

The Senate Committee on Finance offered the following substitute to HB 365:

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 that the governing authorities of counties may provide facilities in
3 multiple locations for hearings on appeals to boards of equalization; to provide that a hearing
4 shall be held in the location nearest to the taxpayer's residence; to require the random
5 assignment of hearing panel members to such locations; to lower the alternative ad valorem
6 tax rate imposed on motor vehicles; to revise a definition; to provide that the transfer of a
7 title from one legal entity in which an individual holds an ownership interest of at least 50
8 percent to another legal entity in which the same individual holds an ownership interest of
9 at least 50 percent does not constitute a taxable event; to revise the date range for antique
10 motor vehicles; to provide for related matters; to provide an effective date; to repeal
11 conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

14 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
15 amended in subsection (a.2) of Code Section 48-5-311, relating to creation of county boards
16 of equalization, duties, review of assessments, and appeals, by adding a new paragraph to
17 read as follows:

18 "(5)(A) The governing authority of each county may provide multiple facilities with
19 equal amenities to be hearing locations for the use of the members of the board of
20 equalization, the taxpayers, the representatives of the county board of tax assessors, and
21 others who may attend hearings of the board of equalization in person. The governing
22 authority may locate these facilities with equal amenities in places convenient to
23 taxpayers.

24 (B) Where the governing authority has established two or more hearing locations
25 within a county, the appeal administrator shall schedule appeal hearings at the location
26 nearest to the taxpayer's residence unless otherwise requested by the taxpayer and shall

27 randomly assign members of the board of equalization to hear appeals at each such
 28 location."

29 SECTION 2.

30 Said title is further amended by revising paragraph (1) of subsection (a) of Code
 31 Section 48-5C-1, relating to definitions, exemption from taxation, allocation and
 32 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,
 33 and report, as follows:

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

35 (A) For a used motor vehicle purchased from a new or used car dealer other than under
 36 a seller financed sale arrangement, the average of the current fair market value and the
 37 current wholesale value of a motor vehicle for a vehicle listed in the current motor
 38 vehicle ad valorem assessment manual utilized by the state revenue commissioner and
 39 based upon a nationally recognized motor vehicle industry pricing guide for fair market
 40 and wholesale market values in determining the taxable value of a motor vehicle under
 41 Code Section 48-5-442 retail selling price of the motor vehicle, and, in the case of a
 42 used car dealer, less any reduction for the trade-in value of another motor vehicle;

43 (B) For a used motor vehicle purchased from a person other than a new or used car
 44 dealer or purchased under a seller financed sale arrangement, the average of the current
 45 fair market value and the current wholesale value of a motor vehicle for a vehicle listed
 46 in the current motor vehicle ad valorem assessment manual utilized by the state revenue
 47 commissioner and based upon a nationally recognized motor vehicle industry pricing
 48 guide for fair market and wholesale market values in determining the taxable value of
 49 a motor vehicle under Code Section 48-5-442; provided, however, that, if the motor
 50 vehicle which is not listed in such current motor vehicle ad valorem assessment manual,
 51 the fair market value from the bill of sale or shall be the value from a reputable used car
 52 market guide designated by the commissioner, whichever is greater, and, in the case of
 53 a motor vehicle purchased from a new or used car dealer under a seller financed sale
 54 arrangement, less any reduction for the trade-in value of another motor vehicle;

55 (C) Upon written application and supporting documentation submitted by an applicant
 56 under this Code section, a county tag agent may deviate from the fair market value as
 57 defined in subparagraph (A), (B), ~~or (D)~~ of this paragraph based upon mileage and
 58 condition of the used vehicle. Supporting documentation may include, but not be
 59 limited to, bill of sale, odometer statement, and values from reputable pricing guides.
 60 The fair market value as determined by the county tag agent pursuant to this
 61 subparagraph shall be appealable as provided in subsection (e) of this Code section;

62 (D) For a new motor vehicle, ~~the greater of the retail selling price or the average of the~~
 63 ~~current fair market value and the current wholesale value of a motor vehicle for a~~

64 ~~vehicle listed in the current motor vehicle ad valorem assessment manual utilized by~~
65 ~~the state revenue commissioner in determining the taxable value of a motor vehicle~~
66 ~~under Code Section 48-5-442~~, less any reduction for the trade-in value of another motor
67 vehicle and any rebate. The retail selling price shall include any charges for labor,
68 freight, delivery, dealer fees and similar charges, tangible accessories, dealer add-ons,
69 and mark-ups, but shall not include any federal retailers' excise tax or extended
70 warranty, service contract, maintenance agreement, or similar products itemized on the
71 dealer's invoice to the customer or any finance, insurance, and interest charges for
72 deferred payments billed separately. No reduction for the trade-in value of another
73 motor vehicle shall be taken unless the name of the owner and the vehicle identification
74 number of such trade-in motor vehicle are shown on the bill of sale;

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

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

81 (ii) In the case of a motor vehicle that is leased other than described in division (i) of
82 this subparagraph, the total of the base payments pursuant to the lease agreement plus
83 any down payments.

84 The term 'any down payments' as used in this subparagraph shall mean cash collected
85 from the lessee at the inception of the lease which shall include cash supplied as a
86 capital cost reduction; shall not include rebates, noncash credits, or net trade
87 allowances; and shall include any upfront payments collected from the lessee at the
88 inception of the lease except for taxes or fees imposed by law and monthly lease
89 payments made in advance; or

90 (F) For a kit car which is assembled by the purchaser from parts supplied by a
91 manufacturer, the ~~greater of the~~ retail selling price of the kit ~~or the average of the~~
92 ~~current fair market value and the current wholesale value of the motor vehicle if listed~~
93 ~~in the current motor vehicle ad valorem assessment manual utilized by the state revenue~~
94 ~~commissioner and based upon a nationally recognized motor vehicle industry pricing~~
95 ~~guide for fair market and wholesale market values in determining the taxable value of~~
96 ~~a motor vehicle under Code Section 48-5-442~~. A kit car shall not include a rebuilt or
97 salvage vehicle."

98

SECTION 3.

99 Said title is further amended by revising division (b)(1)(A)(ii) of Code Section 48-5C-1,
100 relating to definitions, exemption from taxation, allocation and disbursement of proceeds
101 collected by tag agents, fair market value of vehicle appealable, and report, as follows:

102 “(ii) The combined state and local title ad valorem tax shall be at a rate equal to 7
103 percent of the fair market value of the motor vehicle; provided, however, that,
104 beginning on July 1, 2020, and continuing through June 30, 2023, such rate shall be
105 equal to 6.6 percent of the fair market value of the motor vehicle.”

106

SECTION 4.

107 Said title is further amended by revising paragraph (15) of subsection (d) of Code
108 Section 48-5C-1, relating to definitions, exemption from taxation, allocation and
109 disbursement of proceeds collected by tag agents, fair market value of vehicle appealable,
110 and report, as follows:

111 “(15) There shall be no liability for any state or local title ad valorem tax fees in any of
112 the following title transactions:

113 (A) The addition or substitution of lienholders on a motor vehicle title so long as the
114 owner of the motor vehicle remains the same;

115 (B) The acquisition of a bonded title by a person or entity pursuant to Code
116 Section 40-3-28 if the title is to be issued in the name of such person or entity;

117 (C) The acquisition of a title to a motor vehicle by a person or entity as a result of the
118 foreclosure of a mechanic's lien pursuant to Code Section 40-3-54 if such title is to be
119 issued in the name of such lienholder;

120 (D) The acquisition of a title to an abandoned motor vehicle by a person or entity
121 pursuant to Chapter 11 of Title 40 if such person or entity is a manufacturer or dealer
122 of motor vehicles and the title is to be issued in the name of such person or entity;

123 (E) The obtaining of a title to a stolen motor vehicle by a person or entity pursuant to
124 Code Section 40-3-43;

125 (F) The obtaining of a title by and in the name of a motor vehicle manufacturer,
126 licensed distributor, licensed dealer, or licensed rebuilder for the purpose of sale or
127 resale or to obtain a corrected title, provided that the manufacturer, distributor, dealer,
128 or rebuilder shall submit an affidavit in a form promulgated by the commissioner
129 attesting that the transfer of title is for the purpose of accomplishing a sale or resale or
130 to correct a title only;

131 (G) The obtaining of a title by and in the name of the holder of a security interest when
132 a motor vehicle has been repossessed after default in accordance with Part 6 of Article 9
133 of Title 11 if such title is to be issued in the name of such security interest holder;

134 (H) The obtaining of a title by a person or entity for purposes of correcting a title,
 135 changing an odometer reading, or removing an odometer discrepancy legend, provided
 136 that, subject to subparagraph (F) of this paragraph, title is not being transferred to
 137 another person or entity;

138 (I) The obtaining of a title by a person who pays state and local title ad valorem tax
 139 fees on a motor vehicle and subsequently moves out of this state but returns and applies
 140 to retitle such vehicle in this state;

141 (J) The obtaining of a replacement title on a vehicle that is not less than 15 years old
 142 upon sufficient proof provided to the commissioner that such title no longer exists;

143 (K) The transfer of a title made as a result of a business reorganization when the
 144 owners, partners, members, or stockholders of the business being reorganized maintain
 145 the same proportionate interest or share in the newly formed business reorganization;

146 (L) The transfer of a title from a company to an owner of the company for the purpose
 147 of such individual obtaining a prestige or special license plate for the motor vehicle;

148 **and**

149 (M) The transfer of a title from an owner of a company to the company; and

150 (N) The transfer of a title from one legal entity in which an individual holds an
 151 ownership interest of at least 50 percent to another legal entity in which the same
 152 individual holds an ownership interest of at least 50 percent, provided that the
 153 alternative ad valorem tax imposed by this chapter has been levied on such motor
 154 vehicle and has been paid by the transferring entity or such individual."

155 **SECTION 5.**

156 Said title is further amended by revising subparagraph (d)(17)(A) of Code Section 48-5C-1,
 157 relating to definitions, exemption from taxation, allocation and disbursement of proceeds
 158 collected by tag agents, fair market value of vehicle appealable, and report, as follows:

159 "(A) Any person who purchases a 1963 through ~~1985~~ 1989 model year motor vehicle
 160 for which such person obtains a title shall be subject to this Code section, but the state
 161 title ad valorem tax fee shall be in an amount equal to 0.5 percent of the fair market
 162 value of such motor vehicle, and the local title ad valorem tax fee shall be in an amount
 163 equal to 0.5 percent of the fair market value of such motor vehicle."

164 **SECTION 6.**

165 This Act shall become effective on July 1, 2020.

166 **SECTION 7.**

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