



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

November 8, 2019

Honorable Martin Momtahan
State Representative
501-A Coverdell Legislative Office Building
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill (LC 39 2405)

Dear Representative Momtahan:

The bill would modify the current Title Ad Valorem Tax (TAVT) on motor vehicles by extending the period that a dealer may loan out a vehicle to a single customer from 30 days to 90 days.

Impact on State Revenue

Georgia State University's Fiscal Research Center (FRC) determined that the bill would have no effect on state or local revenue. As noted in the appendix, the bill does not change the current limit of 366 days that a dealer can remove a vehicle from inventory for use as a loaner vehicle. It changes only the amount of time that a single customer can use the vehicle from 30 days to 90 days.

Impact on State Expenditures

The Department of Revenue would not require additional funding to implement the bill.

Sincerely,

Greg S. Griffin
State Auditor

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/mt

Analysis by the Fiscal Research Center

The subject legislation modifies the current Title Ad Valorem Tax (TAVT) under O.C.G.A §48-5C-1 by extending the period for which the dealer may loan out a vehicle to from 30 to 90 days.

Under current law, a dealer may remove a vehicle from inventory for a period not to exceed 366 days for use as a loaner vehicle, provided that it may not be loaned to any one customer for more than 30 days within any 366-day period. The proposed law extends the 30-day period to 90 days, but because this modification does not extend the overall 366-day period, it would have no effect on state or local revenues. The effect of this legislation is only to allow an extension of the period for which any one individual may use a loaner vehicle but does not extend the overall time in which the vehicle may be classified as a loaner vehicle.

Table 1. Projected State and Local Revenue Effects of LC 39 2405

<i>(\$ millions)</i>	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
State Revenue Effect					No Revenue Effect
Local Revenue Effect					No Revenue Effect