

## **Squirming through a loophole in the automobile ad valorem tax**

*By Rick Maier*

It's amazing that a state as dynamic as Georgia still has an annoying antique of a tariff like the ad valorem tax on cars. I say it's time to abolish the tax. But instead of going through some long, drawn out political process, I cooked up a devious little plot to eliminate the levy through electronic warfare.

### **Let's bury this relic**

See if I got this right. The money we have to buy or finance a car has already been seriously reduced by Federal and state income taxes. We pay sales tax on the purchase of a vehicle. We pay fuel taxes on the gas we put in our car. Then the county charges a few hundred dollars every year to tax the value of the car again? Whoa! How many ways can they tax America's love affair with the automobile?

Ad valorem is Latin for "according to value". But if owners are assessed according to value, why is the tax for the exact same vehicle so much higher in one county than another (tax for a \$20,000 car is \$294 in Bibb and \$176 in Jones)? If we must tax vehicles, why not assess weight, length or low gas mileage instead of assessed value? Is the government trying to discourage people from owning nice cars?

Georgians may not realize it, but very few states levy this outdated duty on their citizens. We got rid of the "intangible property" tax a few years back, let's bury this relic with it.

Ad valorem taxes also apply to farm tractors and equipment, but we will vote in November on a bill to exempt farmers. Let's add passenger vehicles and trucks to the bill!

### **Lucky Timing Leads to a Creative Scheme**

I avoided paying any property tax this year by turning in my leased car the day before my birthday, and buying a new car the day after my birthday. I'll bet that I'm not the only one that has played that game - the switch to assessing the tax on the owner's birthday (formerly the assessment date was January 1<sup>st</sup>) probably allows more people to take advantage of this loophole.

That little episode got me thinking. It would take years to eliminate the tax through legislation, but what if the birthday loophole was available to everyone? Two years from now tax commissioners across Georgia will be scratching their heads wondering why revenues are off.

Here's the simple strategy. Every year, on the day before your birthday, I will purchase your car. You can "borrow" the vehicle back for free on your birthday. The day after your birthday, I will sell it back to you for the exact same price (less a \$20 fee). You have to go get another tag sticker, but that will cost a fraction of the property tax.

This new service will be closed for one day each year – on June 16<sup>th</sup> (that's my birthday, and I'm not going to pay your car taxes for a measly twenty bucks).

I'm no technology expert, but this sounds like a pretty straightforward Internet application. I'm working on a cool name for the website – something like [dodgetaxdodge.com](http://dodgetaxdodge.com), [lexusloophole.org](http://lexusloophole.org) or [adios\\_advalorem.com](http://adios_advalorem.com).

Don't be too concerned about me for doing all this hard work for the public good. If a hundred thousand car owners in Georgia each pay me \$20 annually, I'll be fine. In fact, I'm already working on throwing in a free car wash and a second car discount!

#### We deserve a tax break

The state is swimming in money from all the job growth and stock market gains over the past few years. We deserve a break, and eliminating this excess excise would be an excellent means to encourage extra economic expansion. Charge more for the annual tag fee and driver license renewal if the revenue loss is too severe.

Join our movement now before the state sends you another big fat tax bill for your birthday.

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