



Department of Revenue

Related Links:

[Title Ad Valorem Tax Calculator](#)

[New Title Tax FAQ's](#)

[Home](#)

[Contact Us](#)

[FAQs](#)

[Home](#) » [TAVT Calculator](#)

HOUSE BILL 386 New Ad Valorem Title Tax ("TAVT")

How has the law changed regarding the taxation of motor vehicles?

- House Bill 386 was passed by the 2012 Georgia General Assembly and provided for a new method of taxation for certain motor vehicles effective March 1, 2013. House Bill 266 was passed by the 2013 session of the Georgia General Assembly and amended numerous aspects of House Bill 386. The title tax law is codified in O.C.G.A. § 48-5C-1.

What happened beginning March 1, 2013?

- Motor vehicles purchased on or after March 1, 2013 and titled in this state are exempt from sales and use tax and annual ad valorem tax, also known as the "birthday tax". These taxes are replaced by a one-time tax that is imposed on the fair market value of the vehicle called the title ad valorem tax fee ("TAVT"). The fair market value is the taxable base of the motor vehicle. The manner in which fair market value is determined depends on whether the motor vehicle is new or used.

How is fair market value determined for a new motor vehicle?

- A new motor vehicle is any motor vehicle which is not a demonstrator vehicle and has never been the subject of a sale at retail to the general public.
- For a new motor vehicle, the fair market value is the greater of the retail selling price (or in the case of a lease, the agreed upon value) or the value listed in the state motor vehicle assessment manual. The higher number that is used should then be reduced by the trade-in value, as well as reduced by any rebate or cash discounts provided by the selling dealer at the time of the sale. Retail selling price (or in the case of a lease, the agreed upon value) includes charges for delivery, freight, doc fees, and other such fees and is meant to mirror the taxable base that was formerly used for sales tax.

How is fair market value determined for a used motor vehicle?

- A used motor vehicle is any motor vehicle which has been the subject of a sale at retail to the general public.
- For a used motor vehicle, the fair market value is the value identified in the state motor vehicle assessment manual. This value is calculated by averaging the current wholesale and retail values of the motor vehicle pursuant to O.C.G.A. § 48-5-442. Accordingly, the fair market value for a used motor vehicle for purposes of TAVT will generally be the same as the value that was used in the old annual ad valorem tax system.
- A reduction is made for the trade-in when the sale was made by a dealer, but not when the sale was made by a private individual.

What if the used motor vehicle is NOT listed in the motor vehicle assessment manual?

- If the vehicle is a used vehicle and not listed in state motor vehicle assessment manual, the fair market value will be the higher of (1) the value from the bill of sale or (2) the value listed in a used car market guide designated by the Commissioner of the Department of Revenue.

- A reduction is made for the trade-in when the sale was made by a dealer, but not when the sale was made by a private individual.

How is TAVT calculated?

- The TAVT is calculated by multiplying the fair market value by the rate in effect on the date of purchase. For 2013, the rate is 6.5%.
- A reduction is made for the trade-in when the sale was made by a dealer, but not when the sale was made by a private individual.

How is the trade-in value determined?**What is the TAVT rate?****Where do I apply for my title and pay TAVT?****Is it possible to go the Department of Revenue Motor Vehicle Division Headquarters to transfer a title?****Can the fair market value of the vehicle be appealed?****Can a vehicle be transferred to an immediate family member or inherited by an immediate family member without having to pay TAVT?****What sort of evidence will be required to prove that it is a family transfer or inheritance?****I am a new resident of Georgia. How does TAVT affect me?****What happens if TAVT is not timely remitted to the county tag agent?****I am a Georgia resident but I plan to buy a car in another state. Will I be required to pay TAVT when I title this motor vehicle in Georgia?**

I am a Non-Georgia resident but I plan to buy a car in Georgia and immediately drive it back to my home state and will be titling and registering the motor vehicle in my home state. Will I be required to pay TAVT?

Are leased motor vehicles subject to TAVT?

What vehicles are not subject to the TAVT?

I have a motor vehicle with a model year between 1963 – 1985 and want to have it titled. Does the TAVT apply?

What other TAVT exemptions are available?

Are motor vehicles acquired by veterans exempt from TAVT?

I plan to donate my car to a non-profit organization. Does the non-profit organization have to pay TAVT when the title is transferred to its name?

If I pay TAVT do I still have to register my vehicle every year and pay the tag renewal fee? What other fees still apply?