

## House Bill 63

By: Representatives Blackmon of the 146<sup>th</sup>, Corbett of the 174<sup>th</sup>, Smith of the 133<sup>rd</sup>, Ridley of the 6<sup>th</sup>, Williamson of the 115<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to  
2 alternative ad valorem tax on motor vehicles, so as to revise the definition of fair market  
3 value of the motor vehicle to exclude certain interest and financing charges for leased motor  
4 vehicles; to provide for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 5C of Title 48 of the Official Code of Georgia Annotated, relating to alternative ad  
8 valorem tax on motor vehicles, is amended by revising paragraph (1) of subsection (a) of  
9 Code Section 48-5C-1, relating to definitions, exemption from taxation, allocation and  
10 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,  
11 and report, as follows:

12 "(1) 'Fair market value of the motor vehicle' means:

13 (A) For a used motor vehicle purchased from a new or used car dealer other than under  
14 a seller financed sale arrangement, the retail selling price of the motor vehicle, less any  
15 reduction for the trade-in value of another motor vehicle;

16 (B)(i) For a used motor vehicle purchased from a person other than a new or used car  
17 dealer or a used motor vehicle purchased under a seller financed sale arrangement, the  
18 average of the current fair market value and the current wholesale value of a motor  
19 vehicle for a vehicle listed in the current motor vehicle ad valorem assessment manual  
20 utilized by the state revenue commissioner and based upon a nationally recognized  
21 motor vehicle industry pricing guide for fair market and wholesale market values in  
22 determining the taxable value of a motor vehicle under Code Section 48-5-442;  
23 provided, however, that, if the motor vehicle is not listed in such current motor  
24 vehicle ad valorem assessment manual, the fair market value shall be the value from  
25 a reputable used car market guide designated by the commissioner and, in the case of  
26 a motor vehicle purchased from a new or used car dealer under a seller financed sale  
27 arrangement, less any reduction for the trade-in value of another motor vehicle;

28 ~~(C)~~(ii) Upon written application and supporting documentation submitted by an  
29 applicant under this Code section, a county tag agent may deviate from the fair market  
30 value as defined in ~~subparagraph (B) of this paragraph~~ division (i) of this  
31 subparagraph based upon mileage and condition of the used vehicle. Supporting  
32 documentation may include, but not be limited to, bill of sale, odometer statement,  
33 and values from reputable pricing guides. The fair market value as determined by the  
34 county tag agent pursuant to this subparagraph shall be appealable as provided in  
35 subsection (e) of this Code section;

36 (C) Reserved;

37 (D) For a new motor vehicle, the retail selling price, less any reduction for the trade-in  
38 value of another motor vehicle and any rebate. The retail selling price shall include any  
39 charges for labor, freight, delivery, dealer fees and similar charges, tangible accessories,  
40 dealer add-ons, and mark-ups, but shall not include any federal retailers' excise tax or  
41 extended warranty, service contract, maintenance agreement, or similar products  
42 itemized on the dealer's invoice to the customer or any finance, insurance, and interest

43 charges for deferred payments billed separately. No reduction for the trade-in value of  
44 another motor vehicle shall be taken unless the name of the owner and the vehicle  
45 identification number of such trade-in motor vehicle are shown on the bill of sale;

46 (E) For a motor vehicle that is leased:

47 (i) In the case of a motor vehicle that is leased to a lessee for use primarily in the  
48 lessee's trade or business and for which the lease agreement contains a provision for  
49 the adjustment of the rental price as described in Code Section 40-3-60, the agreed  
50 upon value of the motor vehicle less any reduction for the trade-in value of another  
51 motor vehicle and any rebate; or

52 (ii) In the case of a motor vehicle that is leased other than described in division (i) of  
53 this subparagraph, the total of the base payments pursuant to the lease agreement plus  
54 any down payments, less the total of all itemized interest or finance charges included  
55 in such base payments or down payments; and

56 (iii) The term 'any down payments' as used in this subparagraph shall mean cash  
57 collected from the lessee at the inception of the lease which shall include cash  
58 supplied as a capital cost reduction; shall not include rebates, noncash credits, or net  
59 trade allowances; and shall include any upfront payments collected from the lessee  
60 at the inception of the lease except for taxes or fees imposed by law and monthly lease  
61 payments made in advance; or

62 (F) For a kit car which is assembled by the purchaser from parts supplied by a  
63 manufacturer, the retail selling price of the kit. A kit car shall not include a rebuilt or  
64 salvage vehicle."

65 **SECTION 2.**

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