

House Bill 1433

By: Representatives Porter of the 143<sup>rd</sup>, Smyre of the 132<sup>nd</sup>, Crawford of the 16<sup>th</sup>, Ashe of the 56<sup>th</sup>, Randall of the 138<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to provide for the phasing out of ad valorem property taxes on motor vehicles  
3 over a certain period of time; to provide for relief grants to counties, municipalities, and  
4 school districts regarding taxation on certain motor vehicles; to provide for definitions; to  
5 provide for procedures regarding the implementation of such relief grants; to provide for  
6 qualifications and limitations; to provide for authorities and duties; to provide for certain  
7 powers of the state revenue commissioner; to provide for related matters; to provide for an  
8 effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 This Act shall be known as the "Motor Vehicle Tax Relief Act of 2008."

12 **SECTION 2.**

13 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
14 amended by adding a new chapter to read as follows:

15 "CHAPTER 5A

16 48-5A-1.

17 The General Assembly finds that:

- 18 (1) During difficult economic times it is the duty of the state to provide relief to its  
19 citizens whenever possible;
- 20 (2) The motor vehicle is the most common tangible property asset among the citizens of  
21 Georgia as well as the one of the most costly; and

1 (3) Granting tax relief to Georgia citizens from the motor vehicle ad valorem tax is a  
2 quick and efficient method towards economically helping virtually every household in  
3 Georgia.

4 48-5A-2.

5 As used in this chapter, the term:

6 (1) 'County millage rate' means the net ad valorem tax millage rate levied by a county  
7 for county purposes and applying to motor vehicles in such county, including any millage  
8 levied for special districts reported to and received by the state revenue commissioner but  
9 shall not mean any millage levied for purposes of bonded indebtedness or any millage  
10 levied on behalf of a school district for the purposes of education.

11 (2) 'Education millage rate' means the net ad valorem tax millage rate levied for the  
12 purposes of education on behalf of a school district and that is applied to motor vehicles  
13 in such school district but does not mean any millage levied for purposes of bonded  
14 indebtedness or any millage levied for county or municipal purposes.

15 (3) 'Motor vehicle' means a motor vehicle owned by a natural person and used primarily  
16 for personal use.

17 (4) 'Municipal millage rate' means the net ad valorem tax millage rate levied by a  
18 municipality for municipal purposes and applying to motor vehicles in such municipality  
19 but shall not mean millage levied for purposes of bonded indebtedness or any millage  
20 levied on behalf of a school district for the purposes of education.

21 (5) 'Qualified assessment' means the assessed value of each motor vehicle in the state  
22 based on the uniform valuation of motor vehicles prepared by the commissioner pursuant  
23 to Code Section 48-5-442. The General Assembly shall include in each year's General  
24 Appropriations Act the total of qualified assessments for any given year.

25 (6) 'State millage rate' means the state millage levy.

26 (7) 'Tax authority' means the person authorized by a county, municipality, or school  
27 district that levies ad valorem taxes to collect taxes on behalf of such county,  
28 municipality, or school district.

29 48-5A-3.

30 Pursuant to Article III, Section IX, Paragraph II(b) and Article VII, Section III, Paragraph  
31 III of the Constitution, the General Assembly shall, on an annual basis, appropriate funds  
32 to counties, municipalities, and school districts for grants relating to the qualified  
33 assessments of motor vehicles.

1 48-5A-4.

2 (a) The General Assembly shall annually appropriate to the Department of Revenue funds  
3 to provide grants based on the qualified assessments of motor vehicles to counties,  
4 municipalities, and school districts. The General Assembly shall appropriate a specific  
5 amount and the qualified assessment of each motor vehicle in the state for the specified tax  
6 year as follows:

7 (1) For the period beginning July 1, 2009, and ending June 30, 2010, a qualified  
8 assessment of \$3,000.00 or fair market value of \$7,500.00;

9 (2) For the period beginning July 1, 2010, and ending June 30, 2011, a qualified  
10 assessment of \$6,000.00 or fair market value of \$15,000.00;

11 (3) For the period beginning July 1, 2011, and ending June 30, 2012, a qualified  
12 assessment of \$9,000.00 or fair market value of \$22,500.00;

13 (4) For the period beginning July 1, 2012, and ending June 30, 2013, a qualified  
14 assessment of \$12,000.00 or fair market value of \$30,000.00; and

15 (5) For each subsequent 12 month period thereafter, the full assessed value of each  
16 motor vehicle.

17 (b) The General Assembly shall be authorized to adjust the amount of funds appropriated  
18 in the General Appropriations Act, provided that the funds appropriated in such Act are  
19 inadequate to fund the amount of qualified assessments provided for in the Act. Any  
20 adjustments of the General Appropriations Act pursuant to this Code section shall be made  
21 by amendment to such Act. If the General Assembly does not amend the General  
22 Appropriations Act for the purposes of adjusting the qualified assessment amount, there  
23 shall be a reduction of the qualified assessment value in an amount equal to the deficiency.

24 48-5A-5.

25 (a)(1) Grants based on the qualified assessments of motor vehicles shall be provided to  
26 each county, municipality, and school district in the state as follows:

27 (A) Subsequent to preparing municipal property tax bills, each municipal tax authority  
28 shall determine the total amount which would have been generated if the municipal  
29 millage rates applied to the qualified assessment of each motor vehicle taxable in the  
30 municipality. The total of tax credits given to each motor vehicle in the municipality  
31 after such calculation shall be the amount of the grant that the Department of Revenue  
32 shall issue to the municipality;

33 (B) Subsequent to preparing the county property tax bills, each county tax authority  
34 shall determine the total amount which would have been generated if the state and the  
35 county millage rates were applied to the qualified assessment of each motor vehicle  
36 taxable in the county. The total of tax credits given to each motor vehicle in the county

1 after such calculation shall be the amount of the grant that the Department of Revenue  
2 shall issue to the county; and

3 (C) Subsequent to preparing the school district tax bills, each school district tax  
4 authority shall determine the total amount which would have been generated if the  
5 education millage rate was applied to the qualified assessment of each motor vehicle  
6 taxable in the school district. The total of tax credits given to each motor vehicle in the  
7 school district after such calculation shall be the amount of the grant that the  
8 Department of Revenue shall issue to the school district.

9 (2) Credit amounts computed under paragraph (1) of this subsection shall be applied to  
10 reduce dollar for dollar the otherwise applicable tax liability, but the credit granted shall  
11 not in any case exceed the amount of the otherwise applicable tax liability.

12 (b) The tax authority calculating a tax credit pursuant to this Code section shall provide  
13 an ad valorem tax receipt communicating to the motor vehicle owner receiving the credit:

14 (1) The total amount that his or her tax bill was reduced; and

15 (2) Notice that such tax credit was a result of tax relief for motor vehicles enacted by the  
16 Governor and the General Assembly.

17 48-5A-6

18 (a) A municipality shall not be entitled to receive a grant pursuant to subparagraph  
19 (a)(1)(A) of Code Section 48-5A-5 if such municipal tax authority does not reduce from  
20 the municipal millage for each owner of a motor vehicle the otherwise applicable tax  
21 liability for such motor vehicle.

22 (b) A county shall not be entitled to receive a grant pursuant to subparagraph (a)(1)(B) of  
23 Code Section 48-5A-5 if such county tax authority does not reduce from the county millage  
24 for each owner of a motor vehicle the otherwise applicable tax liability for such motor  
25 vehicle.

26 (c) A school district shall not be entitled to receive a grant pursuant to subparagraph  
27 (a)(1)(C) of Code Section 48-5A-5 if such school district tax authority does not reduce  
28 from the education millage for each owner of a motor vehicle the otherwise applicable tax  
29 liability for such motor vehicle.

30 48-5A-7.

31 If subsequent to applying tax credits pursuant to Code Section 48-5A-5 and receiving funds  
32 from the Department of Revenue grants for such credits the county, municipality, or school  
33 district determines that there is an excess of funds remaining from such grants, such  
34 county, municipality, or school district shall return the excess funds to the department.

1 48-5A-8.

2 The state revenue commissioner shall be authorized to adopt rules and regulations for the  
3 purposes of implementing this chapter. Such commissioner shall also be authorized to  
4 provide specific instructions to local governments for the purposes of furthering the  
5 purposes of this chapter. Such commissioner may adopt procedures for the partial or  
6 installment distribution of grants when he or she determines that a full distribution shall  
7 only result in the return of funds pursuant to Code Section 48-5A-6.

8 48-5A-9.

9 The tax authority providing a grant pursuant to this chapter shall be authorized to recover  
10 any credit given erroneously or illegally. Any credit recovered pursuant to this Code  
11 section shall be done in the same manner as any other delinquent tax."

12 **SECTION 2.**

13 This Act shall become effective on January 1, 2009.

14 **SECTION 3.**

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