

House Bill 446

By: Representative Sims of the 169<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Titles 40 and 48 of the Official Code of Georgia Annotated, relating, respectively,  
2 to motor vehicles and revenue and taxation, so as to provide for the comprehensive revision  
3 of taxation of motor vehicles; to change certain provisions regarding tag agents; to provide  
4 for title and registration fees and the disbursement of such fees; to change certain provisions  
5 regarding classification of motor vehicles as a separate class of property for ad valorem tax  
6 purposes; to provide for an additional classification exempt from such taxation; to provide  
7 for an exemption from sales and use taxes with respect to the sale or use of certain motor  
8 vehicles; to provide for related matters; to provide for an effective date; to repeal conflicting  
9 laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 40 of the Official Code of Georgia Annotated, relating to motor vehicles, is amended  
13 by revising Code Section 40-2-23, relating to county tax collectors and county tax  
14 commissioners designation as tax agents, as follows:

15 "40-2-23.

16 (a) The tax collectors of the various counties of this state and the tax commissioners of  
17 those counties in which the duties of the tax collector are performed by a tax commissioner  
18 shall be designated as tag agents of the commissioner for the purpose of accepting  
19 applications for the registration of vehicles. The commissioner is authorized to promulgate  
20 rules and regulations for the purpose of delegating to such tag agents the custodial  
21 responsibility for properly receiving, processing, issuing, and storing motor vehicle titles  
22 or registrations, or both.

23 ~~(b) The state revenue commissioner is authorized to further designate each such tag agent~~  
24 ~~as a sales tax agent for the purpose of collecting sales and use tax with respect to the casual~~  
25 ~~sale or casual use of a motor vehicle. For purposes of this Code section, 'casual sale' or~~  
26 ~~'casual use' means the sale of a motor vehicle by a person who is not regularly or~~

27 ~~systematically engaged in making retail sales of motor vehicles and the first use,~~  
 28 ~~consumption, distribution, or storage for use or consumption of such motor vehicle~~  
 29 ~~purchased through a casual sale. As personal compensation for services rendered to the~~  
 30 ~~Department of Revenue with respect to the collection of such sales and use tax, each such~~  
 31 ~~designated tag agent shall be authorized to retain from such collection a fee of \$200.00 per~~  
 32 ~~month. In any month in which an insufficient amount of such tax is collected to pay such~~  
 33 ~~fee, the amount of any such unpaid fee may be deferred until such month as sufficient~~  
 34 ~~collections are made. Such compensation shall be in addition to any other compensation~~  
 35 ~~to which such tax collector or tax commissioner is entitled.~~

36 ~~(c)(b)~~ The duties and responsibilities of agents of the commissioner designated under this  
 37 Code section shall be a part of the official duties and responsibilities of the county tax  
 38 collectors and tax commissioners."

39 **SECTION 2.**

40 Said title is further amended by adding a new Code section to read as follows:

41 "40-2-25.1.

42 (a) Any motor vehicle which is titled in this state on or after January 1, 2010, shall not be  
 43 subject to the sales and use tax as otherwise required under Chapter 8 of Title 48 and shall  
 44 not be subject to ad valorem tax as otherwise required under Chapter 5 of Title 48. Any  
 45 such motor vehicle shall be titled as required under this title but shall be subject to a title  
 46 fee in the amount equal to the lesser of \$1,500.00 or an amount equal to 7 percent of the  
 47 value of such vehicle as determined under the uniform evaluation of all motor vehicles  
 48 prepared by the state revenue commissioner under Code Section 48-5-442; provided,  
 49 however, that a person or entity acquiring a salvage title pursuant to subsection (b) of Code  
 50 Section 48-3-36 shall be subject to a title fee in the amount of \$20.00. Any such motor  
 51 vehicle shall continue to be subject to the tag, revalidation decal, and registration  
 52 requirements of this title except that the owner of the motor vehicle shall be authorized to  
 53 purchase a five-year registration decal for \$80.00 or to purchase a ten-year registration  
 54 decal for \$160.00.

55 (b) The amount of funds collected by tag agents as title fees and registration fees pursuant  
 56 to this Code section shall be disbursed as follows:

57 (1) For the 2010 tax year, 50 percent of such proceeds shall be remitted to the state  
 58 revenue commissioner who shall deposit such proceeds in the general fund of the state;  
 59 and

60 (2) Fifty percent of such proceeds shall be designated as local government funds and  
 61 shall be disbursed based upon the address of the owner indicated upon the title to the  
 62 governing authority of the county. The governing authority of the county shall then

63 distribute the proceeds among the various local governments based upon a distribution  
 64 certificate which shall be prepared in the same manner as if the proceeds under this Code  
 65 section were local option sales tax revenues under Code Section 48-8-89.

66 (c) In the 2011 tax year and subsequent tax years, the percentage remitted to the state shall  
 67 decrease by 1 percent, and the percentage remitted as local government funds shall increase  
 68 by 1 percent until the state percentage equals 45 percent and the local government  
 69 percentage equals 55 percent; provided, however, that if the amount of ad valorem taxes  
 70 collected and paid to local governments in a tax year after 2010 from motor vehicle ad  
 71 valorem taxes is less than the amount of ad valorem taxes collected and paid to such local  
 72 governments in 2010 from motor vehicle ad valorem taxes, then the amount of the proceeds  
 73 from title fees and registration fees shall first be reduced before being distributed according  
 74 to this subsection by an amount equal to the difference between the amount of motor  
 75 vehicle taxes collected and paid to local governments in 2010 and the amount collected in  
 76 that tax year, and such difference shall be distributed to such local governments to offset  
 77 such reduction in motor vehicle ad valorem taxes."

78

### SECTION 3.

79 Title 48 of Official Code of Georgia Annotated, relating to revenue and taxation, is amended  
 80 by revising Code Section 48-5-441, relating to classification of motor vehicles and mobile  
 81 homes as separate classes of tangible property for ad valorem tax purposes, as follows:

82 "48-5-441.

83 (a)(1) For the purposes of ad valorem taxation, motor vehicles ~~are~~ shall be classified as  
 84 a separate and distinct class of tangible property. Such class of tangible property shall  
 85 be divided into two distinct and separate subclasses of tangible property with one  
 86 subclass including heavy-duty equipment motor vehicles as defined in Code Section  
 87 48-5-505 and the other subclass including all other motor vehicles. The procedures  
 88 prescribed by this article for returning motor vehicles, excluding heavy-duty equipment  
 89 motor vehicles as defined in Code Section 48-5-505, for taxation, determining the  
 90 applicable rates for taxation, and collecting the ad valorem tax imposed on motor vehicles  
 91 shall be exclusive.

92 (2) This subsection shall not apply to motor vehicles subject to Code Section 48-5-441.1.

93 (b) For the purposes of ad valorem taxation, mobile homes ~~are~~ shall be classified as a  
 94 separate and distinct class of tangible property. The procedures prescribed by this article  
 95 for returning mobile homes for taxation, determining the applicable rates for taxation, and  
 96 collecting the ad valorem tax imposed on mobile homes shall be exclusive.

97 (c)(1) For the purposes of ad valorem taxation, commercial vehicles ~~are~~ shall be  
 98 classified as a separate and distinct class of tangible property. The procedures prescribed

99 by this article for returning commercial vehicles for taxation and for determining the  
100 valuation of commercial vehicles shall be exclusive and as provided for in Code Section  
101 48-5-442.1. All other procedures prescribed by this article for the taxation of motor  
102 vehicles shall be applicable to the taxation of commercial vehicles.

103 (2) This subsection shall not apply to motor vehicles subject to Code Section  
104 48-5-441.1."

105 **SECTION 4.**

106 Said title is further amended by adding a new Code section to read as follows:

107 "48-5-441.1.

108 Motor vehicles subject to the provisions of Code Section 40-2-25.1 shall be classified as  
109 a separate and distinct class of tangible property and shall be exempt from all ad valorem  
110 taxation."

111 **SECTION 5.**

112 Said title is further amended in Code Section 48-8-3, relating to exemptions from sales and  
113 use tax, by replacing "; or" with a semicolon at the end of paragraph (85), replacing the  
114 period at the end of paragraph (86) with "; or", and by adding a new paragraph to read as  
115 follows:

116 "(87) The sale or use of any motor vehicle titled in this state on or after January 1, 2010,  
117 pursuant to Code Section 40-2-25.1."

118 **SECTION 6.**

119 This Act shall become effective on January 1, 2010.

120 **SECTION 7.**

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