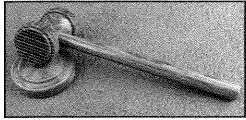


ATTENTION ALL DEALERS: SALES TAX LAW CHANGE

HOUSE BILL – 22, MOTOR VEHICLE SITUS BILL PASSED – EFFECTIVE DATE: JULY 1, 2005



This bill changes the point of sale for imposing sales tax on motor vehicle sales, and rentals or leases exceeding 30 days to Georgia residences to the county of motor vehicle registration without regard to the selling dealer's physical location.

Example: A Fulton Co. purchaser buys a car from a Cobb Dealer. The Cobb Dealer will be required to collect, report and remit the taxes imposed in Fulton County (4% State, 1% MARTA, 1% Local Option and 1% Educational Taxes).

The only exception to this new rule is with sales to College Students and Military Service personnel temporarily residing in Georgia. The correct tax rate to charge these

customers will be based upon the point of delivery, which means your county in which your dealership is based.

The form "Affidavit of out of County Delivery" will no longer be required. However, when selling to out of state customers, the ST-6 or ST-8 will still need to be completed and kept in your deal jacket. The ST-6 is used to document when your dealership makes deliveries outside of Georgia. The ST-8 is used to document a sale to a nonresident that is immediately removing the vehicle from Georgia for use in another state.

If you have any questions about this new tax law change or the proper use of the ST-6 or ST-8 please contact GIADA. If you would like a copy of the new bill log onto www.legis.state.ga.us then select HB22.

05 LC 18 4157S/AP

House Bill 22 (AS PASSED HOUSE AND SENATE)

By: Representatives Hill of the 21st, Scheid of the 22nd, and Byrd of the 20th

A BILL TO BE ENTITLED AN ACT

To amend Code Section 48-8-2 of the Official Code of Georgia Annotated, relating to definitions regarding sales and use taxation, so as to change the tax situs of certain motor vehicle transactions; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 48-8-2 of the Official Code of Georgia Annotated, relating to definitions regarding sales and use taxation, is amended by striking paragraph (8) and inserting in its place a new paragraph (8) to read as follows:

(8)(~~A~~) "Sale" means any transfer of title or possession, transfer of title and possession, exchange, barter, lease, or rental, conditional or otherwise, in any manner or by any means of any kind of tangible personal property for a consideration except as otherwise provided in subparagraph (B) of this paragraph and includes, but is not limited to:

(i) The fabrication of tangible personal property for consumers who directly or indirectly furnish the materials used in such fabrication;

(ii) The furnishing, repairing, or serving for a consideration of any tangible personal property consumed on the premises of the person furnishing, repairing, or serving the tangible personal property; or

(iii) A transaction by which the possession of property is transferred but the seller retains title as security for the payment of the price.

(B) Notwithstanding a dealers physical presence, in the case of a motor vehicle retail sale or a motor vehicle lease or rental when the lease or rental period exceeds 30 days and when the purchaser or lessee is a resident of this state, the taxable situs of the transaction for the purposed of collecting local sales and use taxes shall be the county of motor vehicle registration of the purchaser or lessee.

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.