



GEORGIA DEPARTMENT OF REVENUE

▪ MOTOR VEHICLE DIVISION ▪

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David M. Curry, Commissioner ▪ Brent Bennett, Director

Title Ad Valorem Tax (TAVT) Changes Effective January 1, 2020*

****Note: These changes apply to vehicles purchased or sold on or after January 1, 2020.***

What is the purpose of this notice?

Senate Bill 65 (2019) made the following changes to the title ad valorem tax (TAVT) code sections (these changes apply to vehicles purchased or sold on or after **January 1, 2020**):

- TAVT rate is lowered to 6.6% of the fair market value (FMV) of the motor vehicle.
- Cutoff year for reduced TAVT rate (1%) for older vehicles changed to 1989, so the reduced rate applies to any person who purchases a **1963 through 1989 model year motor vehicle** for which such person obtains a title.
- **No TAVT liability** for the transfer of a title from one legal entity in which an individual holds an ownership interest of at least 50% to another legal entity in which the same individual holds an ownership interest of at least 50%, provided that the TAVT has been previously levied on such motor vehicle. (Form MV-66A Affidavit for TAVT Exemption for Certain Business Transactions must be submitted.)
- Changes the following definitions of "fair market value" of motor vehicles for TAVT purposes:
 - For a **used motor vehicle purchased from a dealer other than a "buy here pay here" dealer**, the retail selling price** of the motor vehicle, less any reduction for the trade-in value of another motor vehicle.
 - For a **used motor vehicle purchased from a "buy here pay here" dealer or from a person (casual sale)**, the average of the current FMV and the current wholesale value of a motor vehicle for a vehicle listed in the current Georgia Motor Vehicle Assessment Manual for TAVT (DRIVES value); provided, however, that, if the motor vehicle is not listed in the current Georgia Motor Vehicle Assessment Manual, the FMV shall be the value from a reputable used car market guide designated by the commissioner and, in the case of a motor vehicle purchased from a "buy here pay here" dealer, less any reduction for the trade-in value of another motor vehicle.
 - For a **new motor vehicle**, the retail selling price,** less any reduction for the trade-in value of another motor vehicle and any rebate.

*** The "retail selling price" shall include any charges for labor, freight, delivery, dealer fees and similar charges, tangible accessories, dealer add-ons, and mark-ups, but shall not include any federal retailers' excise tax or extended warranty, service contract, maintenance agreement, or similar products itemized on the dealer's invoice to the customer or any finance, insurance, and interest charges for deferred payments billed separately. No reduction for the trade-in value of another motor vehicle shall be taken unless the name of the owner and the vehicle identification number of such trade-in motor vehicle are shown on the bill of sale.*

- Please note – the calculation of TAVT for **leased motor vehicles** will not change.



For more information, please visit the Motor Vehicle Division website at <https://dor.georgia.gov/motor-vehicles> or scan the QR code.