



Georgia Department of Revenue
Policy Bulletin - MVD - 2015-02
HB 170 – Transportation Funding Act of 2015

- 1) **Purpose:** The Transportation Funding Act of 2015 (HB 170) passed during the 2015 session of the Georgia General Assembly and has been signed into law by Governor Nathan Deal. The new law has an effective date of July 1, 2015. This Bulletin discusses the implications of HB 170 to motor vehicles.
- 2) **Effective Date:** July 1, 2015.
- 3) **Authority:** O.C.G.A. §§ 40-2-11, 40-2-86.1, 40-2-151, 40-2-151.1, 48-2-12, and 48-7-40.16.
- 4) **Scope:** A Policy Bulletin is intended to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of law to a specific set of facts or a general category of taxpayers, superseding all conflicting documents and oral directives previously issued by the Department. A Policy Bulletin does not have the force or effect of law and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or subsequent Policy Bulletin.
- 5) **Summary:**
 - (a) Under HB 170, alternative fuel vehicles are now defined as vehicles fueled solely by electricity, natural gas, propane, bi-fuel, or dual fuel including flex fuel vehicles (such as E-85) and plug-in hybrid-electric vehicles. The term alternative fuel vehicle does not include hybrid-electric vehicles that are not plug-in hybrid-electric vehicles. Vehicles meeting the definition of alternative fuel vehicle are eligible for an alternative fuel vehicle license plate but may opt for another type of plate instead.
 - (b) House Bill 170 created new annual alternative fuel vehicle fees. The fees apply to all vehicles that operate solely on electricity regardless of whether the owner uses an alternative fuel vehicle license plate. The fees apply to plug-in hybrid-electric or flex fuel vehicles (such as E-85) only if those vehicles have elected an alternative fuel vehicle license plate. The fees do not apply to alternative fuel vehicles which operate primarily on compressed natural gas, liquefied natural gas, or liquefied petroleum gas but such vehicles are still eligible for the alternative fuel vehicle license plate. The fees do not apply to hybrid-electric vehicles that are not plug-in hybrid-electric vehicles and such vehicles do not qualify for the alternative fuel vehicle license plate. For non-commercial alternative fuel vehicles, the annual fee is \$200.00. For commercial alternative fuel vehicles, the annual fee is \$300.00. These fees are in addition to all other existing license plate fees and any taxes.
 - (c) House Bill 170 created new annual highway user impact fees for all motor vehicles which are 15,500 lbs. and greater. For vehicles weighing 15,500 lbs. to 26,000 lbs. the annual highway user impact fee is \$50.00. For vehicles weighing 26,001 lbs. and greater the annual highway user impact fee is \$100.00.

(d) House Bill 170 eliminated the zero emission and low emission income tax credit available to purchasers and lessees of new motor vehicles. The income tax credit may only be claimed by persons who purchase or lease a qualifying vehicle **before** July 1, 2015.

6) Frequently Asked Questions for Alternative Fuel Vehicle License Plates

(Q1) What vehicles qualify for the alternative fuel vehicle license plate?

Beginning July 1, 2015 vehicles eligible for the alternative fuel vehicle license plate will include those vehicles fueled solely by electricity, natural gas, propane, bi-fuel, or dual fuel. Alternative fuel vehicle license plates are subject to a one-time manufacturing fee of \$25 and are annually subject to a \$20 registration fee and a \$35 special tag fee. Such fees are in addition to the alternative fuel vehicle fee, if applicable, and any taxes.

(Q2) I have a flex fuel vehicle. Do I qualify for an alternative fuel vehicle license plate?

If your vehicle is a flex fuel vehicle (such as E-85) you will have the option of obtaining an alternative fuel vehicle license plate or retaining such a plate if you already own one. Please note, flex fuel vehicle owners who have an alternative fuel vehicle license plate will be required to pay the alternative fuel vehicle fee. However, if you select a different type of license plate, you will not owe the alternative fuel vehicle fee on your vehicle. If you already own an alternative fuel license plate, and select a different type of license plate, you will be required to surrender your existing alternative fuel vehicle license plate to your county tag office.

(Q3) I have a plug-in hybrid-electric vehicle. Do I qualify for an alternative fuel vehicle license plate?

If your vehicle is a plug-in hybrid-electric vehicle, you will have the option of having an alternative fuel vehicle license plate. Please note, plug-in hybrid-electric vehicle owners who have an alternative fuel vehicle license plate will be required to pay the alternative fuel vehicle fee. However, if you select a different type of license plate, you will not owe the alternative fuel vehicle fee on your vehicle. If you already own an alternative fuel license plate, and select a different type of license plate, you will be required to surrender your existing alternative fuel vehicle license plate to your county tag office.

A hybrid-electric vehicle that is not a plug-in hybrid-electric vehicle, however, will not be eligible for the alternative fuel vehicle license plate.

7) Frequently Asked Questions for annual Alternative Fuel Vehicle Fees

(Q1) What are the new annual alternative fuel vehicle fees assessed on alternative fuel vehicles?

For alternative fuel vehicles that fall with the new annual fee category, the annual alternative fuel vehicle fees are \$200.00 for vehicles operated for non-commercial purposes and \$300.00 for vehicles operated for commercial purposes.

(Q2) Do the alternative fuel vehicle licensing fees apply to all alternative fuel vehicles that qualify for an alternative fuel vehicle plate?

No. The new alternative fuel vehicle fees do not apply to alternative fuel vehicles which operate primarily on compressed natural gas, liquefied natural gas, or liquefied petroleum gas. For plug-in

hybrid-electric vehicles and flexible fuel vehicles (such as E-85) the new alternative fuel vehicle fees only apply if the owner elects an alternative fuel vehicle license plate. Please note, a hybrid-electric vehicle that is not a plug-in hybrid-electric vehicle does not constitute an alternative fuel vehicle and is not subject to alternative fuel vehicle fees.

(Q3) Will I receive a notice in my registration renewal that my vehicle is subject to these fees?

Yes. If your vehicle is subject to the alternative fuel vehicle fee, your annual renewal notice will automatically reflect such fees on the renewal notice.

(Q4) Do the alternative fuel vehicle fees replace the fee I have been paying every year when I renew my license plate?

No. The new alternative fuel vehicle fees are in addition to the ordinary annual fee you already pay at the time of registration and renewal. For example, personal passenger vehicle owners who have an alternative fuel vehicle license plate must pay a one-time manufacturing fee of \$25 and are annually subject to a \$20 registration fee and a \$35 special tag fee. Annual ad valorem tax may also apply.

(Q5) My vehicle runs exclusively on electricity. If I exchange my alternative fuel vehicle license plate for another plate type, do I still owe the alternative fuel vehicle fee?

Yes, the fee will still be due. For pure electric vehicles, the alternative fuel vehicle fees are dependent on vehicle type, not the license plate type, and will still have to be paid regardless of which license plate is placed on the vehicle.

(Q6) My vehicle is a plug-in hybrid-electric vehicle. If I exchange my special alternative fuel license plate for another plate type, do I still owe the alternative fuel vehicle fee?

No. Plug-in hybrid-electric vehicle owners will not be subject to the alternative fuel vehicle fee unless a special alternative fuel license plate is elected. Please note, flex fuel vehicles (such as E-85) are also not subject to the alternative fuel vehicle fees unless an alternative fuel vehicle license plate is elected.

(Q7) For plug-in hybrid-electric and flex fuel vehicles, how is an alternative fuel vehicle license plate elected?

At the time of initial registration or annual registration renewal, plug-in hybrid-electric and flex fuel vehicle owners can file an affirmative election to either add or remove an alternative fuel vehicle license plate to his or her vehicle. If the plate is added, the vehicle owner must pay the alternative fuel vehicle fee and any other fees associated with such plate. If the owner elects to remove the plate, no alternative fuel vehicle fees will be due.

(Q8) When are the alternative fuel vehicle fees due?

The alternative fuel vehicle fees will be due at the time of initial vehicle registration and annually at the time of registration renewal. For personal vehicles, the fees will be due if the owner's registration or registration renewal due date is on or after July 1, 2015. For business vehicles, the fees will be due if their registration date or their statutorily-designated registration renewal due date is on or after July 1, 2015. See O.C.G.A. § 40-2-21.

(Q9) I purchased an alternative fuel vehicle on June 30, 2015 but did not apply for initial registration until on or after July 1, 2015. Do I owe the fees?

Yes. The alternative fuel vehicle fees will be due for any individual who files an initial application for registration on or after July 1, 2015.

(Q10) I purchased and registered an alternative fuel vehicle and my registration renewal date is coming up. Do I owe the alternative fuel vehicle fee at the time of my initial registration and when I renew my registration?

Yes. However, the alternative fuel vehicle fee due at the time of initial registration can be prorated between your initial registration and your registration renewal. For example, if the alternative fuel vehicle was registered on July 1, 2015 and the registration renewal is October 1, 2015 then the alternative fuel vehicle fee due at the time of initial registration will be prorated for the three month period during which your vehicle is initially registered. At the time of your October 1, 2015 renewal the full \$200 alternative fuel vehicle fee will be due for the following year.

(Q11) Although my registration renewal due date is on or after July 1, 2015, I plan on renewing my registration prior to July 1, 2015. Do I owe the fees?

Yes. The alternative fuel vehicle fees are due for any individual with a registration renewal date falling on or after July 1, 2015.

Examples:

- An individual whose registration renewal due date is June 30, 2015 seeks to renew a registration for an alternative fuel vehicle on June 1, 2015. The customer **will not** be assessed the alternative fuel vehicle fee because the registration renewal due date for the vehicle is before July 1, 2105.
- An individual whose registration renewal due date is July 15, 2015 seeks to renew a registration for an alternative fuel vehicle on June 15, 2015. The customer **will** be assessed the alternative fuel vehicle fee because the registration renewal due date for the vehicle is on or after July 1, 2015.

(Q12) Are any vehicles exempt from the alternative fuel vehicle fees?

No. The law does not provide for any exemptions or exclusions from the annual alternative fuel vehicles fees. The types of vehicles that will be subject to this fee, assuming the vehicle in question is an alternative fuel vehicle, also include government vehicles and farm vehicles.

8) Frequently Asked Questions for Heavy Vehicle Highway User Impact Fee

(Q1) What are the new highway user impact fees?

House Bill 170 created new annual highway user impact fees that apply to certain heavy vehicles. The heavy vehicle highway user impact fee is \$50.00 for any vehicle with a gross vehicle weight rating of 15,500 lbs. to 26,000 lbs. For vehicles with a gross vehicle weight of 26,001 lbs. or higher, the heavy vehicle highway user impact fee is \$100.00. The highway user impact fees will not apply to vehicles used as part of interstate commerce, i.e., those vehicles registered in the International Registration Plan (“IRP”).

(Q2) My vehicle falls within one of these weight categories but is not used for commercial purposes. Do I still owe the fee?

The highway user impact fees apply to all vehicles that fall within the prescribed weight categories regardless of whether such vehicles are operated for commercial or non-commercial purposes.

(Q3) When are the highway user impact fees due?

The highway user impact fees will be due at the time of initial vehicle registration and annually at the time of registration renewal. For personal vehicles, the fees will be due if the owner's registration or registration renewal due date is on or after July 1, 2015. For business vehicles, the fees will be due if their registration date or their statutorily-designated registration renewal due date is on or after July 1, 2015. See O.C.G.A. § 40-2-21.

(Q4) Are any vehicles exempt from the highway user impact fees?

No. The law does not provide for any exemptions or exclusions from the highway user impact fee. The types of vehicles that will be subject to this fee, assuming the vehicle in question meets the weight requirements, also include government vehicles and farm vehicles.

(Q5) Do the highway user impact fees replace the license fee I have been paying every year when I renew my license plate?

No. The new annual highway user impact fees are in addition to the general annual license fee you already pay at the time of registration and renewal. For example, a vehicle with a gross vehicle weight of 15,500 lbs. will annually pay a registration renewal fee and a highway user impact fee of \$50.00. Annual ad valorem tax may also apply.

(Q6) Will I receive a notice in my registration renewal that my vehicle is subject to these fees and when to pay them?

Yes. If your vehicle is subject to the highway user impact fees, your annual renewal notice will automatically reflect such fees on the renewal notice.

9) Frequently Asked Questions on the Elimination of Income Tax Credits for Low Emission and Zero Emission Vehicles

(Q1) What are the income tax credits for low emission and zero emission vehicles?

The low emission vehicle credit is the lesser of 10% of the cost of the vehicle or \$2,500 for the purchase or lease of a new low emission vehicle. The zero emission vehicle credit is the lesser of 20% of the cost of the vehicle or \$5,000 for the purchase or lease of a new zero emission vehicle.

(Q2) When will the income tax credits on new low emission and new zero emission vehicles be eliminated?

In accordance with HB 170, the credits for such vehicles will remain available to anyone who purchased or leased a qualifying vehicle before July 1, 2015. For any new low emission vehicle or new zero emission vehicle purchased or leased on or after July 1, 2015, the law provides that the amount of the credit is \$0.00.

(Q3) How do I know if my purchase or lease occurred before July 1, 2015?

The Georgia Department of Natural Resources (DNR) is the certifying agency for this tax credit and determines eligibility for this tax credit. A taxpayer must have a DNR certification in order to claim this tax credit. The purchase or lease date from the bill of sale or lease is used by DNR to determine whether the vehicle was purchased or leased before July 1, 2015. This should be the same date

provided on the certificate of title application (form MV-1) that is submitted to a county tag office as part of the purchase of the vehicle. The date of purchase or lease will also be printed on the actual title for the vehicle once the title has been processed.

(Q4) What if the vehicle is purchased or leased before July 1, 2015 but I do not take delivery of the vehicle until on or after July 1, 2015?

As indicated above, the eligibility for the tax credits will be determined by DNR who will review each application and base their determination on the date of purchase or lease provided on the bill of sale or the lease agreement. For a purchase or lease to have occurred there should be a binding contract, purchase agreement, or lease agreement for the vehicle for which full payment has been made or for which the associated financing arrangement has been finalized, prior to July 1, 2015. If that is the case, then the vehicle will be considered to have been purchased or leased even if the delivery occurs on or after July 1, 2015.

FOR MORE INFORMATION

For more information on this subject, contact the Motor Vehicle Division at 1-855-406-5221 or with respect to the income tax credits, the Taxpayer Services Division at 1-877-423-6711, from 8:00 am to 4:30 pm EST, Monday through Friday, excluding holidays.

**For forms and other information, visit our website,
dor.georgia.gov**