



February 22, 2017

Representative Jay Powell
Chairman
House Ways and Means Committee
133 State Capitol
Atlanta, GA 30334

Re: HB 327 Relating to ad valorem tax on motor vehicles

Dear Representative Powell:

On behalf of the American Financial Services Association (“AFSA”),¹ thank you for the opportunity to comment on House Bill 327, relating to ad valorem tax on motor vehicles. I write in support of HB 327, because this bill would enact much-needed positive changes to Georgia’s ad valorem tax system. The proposed changes would create a fairer and more competitively balanced tax structure between new and used vehicle purchases and vehicle leases in the state

AFSA supports the bill’s proposed amendments to the definition of “fair market value of the motor vehicle,” particularly with respect to new motor vehicle leases. The proposed method of calculating the fair market value of a vehicle using the total of the lease’s base payments rather than the current system of calculating the fair market value using the entire value of the vehicle rather and not the value of the lease is a much-needed positive change to state law. Additionally, we support the bill’s amendments to simplify the ad valorem tax system by standardizing the treatment of new and used vehicles sold by state-licensed dealers.

Thank you in advance for your support for HB 327 and your consideration of our comments on the bill. If you have any questions or would like to discuss this further, please do not hesitate to contact me at 952-922-6500 or dfagre@afsamail.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle Fagre Arlowe", written in a cursive style.

Danielle Fagre Arlowe
Senior Vice President
American Financial Services Association
919 Eighteenth Street, NW, Suite 300
Washington, DC 20006-5517

¹ Founded in 1916 and based in Washington, DC, the American Financial Services Association (AFSA) is the primary trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many types of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, and payment cards. AFSA members do not provide payday or vehicle title loans.