

Friday Brings Change to Motor Vehicle Tax, Deadline for Property Tax Payments

February 27, 2013

March 1 has the potential to be a busy day at the Hall County Tax Commissioner's office.

A new law that changes the way motor vehicles are taxed in Georgia will go into effect on Friday. Motor vehicles purchased on or after March 1, 2013 and titled in this state will be exempt from sales and use tax and the annual ad valorem tax, also known as the "birthday tax." These taxes will be replaced by a one-time tax that is imposed at the time the vehicle is titled on the fair market value of the vehicle called the title ad valorem tax ("TAVT"). For the first year of the TAVT, the rate will be 6.5 percent of the fair market value as identified by the Georgia Motor Vehicle Assessment Manual. The TAVT is applicable to dealer and casual sales but excludes non-titled vehicles such as trailers and other non-motorized vehicles which will remain subject to ad valorem tax.

Vehicles owned prior to January 1, 2012 will stay in the old system and owners can expect to owe the annual ad valorem tax on their birthday. The period between January 1, 2012 and February 28, 2013 is considered an opt-in period. Vehicles purchased during this period may opt-in to the new TAVT system or they can stay in the annual ad valorem system. To convert to the new system for free, the owner must prove that the taxes (sales and property) already paid exceed what the owner would have paid through the TAVT. If the amount of taxes paid is less than the TAVT owed, the owner can pay the remaining difference and convert to the new system. This one-time option to convert must be exercised by the vehicle owner before December 31, 2013 at their county tax commissioner's office. The tax office encourages opt-in customers to come in during their normal renewal period which is 30 days before your birthday. Taxpayers who purchase a vehicle and those who choose to opt-in to the program are reminded to bring their vehicle's bill of sale with them when they visit the tax commissioner's office. Vehicles purchased out of state are not eligible to opt-in. Hall County Government's website hallcounty.org provides a TAVT calculator that will help owners decide which option is best for them.

In addition, taxpayers are reminded that Friday, March 1 is also the last day they can pay their property tax bills without incurring a state mandated 10 percent penalty on the unpaid amount and risking a tax lien being imposed on their property. The taxes for the 2012 digest year were payable on Dec. 1. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien after March 1.

A FIFA notice, or lien, serves as notification that a State and County Tax Execution has been issued for the indicated tax period and may be recorded at any time in the Office of the Clerk of Superior Court. Once recorded in court, a FIFA could be reflected on your credit report and negatively impact your credit rating. Hall County residents are encouraged to pay their property taxes by Friday's deadline.

For more information, contact Hall County Tax Commissioner Darla Eden at 770-531-6960 or visit the Hall County Government website at hallcounty.org.