

**F.A.Q.**  
**RABUN COUNTY**  
**TAX COMMISSIONER'S OFFICE**

**1. What is this new "title tax"?**

The new title tax replaces the annual motor vehicle ad valorem tax and the sales tax that is collected by dealers on motor vehicle sales. It comes from House Bill 386 passed by the 2012 Georgia General Assembly.

**2. When does the title tax take effect?**

It takes effect March 1, 2013, and applies to all vehicles purchased on or after this date.

**3. How much will the title tax be?**

From March 1, 2013 to December 1, 2013, the title tax is 6.5% of the **fair market value**. In 2014, the percentage goes up to 6.75% and 7.0% in 2015. This percentage is based solely on the fair market value and **not the sales price of the vehicle**.

**4. What is the "fair market value" and how is it determined?**

The Georgia Department of Revenue uses a current motor vehicle ad valorem assessment manual, such as the Black Book or Kelley Blue Book, for the current fair market and wholesale values of a motor vehicle. The average of these values is used to determine the overall fair market value of a vehicle.

**5. How often do I pay the title tax?**

You only pay the title tax when you purchase a vehicle and transfer the title into your name. You do not pay it yearly.

**6. When and where do I pay the title tax?**

You pay the title tax when you purchase a vehicle and transfer the title into you name. You apply for the title and pay the title tax in the county where you live.

**7. Is the "birthday tax" going away?**

Not initially. However, the new program will be phased in (and the "birthday tax" phased out) over the next 10 years.

**8. Will I still have to renew the registration every year?**

Yes, you are still required to renew your vehicle's registration each year on or before your birthday.

**All vehicle owners still have to pay the annual tag fee/registration.**

**9. Does the title tax apply to new AND used car?**

Yes. The title tax applies to all vehicles, whether new or used.

**10. What if I purchase the vehicle from a Georgia registered dealer?**

You pay the new title tax, and you may be able to add it to the amount financed through the dealer. You will no longer pay sales tax.

**11. What if I purchase a vehicle from someone other than a dealer? Like from a friend or neighbor?**

This purchase is called a "casual sale". The title tax still applies and is paid by the purchaser when the vehicle is titled in the new owner's name.

**12. What if I live in Georgia and purchase a vehicle out-of-state?**

When you bring the vehicle back to Georgia to title and register it, you pay the title tax in the county where you live.

**13. Should I wait until after the new law takes effect to buy a new car?**

If you do not purchase a car before March 1, 2013, you will continue to pay the annual ad valorem tax on your current vehicle(s)

If you purchase a vehicle between January 1, 2012 and February 28, 2013, (before the new law takes effect), you have the option of paying the annual ad valorem tax or the title tax.

**SEE QUESTION 14 FOR MORE INFORMATION ABOUT OPTING IN.**

**14. If I purchase a new vehicle in the next year, do I have any options in regards to what I pay?**

Yes, if you purchase a vehicle between January 1, 2012 and February 28, 2013, you have the option to continue to pay the annual ad valorem tax or opt in to the new title tax. You have from March 1, 2013, (when the new program begins) to December 31, 2013, to opt into the new program. If you purchase a vehicle March 1, 2013 you will be required to pay the title tax fee.

**15. What if I don't purchase a new vehicle within the next two years?**

If you keep your current vehicle(s) and do not purchase a new vehicle, you continue to pay the annual ad valorem tax on your vehicle(s).

**16. What if I want to title the vehicle in family member's name? Do I/they have to pay the title tax?**

- If the previous owner paid the annual ad valorem tax, you the option of continuing to pay the annual tax or paying the new 6.5% title tax.
- If the previous owner already paid the new title tax, you must pay a title tax in amount equal to 1/2 of 1% of the fair market value.

According to HB 386, an "immediate family member" means spouse, parent, child, sibling, grandparent or grandchild. An affidavit to support the relationship will also be required.

**17. I am moving in from out-of-state--what do I pay?**

New residents have to pay the title tax when they title and register their vehicles in Georgia for the first time. However, they are required to pay only 50% of what is due at the initial registration. The other 50% must be paid within 12 months.

**18. What if I have just recently paid off my vehicle?**

Once you satisfy your lien and receive your title, take it to your county tag office to remove the lienholder 's name. The title tax does not apply.

**19. What if I need a replacement title or need to change my name on the title?**

The title tax does not apply.

**20. Does this apply to salvage titles/vehicles?**

Yes, salvage vehicles are subject to a title tax in an amount equal to 1 % of the fair market value.

**21. Will I have to pay the title tax upfront/all at once? Can I make payments?**

Payment in full is due when you title the vehicle in your name.

**22. What if I inherited the vehicle from someone in my family who has passed away?**

- If the previous owner paid the annual ad valorem tax, you have the option of continuing to pay the annual tax or paying the new 6.5% title tax.
- If the previous owner already paid the new title tax, you must pay a title tax in amount equal to 1/2 of 1% of the fair market value.

An affidavit to support the relationship will also be required. All other inheritance rules apply.