a purchase so long as title passes to the customer for consideration; thus, this transaction is exempt from sales and use tax because it will be subject to TAVT.

Is a finance charge used to compute a lease payment subject to sales and use tax?

No. The finance charge is part of the lease payment and is therefore exempt from sales and use tax.

Is an amount charged for optional waiver of damage or insurance on a lease subject to sales and use tax?

No. A charge for an optional waiver of damage or insurance is not subject to sales and use tax.

IV. RENTAL MOTOR VEHICLE CONCERNS

What is a “rental motor vehicle concern”?

“Rental motor vehicle concern” means a person or legal entity which owns or leases five or more rental motor vehicles and which regularly rents or leases such vehicles to the public for value. Certain rental motor vehicle concerns are eligible to pay a reduced rate of TAVT if the statutory requirements are met.

Can any company that rents motor vehicles qualify for the reduced rate?

No. Only those companies which average \$400 of sales tax per vehicle attributable to the “rental charge” of each vehicle are eligible. The term “rental charge” is defined to include only those amounts derived from rentals of 31 days or fewer. Therefore, only companies which regularly rent vehicles for 31 days or fewer will have eligible tax payments for the purpose of qualifying for this reduced rate. To qualify, the vehicle owner must rent at least 5 motor vehicles at all times.

What is the reduced rate applicable for qualifying rental motor vehicle concerns?

Qualifying rental motor vehicle concerns will be eligible to pay at a rate of .625% for a state TAVT and .625% for a local TAVT, totaling a combined 1.25% TAVT rate for motor vehicle purchases. The reduced rate applies to a motor vehicle designed to carry fifteen or fewer passengers and used primarily for the transportation of persons that is rented or leased without a driver.

How does a rental motor vehicle concern qualify for the reduced rate?

Rental motor vehicle concerns who believe they qualify for the reduced rate must apply for certification. This is done by submitting Form MV-15 to the Georgia Department of Revenue along with any documentation required by the form. Additional documentation may be requested on a case by case basis. Failure to submit any required documentation may result in the denial of certification.

V. ETR

What is ETR?

ETR stands for Electronic Title and Registration. The ETR service allows dealerships to process title and registration work electronically at the point of sale through private vendors that have been certified by the Georgia Department of Revenue for this purpose. Beginning March 1, 2013, the service will be expanded to allow for electronic payment of TAVT and electronic submission of title work. ETR is not mandatory; rather, it is a tool available for dealers to submit title applications and TAVT payments to the appropriate county tag office, thereby eliminating the need for submission by mail or in person to the various county tag offices that accept ETR transactions.

For more information on ETR and for the names and contact information of certified ETR service providers please visit: www.newtitletax.com

Can dealerships submit title applications and remit TAVT through ETR?

Yes. The ETR process provides a consolidated method of processing title applications and remitting TAVT payments electronically and remotely to the county where the purchaser will register the vehicle.

However, a TAVT exempt transaction CANNOT be processed through ETR as of the date of this guide. Accordingly, a TAVT exempt transaction, such as disabled veteran, must be processed manually by the dealer. However, the reduced rate for an approved rental car concern may be processed through ETR.

What happens if a County does not accept ETR?

Your ETR service provider will be able to tell you whether a county is compatible with ETR before you enter a transaction. If a purchaser is from a county that does not accept title applications and TAVT payments through ETR, the process must be conducted manually.

VI. EXEMPTIONS AND SPECIAL CIRCUMSTANCES

a. Out of State Purchasers

Do I need to collect sales and use tax or TAVT from a purchaser who is not a resident of Georgia and will be titling the vehicle in another state?

No. TAVT should not be collected because there will not be a Georgia certificate of title issued for the vehicle. Likewise, the so called “drive out” exemption for sales and use tax still applies for purchasers who are residents of another state.

What documentation is the dealer required to collect for a customer who is an out of state resident?

The dealer should have the customer execute a Form ST-8 which should be retained by the dealership for audit purposes. The Form ST-8 will suffice for the non-collection of both sales and use tax and the TAVT.

b. Veteran’s Exemptions

Which veterans are exempt from TAVT?

Disabled Veteran receiving a grant from U.S. Dept. of Veterans Affairs to purchase and adapt a vehicle for their disability; Disabled Veteran who is 100% disabled and entitled to receive service-connected benefits, or who is entitled to a statutory award from the U.S. Dept. of Veterans Affairs for loss of certain faculties; Former Prisoner of War or their unremarried surviving spouse; Purple Heart Recipient; Medal of Honor Recipient.

What do I do if a purchaser claims to be a veteran who is exempt from the TAVT?

The paper work for these exemptions should be completed by the dealership and submitted along with the application for certificate of title to the county where the vehicle will be registered. Even though these veterans are receiving an exemption from TAVT, they will still receive the same exemption from sales tax and annual ad valorem tax as those who are required to pay TAVT.

Can veteran exemptions be processed in conjunction with an ETR transaction?

No. Unfortunately, for veteran exemptions provided on Form MV-30, the dealer must do all title and TAVT work manually.

What paper work must be submitted for the veteran exemptions?

Form MV-30 contains the list of classifications of veteran exemptions. Fill out this form and check the box for the appropriate exemption claimed by the veteran. Follow the instructions in the selected section by including any required supporting documentation.

c. Military Servicemembers Stationed in Georgia

Do non-resident military servicemembers stationed in Georgia pay TAVT when they purchase a vehicle in Georgia?

Non-resident service members are subject to special rules due to the requirements of federal law. Please see *TAVT Information Bulletin: Non-Resident Servicemembers of the Armed Forces* dated May 6, 2013 for more information. This bulletin is available at www.newtitletax.com

Do resident military servicemembers stationed in Georgia pay TAVT when they purchase a vehicle in Georgia?

Yes. If a military service member is a Georgia resident, then such military service member will be subject to TAVT and will receive the associated exemption from sales and use tax and annual ad valorem taxes. The dealer should collect the TAVT in accordance with the regular TAVT collection procedures in this manual.

d. Purchases Made by a Government Entity

Do government entities pay the TAVT when they purchase a vehicle in Georgia?

No. Motor vehicles purchased by state, county, consolidated government, municipality, county, independent school district or other government entities not otherwise subject to sales tax and annual ad valorem tax are not subject to TAVT.

What documentation is the dealer required to collect on a purchase made by a government entity?

The dealer should collect a copy of the purchase order showing that the purchase was made by a government entity. A copy of the purchase order should be submitted by the dealer to the appropriate county tag office along with the application for certificate of title.

e. Older Motor Vehicles

Are vehicles of model year 1962 or older subject to TAVT?

No. Under O.C.G.A. § 40-3-4, motor vehicles with model year 1962 or older are not issued a Georgia title. TAVT only applies to vehicles for which a title is issued. Therefore no TAVT is due.

Are sales of motor vehicles with model year 1962 or older subject to sales tax?

Yes. These vehicles are subject to sales and use tax because they do not fall under the requirements of O.C.G.A. § 48-5C-1.

Are vehicles of model year 1963 through 1985 subject to TAVT or sales tax?

It depends. Motor vehicles with model year 1963 – 1985 may or may not have a Georgia title.

If your dealership sells a vehicle that is not titled, then no TAVT should be collected and instead regular sales and use tax rules apply.

However, a motor vehicle with model year from 1963 – 1985 that does have a title will be subject to the TAVT, and the dealership should collect the TAVT in accordance with the regular TAVT collection procedures in this manual.

Any motor vehicle model year 1986 or newer should have a Georgia title and will be subject to TAVT.

f. Loaner Vehicles

Are loaner vehicles subject to TAVT?

The law provides that a loaner vehicle is not subject to TAVT for a period not to exceed 366 days. Immediately upon the expiration of such 366 day period, if the dealer does not return the loaner vehicle to inventory for resale, the dealer is required to pay TAVT.

A loaner vehicle, for purposes of TAVT, is defined as a vehicle owned by a dealer which is withdrawn temporarily from inventory for exclusive use as a courtesy vehicle loaned at no charge for a period not to exceed 30 days to any one customer whose motor vehicle is being serviced by such dealer.

g. Dealer Exemptions and Refunds

Can a dealer acquiring a title be exempt from TAVT?

In some instances, a dealer can be exempt from TAVT when acquiring a title in the name of the dealership. Please reference Form MV-66. If the dealer qualifies for one of these exemptions, the executed Form MV-66 should be submitted to the county tag agent along with the application for certificate of title Form MV-1.

Can a dealer request a refund for TAVT?

In cases in which a refund is appropriate, a dealer may submit Form MV-33 to the county tag agent to request the refund of TAVT.

EXAMPLES

Calculating the Amount of Tax

- a. In December 2013, Dealer and Customer agree to a sales price of \$20,000, as listed on the bill of sale, on the sale of a new motor vehicle. Dealer charges a \$500 doc fee and a \$500 fee for labor, freight, and delivery. The vehicle is listed in the motor vehicle assessment manual for \$19,000, exclusive of any other costs. Dealer agrees to give a \$5,000 credit to Customer for the trade-in of Customer's old vehicle. Dealer is able to provide a \$1,000 rebate.

Dealer must begin by determining the greater of the retail selling price and the value listed in the assessment manual. The retail selling price, which includes dealer fees and similar mark-ups and add-ons, is \$21,000, or (\$20,000 + \$500 + \$500). The value listed in the Department of Revenue motor vehicle assessment manual is \$19,000. Because the retail selling price is higher, the starting value is \$21,000.

Next, Dealer must reduce the higher value by any trade-in and rebates or cash discount provided by the dealer at the time of sale. Here, there is a trade-in of \$5,000 and a rebate of \$1,000. Reducing \$21,000 by \$6,000 leaves a taxable value of \$15,000.

Next, Dealer calculates the TAVT by multiplying the balance (\$15,000) by the TAVT rate. The TAVT rate is 6.5% in 2013. Therefore, the TAVT liability is \$975.

Dealer is located in Gwinnett County, but Customer is a resident of Cherokee County. On Customer's behalf, Dealer mails the application for certificate of title Form MV-1 and the \$975 of TAVT to the Cherokee County tag agent.

- b. In December 2013, Dealer and Customer agree to a sales price of \$20,000, as listed on the bill of sale, on the sale of a new motor vehicle. Dealer charges a \$500 doc fee and a \$500 fee for labor, freight, and delivery. The vehicle is listed in the motor vehicle assessment manual for \$22,000, exclusive of any other costs. Dealer agrees to give a \$5,000 credit to Customer for the trade-in of Customer's old vehicle. Dealer is able to provide a \$1,000 rebate.

Dealer must begin by determining the greater of the retail selling price and the value listed in the assessment manual. The retail selling price, which includes dealer fees and similar mark-ups and add-ons, is \$21,000, or (\$20,000 + \$500 + \$500). The value listed in the Department of Revenue motor vehicle assessment manual is \$22,000.

Because the value listed in the assessment manual is higher, the starting value is \$22,000.

Next, Dealer must reduce the higher value by any trade-in and rebates or cash discount provided by the dealer at the time of sale. Here, there is a trade-in of \$5,000 and a rebate of \$1,000. Reducing \$22,000 by \$6,000 leaves a taxable value of \$16,000.

Next, Dealer calculates the TAVT by multiplying the balance (\$16,000) by the TAVT rate. The TAVT rate is 6.5% in 2013. Therefore, the TAVT liability is \$1,040.

Dealer is located in Gwinnett County, but Customer is a resident of Cherokee County. On Customer's behalf, Dealer mails the application for certificate of title Form MV-1 and the \$1,040 of TAVT to the Cherokee County tag agent.

- c. In January 2014, Dealer and Customer agree to a purchase price of \$5,000, as listed on the bill of sale, on the sale of a used motor vehicle. The model year of the vehicle is 1988 and is not listed in the Department of Revenue motor vehicle assessment manual. Customer has no trade-in and Dealer does not provide a rebate.

Because the vehicle is not listed in the assessment manual, Dealer must first determine the Fair Market Value under the alternative method provided by O.C.G.A. § 48-5C-1(a)(1)(B) for used motor vehicles. Under the alternative method for used vehicles, Dealer must compare the NADA base "average trade-in" value from January of the current year with the value listed on the bill of sale, selecting the greater of the two values. Here, NADA provides a vehicle value of \$4,500. Therefore, Dealer uses the value on the bill of sale which is \$5,000.

Next, Dealer calculates the TAVT by reducing the Fair Market Value by any trade-in value, and multiplying the balance by the TAVT rate. Here, there is no trade-in and the TAVT rate is 6.75% in 2014. Therefore, Dealer calculates the TAVT by multiplying \$5,000 times 6.75% to reach a TAVT liability of \$337.50.

Dealer is located in Gwinnett County, but Customer is a resident of Cherokee County. On Customer's behalf, Dealer mails the application for certificate of title Form MV-1 and the \$337.50 of TAVT to the Cherokee County tag agent.

Sales Tax Exemptions

- a. Customer purchases a new car from Dealer with a sales price of \$20,000, adds a stereo system worth \$500, floor mats worth \$200, and a roof rack worth \$300. Customer also pays a doc fee of \$500. On the bill of sale the price for the car with the upgrades is \$21,000 along with a \$500 doc fee with a total cost to customer of \$21,500. The value listed in the Department of Revenue motor vehicle assessment manual is \$19,000 and there is no trade-in, rebate or cash discount. Because this is a new car, the higher of the retail selling price or the value listed in the assessment manual should be used. Because the retail selling price is higher, the FMV for the vehicle is \$21,500. Customer will pay $\$21,500 * 6.5\%$, or \$1,397.50 for the TAVT. No sales tax is due.
- b. Customer purchases a used car from Dealer with a sales price of \$20,000, adds a stereo system worth \$500, floor mats worth \$200, and a roof rack worth \$300. Customer also pays a doc fee of \$500. On the bill of sale the price for the car with the upgrades is \$21,000 along with a \$500 doc fee with a total cost to customer of \$21,500. The value listed in the Department of Revenue motor vehicle assessment manual is \$19,000 and there is no trade-in. The FMV for the vehicle is \$19,000. Customer will pay $\$19,000 * 6.5\%$, or \$1,235 for the TAVT. No sales tax is due.
- c. Customer purchases a used car from Dealer with a sales price of \$20,000, adds a stereo system worth \$500, floor mats worth \$200, and a roof rack worth \$300. Total price for the car with the upgrades is \$21,000 along with a \$500 doc fee with a total cost to Customer of \$21,500. There is no value in the Department of Revenue motor vehicle assessment manual for the vehicle. Since the car is a used vehicle and no value is listed in the assessment manual, the starting point is to use the higher of the value from the bill of sale or the NADA base “average trade-in” value from January of the current year. The value from the bill of sale includes the vehicle itself and any additional items that add actual value to the vehicle, which in this example includes the stereo system, floor mats, and roof rack. Accordingly, value from the bill of sale is \$21,000. The NADA value is \$18,000 and there is no trade-in. The value that should be used is the value from the bill of sale, which is \$21,000. Customer will pay $\$21,000 * 6.5\%$, or \$1,365 for the TAVT. No sales tax is due.
- d. Customer purchases a motor vehicle with a FMV of \$19,000, and a trailer with a purchase price of \$500. The TAVT only applies to *motor* vehicles and the sales tax exemption is only applicable when then the TAVT was paid or where the vehicle is otherwise subject to O.C.G.A. § 48-5C-1 but has a specific exemption from TAVT. Therefore, TAVT of \$1,250 ($\$19,000 * 6.5\%$) must be collected by the dealer for the car, and sale of the car is exempt from sales tax. The trailer, however, is not subject to TAVT and therefore there will be no sales tax exemption for the trailer. Accordingly, the sale of the trailer is subject to sales tax.

- e. Customer purchases a motor vehicle for which the TAVT is paid. The same customer returns to the dealership two months later and buys new floor mats for the same car. The sale of the floor mats is a separate and distinct transaction and is a sale of tangible personal property. Because the sale of the floor mats does not occur within the sale of the motor vehicle, the sale of the floor mats is subject to sales tax.

VII. FAQs for Dealers and Customers

How has the law changed regarding the taxation of motor vehicles?

- House Bill 386 was passed by the 2012 Georgia General Assembly and provided for a new method of taxation for certain motor vehicles effective March 1, 2013. House Bill 266 was passed by the 2013 session of the Georgia General Assembly and amended numerous aspects of House Bill 386. The title tax law is codified in O.C.G.A. § 48-5C-1.

What happened beginning March 1, 2013?

- Motor vehicles purchased on or after March 1, 2013 and titled in this state are exempt from sales and use tax and annual ad valorem tax, also known as the “birthday tax”. These taxes are replaced by a one-time tax that is imposed on the fair market value of the vehicle called the title ad valorem tax fee (“TAVT”). The fair market value is the taxable base of the motor vehicle. The manner in which fair market value is determined depends on whether the motor vehicle is new or used.

How is fair market value determined for a new motor vehicle?

- A new motor vehicle is any motor vehicle which is not a demonstrator vehicle and has never been the subject of a sale at retail to the general public.
- For a new motor vehicle, the fair market value is the greater of the retail selling price (or in the case of a lease, the agreed upon value) or the value listed in the state motor vehicle assessment manual. The higher number that is used should then be reduced by the trade-in value, as well as reduced by any rebate or cash discounts provided by the selling dealer at the time of the sale. Retail selling price (or in the case of a lease, the agreed upon value) includes charges for delivery, freight, doc fees, and other such fees and is meant to mirror the taxable base that was formerly used for sales tax.

How is fair market value determined for a used motor vehicle?

- A used motor vehicle is any motor vehicle which has been the subject of a sale at retail to the general public.
- For a used motor vehicle, the fair market value is the value identified in the state motor vehicle assessment manual. This value is calculated by averaging the current wholesale and retail values of the motor vehicle pursuant to O.C.G.A. § 48-5-442. Accordingly, the fair market value for a used motor vehicle for purposes of TAVT will generally be the same as the value that was used in the old annual ad valorem tax system.
- A reduction is made for the trade-in when the sale was made by a dealer, but not when the sale was made by a private individual.

What if the used motor vehicle is NOT listed in the motor vehicle assessment manual?

- If the vehicle is a used vehicle and not listed in state motor vehicle assessment manual, the fair market value will be the higher of (1) the value from the bill of sale or (2) the value listed in a used car market guide designated by the Commissioner of the Department of Revenue.
- A reduction is made for the trade-in when the sale was made by a dealer, but not when the sale was made by a private individual.

How is TAVT calculated?

- The TAVT is calculated by multiplying the fair market value by the rate in effect on the date of purchase. For 2013, the rate is 6.5%.
- A reduction is made for the trade-in when the sale was made by a dealer, but not when the sale was made by a private individual.

How is the trade-in value determined?

- As defined in O.C.G.A. § 48-5C-1, the “trade-in value” is the value of the motor vehicle as stated in the bill of sale for a vehicle which has been traded in to the dealer in a transaction involving the purchase of another vehicle from the dealer.

What is the TAVT rate?

- For the period from March 1, 2013 until December 31, 2013, the TAVT rate is 6.5%.
- For the period from January 1, 2014 through December 31, 2014, the TAVT rate is 6.75%.
- For the period from January 1, 2015 through December 31, 2015, the TAVT rate is 7.0%.
- For future years the rate may be adjusted, but in no event can the rate exceed 9%. The rate for the subsequent tax years, if increased, will be set by the Commissioner of the Department of Revenue and will be published by August 31.

Where do I apply for my title and pay TAVT?

- The application for title and TAVT payment must be submitted to the county in which the purchaser registers the vehicle (i.e. county of residence). The TAVT must be paid at the time application for title and registration are made.
- If you purchase your vehicle at a dealership, the dealer must accept the application for title and TAVT payment on your behalf and deliver the title application and TAVT payment to the county tag agent in the county where the vehicle will be registered.

Is it possible to go the Department of Revenue Motor Vehicle Division Headquarters to transfer a title?

- As of March 1, 2013, transfer of ownership for titled vehicles must be taken to the county tag agent in the county where the new owner will register the vehicle. The only titles that will be issued from DOR MVD Headquarters are salvage titles, replacement titles, title corrections, and titles for vehicles registered under the International Registration Plan.

Can the fair market value of the vehicle be appealed?

- Yes, the value can be appealed in the same manner as values for ad valorem tax purposes are appealed. The appeal takes place at the county level.

Can the owner of a vehicle purchased prior to March 1, 2013 avoid payment of future ad valorem taxes on their vehicle?

- If the vehicle was purchased between January 1, 2012 and March 1, 2013 and titled in this state, the owner is eligible to opt in to the new system and thereby receive an exemption from annual ad valorem tax in the future. If you qualify to opt in, you will get credit for any Georgia sales tax and ad valorem tax previously paid up to the amount of TAVT due. However, if the Georgia sales tax and ad valorem tax previously paid is less than the TAVT due, you will need to make up the difference when you opt in.

What is the time period when the opt-in can occur?

- The earliest date that qualified owners will be able to opt in to the new system is March 1, 2013. The last day an opt-in can occur is February 28, 2014.

Can a vehicle be transferred to an immediate family member or inherited by an immediate family member without having to pay TAVT?

- “Immediate family member” is defined as a spouse, parent, child, sibling, grandparent, or grandchild and includes those who have obtained such status through a legal determination recognized in this state.
- Whether a motor vehicle transferred or inherited by an immediate family member will be subject to TAVT will depend on whether the former owner had paid TAVT:
 - If the former owner of the vehicle had not paid TAVT and was paying annual ad valorem tax on the vehicle, the new owner may choose to either:
 1. Continue paying annual ad valorem tax on this vehicle, and therefore not be subject to TAVT **OR**
 2. The new owner may elect at the time of transfer to pay TAVT based on the fair market value of the vehicle at the applicable rate for the current year.
 - If the vehicle is acquired from a family member who paid TAVT at the time they purchased the vehicle then the new owner’s TAVT rate will be 0.50% (one-half of one percent). In this case the new owner does not have the option to revert back to the annual ad valorem system.

What sort of evidence will be required to prove that it is a family transfer or inheritance?

- The transferor and transferee will have to complete an affidavit on a notarized form affirming that such persons are immediate family members. Anyone who falsely attests shall be subject to a penalty up to \$5,000.

I am a new resident of Georgia. How does TAVT affect me?

- New residents moving into Georgia are required to register and title their motor vehicle in Georgia and must pay 50% of the TAVT within 30 days of moving to the state and the remaining 50% must be paid within the next 12 months.

What happens if TAVT is not timely remitted to the county tag agent?

- If the purchase is made at a dealership, the dealer has 30 days from the date of purchase to remit the title application and TAVT payment to the county tag agent of the county where the vehicle will be registered. If remitted later than 30 days from the date of purchase, the dealer will begin to accrue penalties.

- For non-dealer sales, i.e. a “casual sale”, the buyer must remit the application for title and TAVT payment. If paid later than 30 days from the date of purchase there is a penalty of 10% of the amount of the TAVT owed plus an additional 1% per month for every month late. Please note that motor vehicles purchased on a casual sale must be registered within 7 days from the date of purchase, and that titling of the motor vehicle and payment of the TAVT should generally take place at that time.

I am a Georgia resident but I plan to buy a car in another state. Will I be required to pay TAVT when I title this motor vehicle in Georgia?

- Yes.

I am a Non-Georgia resident but I plan to buy a car in Georgia and immediately drive it back to my home state and will be titling and registering the motor vehicle in my home state. Will I be required to pay TAVT?

- No. Form ST-8 should be executed to provide for the “drive out” exemption. You will not pay TAVT or Georgia sales tax but will be subject to the taxing rules of your home state. Please reference Form ST-8 to ensure you qualify for this exemption.

Are leased motor vehicles subject to TAVT?

- Yes.

What vehicles are NOT subject to TAVT?

- The TAVT applies to any motor vehicle purchased on or after March 1, 2013 for which a Georgia title is issued unless a specific exemption applies. If it is a motor vehicle for which no title is required then the TAVT does not apply. Likewise, if there is a vehicle that has a title but it is not a *motor* vehicle, then TAVT does not apply. For those vehicles not subject to TAVT, normal sales and use tax rules and annual ad valorem tax may still apply.
- For example, the following are not subject to TAVT:
 - Pull-behind trailers
 - Pull-behind campers
 - Mopeds
 - Any vehicle for which a Georgia title has not been issued, such as
 1. vehicles manufactured prior to 1963 (these vehicles are not eligible to receive a Georgia title)
 2. 1963 -1985 model year vehicles that do not have a Georgia title (these vehicles may have a Georgia title but are not required to in all cases)

I have a motor vehicle with a model year between 1963 – 1985 and want to have it titled. Does the TAVT apply?

- Yes. 1963 – 1985 model year motor vehicles for which a title is obtained are subject to a TAVT of 1% and will receive the associated sales and use tax exemption and the exemption from the annual ad valorem tax.

What other TAVT exemptions are available?

- Titles being corrected, replaced, or reissued to the same owner
- Addition or substitution of lienholders on the title so long as the owner of the motor vehicle remains the same
- Bonded titles pursuant to O.C.G.A. § 40-3-28 issued to registered Georgia dealers
- Titles issued pursuant to the foreclosure of a mechanics lien under O.C.G.A. § 40-3-54
- Titles issued to certain persons acquiring abandoned vehicles under Chapter 11 of Title 40
- Titles issued to an insurance company paying out a claim on a stolen vehicle under O.C.G.A. §40-3-43
- Titles issued to a registered rebuilder, retail dealer, or manufacturer for the purpose of resale
- Titles issued pursuant to the foreclosure of a security interest in the name of the security interest holder pursuant to Part 6 of Article 9 of Title 11
- Motor vehicles on which the TAVT was paid and the owner subsequently moves out of state but later returns and retitles the same motor vehicle in Georgia are not subject to TAVT
- Vehicles registered in the International Registration Plan are not subject to TAVT

Are motor vehicles acquired by veterans exempt from TAVT?

- The following veterans may be eligible to receive an exemption from TAVT.
 - Disabled Veteran receiving a grant from U.S. Dept. of Veterans Affairs to purchase and adapt a vehicle for their disability
 - Disabled Veteran who is 100% disabled and entitled to receive service-connected benefits, or who is entitled to a statutory award from the U.S. Dept. of Veterans Affairs for loss of certain faculties
 - Former Prisoner of War or their unremarried surviving spouse
 - Purple Heart Recipient
 - Medal of Honor Recipient

I plan to donate my car to a non-profit organization. Does the non-profit organization have to pay TAVT when the title is transferred to its name?

- If a vehicle is donated to a 501(c)(3) non-profit organization for the purpose of being transferred to another person, then that organization shall only pay a TAVT rate of 1% of the fair market value of the motor vehicle when the vehicle is titled in the name of the non-profit organization.

If I pay TAVT do I still have to register my vehicle every year and pay the tag renewal fee?

What other fees still apply?

- You are still required to annually register your vehicle in your home county and pay the associated \$20 standard renewal fee, or the applicable higher renewal fee in the case of specialty tags. The existing \$18 title application fee still applies when the vehicle is titled. You must continue to maintain liability insurance as required by Georgia law. If you live in one of the 13 emissions counties, the annual emissions test is still required prior to registration.