

FAQ



1. What is title tax?

Any vehicle purchased from a dealer or individual on or after March 1, 2013, is subject to a one-time title tax based on the value of the vehicle. The title tax replaces the annual *ad valorem* tax and the sales and use tax on most vehicles titled in Georgia.

2. How much will the title tax be?

Title tax is based on a percentage of the value of the vehicle. For used vehicles, the value is based on the fair market value as determined by the Georgia Department of Revenue (DOR). For new vehicles, the value is based on the fair market value as determined by the DOR or the purchase price calculated using the bill of sale, whichever is greater. Once the value is established, title tax is calculated by multiplying the value by the current year's title tax percentage. The percentage rates are as follows:

- From January 1, 2014, to December 31, 2014, the rate was 6.75%.
- From January 1, 2015, through December 31, 2018, the rate is 7.0%.
- The rate may be adjusted in the future, but it will never exceed 9%. If increased, the rate is set by the DOR Commissioner and published by August 31.

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

The DOR determines the motor vehicle value by averaging fair market values and wholesale values from multiple assessment manuals.

4. How often do I pay the title tax?

Title tax is due when you transfer the title of a vehicle into your name. You do not pay it yearly. You are still required to renew your vehicle's registration each year on or before your birthday.

5. Where do I pay the title tax?

Title tax is paid to the county where you live. If you purchase the vehicle from a dealer, the dealer is required to remit the title tax payment.

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

Title tax is due at the time you title and register the vehicle in Georgia and must be paid in your county of residence.

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

- If the previous owner paid the annual *ad valorem* tax, you can continue to pay the annual *ad valorem* tax or pay the applicable title tax.
- If the previous owner already paid the new title tax, you must pay the title tax in an amount equal to 1/2 of 1% of the fair market value.
- An 'immediate family member' is defined as spouse, parent, child, sibling, grandparent or grandchild.
- A notarized affidavit to support the relationship is also required.

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

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

New residents who are leasing their vehicles do not have the option of paying 50%; the entire cost of registration must be paid to register the new vehicle.

9. Does this apply to salvage titles/vehicles?

Yes, salvage vehicles are subject to a title tax at the rate of 1% (the state has established a minimum value of \$7,500 for all salvage vehicles). Additionally, when the salvage process is complete and a rebuilt title is issued, the customer must pay the full title tax at the current year's rate.

10. 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 can continue to pay the *ad valorem* tax or pay the title tax.
- If the previous owner already paid the 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.

11. If I add a name to my title, is title tax due?

Yes, title tax is due when adding a name to a title; however, it is not due when removing a name or removing/adding a lienholder.

12. Will I have to pay the title tax on a leased vehicle?

Yes, the title tax is required to title a leased vehicle.

13. Do non-profit and religious organizations have to pay the title tax?

Yes, both non-profit and religious organizations are required to pay the title tax on their vehicles.