



Have you purchased a vehicle in the last year? Are you or someone you know in the market for a new car? Please read the following on Georgia's House Bill 386 to find out how you will be taxed on your next auto purchase and if you're eligible to opt-in:

Overview

The Georgia General Assembly passed the new Title Ad Valorem Tax (TAVT) which went into effect March 1, 2013. The TAVT is a one-time tax upon purchasing a new or used vehicle which will replace the sales tax, use tax and the annual ad valorem (birthday) tax.

Motor Vehicles that were purchased between January 1, 2012 and February 28, 2013 can opt in to the new TAVT before January 1, 2014.

Motor Vehicles purchased before January 1, 2012 will continue paying the annual ad valorem tax, as before.

How TAVT is Calculated

The TAVT is calculated by taking the Fair Market Value of the purchased vehicle less the value of any trade-in. This figure is then multiplied by the 2013 tax rate of 6.5% to calculate the TAVT amount. Please note the state of Georgia determines the Fair Market Value of any vehicle, not Associated Credit Union. (ACU will finance TAVT+Tag+Title).

$$\text{Fair Market Value} - \text{Trade in Value} = \text{Taxable Value}$$

$$\text{Taxable Value} \times 6.5\% = \text{TAVT}$$

Online calculator: <http://onlinemvd.dor.ga.gov/Tap/welcome.aspx>

Calculator 1 calculates an estimate of the new title ad valorem tax that will apply to all vehicles purchased in Georgia beginning March 1, 2013.

Calculator 2 provides a comparison between the current annual ad valorem tax and the new one-time tax. This comparison can be used to view an estimate of opt-in credit you may receive for sales tax and ad valorem taxes paid on a vehicle purchased between January 1, 2012 and February 28, 2013. If you decide to opt-in to the title ad valorem tax, you must do so before January 1, 2014. Taxable Value X 6.5%= TAVT

Provisions

- Dealers will have 10 days after purchase date to transmit documents and fees to Dept. of Revenue.
- Casual sales between private citizens will have 30 days after purchase to submit an application of certificate of title and payment of the TAVT.
- Upon death of an owner of a motor vehicle or transfer to immediate family member; o The immediate family member (spouse, parent, child, sibling, grandparent, or grandchild) who inherits a motor vehicle that was subject to the old annual ad valorem tax system and that has not been subject to the TAVT can remain on the old annual ad valorem tax system, or the family member can instead opt to pay the full rate of the TAVT at the time of transfer.
- Immediate family members who inherit a motor vehicle for which TAVT was paid by the previous owner will pay the TAVT at a reduced rate of one-half percent of the fair market value at the time the title is transferred.
- Motor vehicles subject to the TAVT will still be subject to annual registration renewal requirements (with issuance of the annual tag decal) with payment of the nominal registration renewal fee.

Penalties

- Dealers who fail to submit within 10 days will be charged a penalty fee of 5% of the TAVT along with 5% penalty for each additional month.
- For non-dealer sales if not submitted within 30 days - a penalty fee of 10% of the TAVT and 1% penalty for each additional month.
- Falsification of a bill of sale will be penalized up to \$2,500 state penalty and up to \$2,500 local penalty.

Exempt Transactions

- Vehicles donated to non-profit organizations
- Disabled veterans
- Dealer owned vehicles used as loaner
- Salvage titles

For more information on TAVT, please visit the Georgia Department of Revenue's Web site:

<http://onlinemvd.dor.ga.gov/Tap/faqs.aspx>