

2012

**ACCG LEGISLATIVE
LEADERSHIP CONFERENCE**

2013 TAX REFORM IMPLEMENTATION: IS YOUR COUNTY READY?

Presenters:

Shaun Adams, Associate Legislative Director ACCG

**Vicki Lambert, Director of Local Government
Service Division GA Dept. of Revenue**

Clint Mueller, Legislative Director ACCG

Dan Ray, Rockdale County Tax Commissioner

TAX REFORM IMPLEMENTATION

- ✘ Title Ad Valorem Tax (TAVT)
- ✘ Local Energy Excise Tax
- ✘ Freeport II

TITLE AD VALOREM TAX (TAVT)

- + Review of the Law
- + Collecting the Tax
- + Budget Impacts
- + Public Education
- + Compliance

REVIEW

- ✘ Begins March 1, 2013
- ✘ Vehicles transferring ownership after that date pay new TAVT but pay no sales tax (TSPLOST exception) or annual ad valorem tax
- ✘ Option to convert for vehicles transferred between January 1, 2012 and March 1, 2013. Applies only to vehicles bought in Georgia.
- ✘ Calculating the new tax
 - + Black Book Value or Bill of Sale minus trade in value
 - + Multiplied by the rate (Calculating the rate)
- ✘ Value appeals
- ✘ Title and annual registration fees remain

REVIEW

- ✘ How the tax applies to:
 - + New and used vehicles purchased from a dealer
 - + Private sales
 - + Out-of-state vehicle transfers
 - + Vehicles purchased out-of-state
 - + Leased vehicles
 - + Buy here pay here
 - + Rental vehicles (less than 30 days)
 - + Salvage vehicles
 - + Vehicles donated to Charities
 - + Commercial Trucks

REVIEW

- ✘ Exempt Vehicles: government, veterans (Disabled, POW, Purple Heart, Medal of Honor), loaner vehicle
- ✘ Out-of-state college student and active duty military who do not get a title or register in Georgia.
- ✘ Ad valorem will continue to apply to: trailers, boats, campers, ATVs, other non-title motor vehicles.
- ✘ Transfers to immediate family members or inheritance
 - + Definition of “immediate family member” and proof
 - + When title tax had not been previously paid
 - + When title tax has been previously paid
- ✘ Revenue guarantee for local governments
 - + State and local revenue targets and adjustments

REVIEW

- ✘ How are the revenues apportioned between the state, county, cities and school?
 - + Step 1: allocation between state and local governments
 - + Step 2: ad valorem replacement allocation between local governments
 - + Step 3: Sales tax allocation between local governments
- ✘ The new tax is not eligible for the itemized deduction on income taxes

COLLECTING THE TAX

- ✘ Tax Commissioner responsibilities
 - + Time frame for remittance
 - + Penalties and interest
 - + Disbursements to local governments
- ✘ Vehicle dealer responsibilities
- ✘ DOR responsibilities
 - + Calculating rate
 - + Changes to GRATIS
 - + Electronic Titling and Registration (ETR)

HOW TO BUDGET FOR THE NEW TAX

- ✘ Calculating loss of sales tax and annual ad valorem tax
- ✘ Replacing SPLOST Funds
- ✘ Additional cost to tax commissioner's office
- ✘ Administrative fee
- ✘ Appeals

PUBLIC EDUCATION

- ✘ Opt in notice
- ✘ FAQ located on [GA DOR](#)
- ✘ GA DOR [Calculator](#)
- ✘ General GA DOR press releases to the media
- ✘ Please note that the Ad Valorem tax is not immediately gone and will gradually phase out.

COMPLIANCE

- ✘ Business to business sales
- ✘ Transfers in from out-of-state
- ✘ Penalties
- ✘ Non-profits are not excluded
- ✘ Link to Homestead exemptions, school registration, drivers license and other public documents that demonstrate residency

ENERGY EXCISE TAX

- + Review of the Law
- + Collecting the Tax
- + Ag Production Exemption
- + Budget Impacts
- + FAQ

REVIEW

- ✘ January 1, 2013 county/city local sales tax and state sales tax on energy used in manufacturing phases out over the next three years
- ✘ Education sales tax and TSPLOST is not included
- ✘ Definition of manufacturer
- ✘ Definition of energy
- ✘ Qualification for the exemption

REVIEW

- ✘ Option to impose local energy excise tax
- ✘ How is the local energy excise tax calculated?
- ✘ How is it shared with the cities?

COLLECTING THE TAX

- ✘ Meeting with the cities
- ✘ Passing the ordinance
- ✘ Identifying energy providers
- ✘ Tying the excise tax to the sales tax exemption
- ✘ Collection and Distribution Process
- ✘ Audits

AG PRODUCTION

- ✘ Ag Regulation and Application Process
- ✘ Ag exemption certificate
- ✘ Qualified energy
- ✘ Dual purpose for energy use

BUDGET IMPACT

- ✘ Estimating sales tax revenue loss
- ✘ Use of excise tax in general fund
- ✘ 1% Administrative fee

FREEPORT II

- ✘ How is this exemption different from the traditional Freeport Exemption?
- ✘ What is the process to impose the exemption?
- ✘ What are the benefits and costs of creating this exemption?

CONTACT INFORMATION:

Clint Mueller
Legislative Director
ACCG
Tel: (404) 522-5022
E-mail: cmueller@accg.org

Vicki Lambert
Director of Local Gov. Service Division
Georgia Dept. of Revenue
(404) 724-7000
Vicki.Lambert@dor.ga.gov

Dan Ray
Tax Commissioner
Rockdale County
770-278-7600
dan.ray@rockdalecounty.org