

House Bill 63 (AS PASSED HOUSE AND SENATE)

By: Representatives Blackmon of the 146th, Corbett of the 174th, Smith of the 133rd, Ridley of the 6th, Williamson of the 115th, 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 provide for an effective date; to repeal conflicting
5 laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

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

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

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

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

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

37 (C) Reserved;

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

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

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

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

53 (ii) In the case of a motor vehicle that is leased other than described in division (i) of
54 this subparagraph, the total of the ~~base payments~~ depreciation plus any amortized
55 amounts pursuant to the lease agreement plus any 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 This Act shall become effective on January 1, 2022.

67 **SECTION 3.**

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