

House Bill 480

By: Representatives Geisinger of the 48<sup>th</sup>, Powell of the 29<sup>th</sup>, Rice of the 51<sup>st</sup>, Abrams of the 84<sup>th</sup>, Peake of the 137<sup>th</sup>, and others

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 and automatic repeal;  
9 to repeal conflicting 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.

53 (b) For the 2010 tax year, the amount of funds collected by tag agents as title fees and  
 54 registration fees pursuant to this Code section shall be disbursed as follows:

55 (1) Fifty percent of such proceeds shall be remitted to the state revenue commissioner  
 56 who shall deposit such proceeds in the general fund of the state; and

57 (2) Fifty percent of such proceeds shall be designated as local government funds and  
 58 shall be disbursed based upon the address of the owner indicated upon the title to the  
 59 governing authority of the county. The governing authority shall then distribute the  
 60 proceeds among the various local governments as if such proceeds were local option sales  
 61 tax revenues under Code Section 48-8-89.

62 In each subsequent tax year, the percentage remitted to the state shall decrease by one-half  
 63 of 1 percent, and the percentage remitted as local government funds shall increase by  
 64 one-half of 1 percent until the state percentage equals 45 percent and the local government  
 65 percentage equals 55 percent; provided, however, that if the amount of ad valorem taxes  
 66 collected and paid to local governments in the 2010 tax year and subsequent tax years from  
 67 motor vehicle ad valorem taxes is less than the amount of ad valorem taxes collected and  
 68 paid to such local governments in 2009 from motor vehicle ad valorem taxes, then the  
 69 amount of the proceeds from title fees and registration fees shall first be reduced before  
 70 being distributed according to this subsection by an amount equal to the difference between  
 71 the amount of motor vehicle taxes collected and paid to local governments in 2009 and the  
 72 amount collected in that tax year, and such difference shall be distributed to such local  
 73 governments to offset such reduction in motor vehicle ad valorem taxes."

74

### SECTION 3.

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

78 "48-5-441.

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

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

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

93 (c)(1) For the purposes of ad valorem taxation, commercial vehicles ~~are~~ shall be  
 94 classified as a separate and distinct class of tangible property. The procedures prescribed  
 95 by this article for returning commercial vehicles for taxation and for determining the  
 96 valuation of commercial vehicles shall be exclusive and as provided for in Code Section

97 48-5-442.1. All other procedures prescribed by this article for the taxation of motor  
98 vehicles shall be applicable to the taxation of commercial vehicles.

99 (2) This subsection shall not apply to motor vehicles subject to Code Section  
100 48-5-441.1."

101 **SECTION 4.**

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

103 "48-5-441.1.

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

107 **SECTION 5.**

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

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

114 **SECTION 6.**

115 This Act shall become effective on January 1, 2010, and shall be repealed by operation of  
116 law on December 31, 2019.

117 **SECTION 7.**

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