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Prepare for the New GA Sales Tax (TAVT)

The State of Georgia's new Title Ad Valorem Tax (TAVT) takes effect TODAY, Friday, March 1, 2013. This means that the state is eliminating the sales tax on motor vehicles purchased in Georgia on or after March 1 and replacing it with a one-time Title Ad Valorem Tax that will be based on 6.5% of the Fair Market Value of the vehicle, not the selling price.

To accurately report the new tax in CAPS, Credit Acceptance recommends that current dealers use a 0% tax rate, and manually override the final tax by following these instructions below.

To make 0% your default tax rate:

- In Dealer Setup, choose Tax Methods from the left menu.
- Under Sales Tax Preferences, choose the radio button for "Vehicle Default Tax Method" and select "Edit."
- Choose 0% Tax Rate from the Tax Method dropdown menu and click "Save."
- The "Vehicle Default Tax Method" will now appear as 0% Tax Rate.

Each time you work a deal:

In STEP 4 – Work the Deal

- By default, your newly selected tax of 0% will be applied against the Selling Price, thus \$0 tax will be included in the transaction.
- Calculate the TAVT (6.5% of the Fair Market Value). Note:
 - ◇ The method for calculating Fair Market Value is the same mechanism the GA DOR uses to calculate Ad Valorem tax now. To check the Fair Market Value of a vehicle, visit: onlinemvd.dor.ga.gov/TAP/vinnumber.aspx
 - ◇ The trade-in credit remains so the TAVT will be calculated on the difference between the Selling Price and the trade value.
 - ◇ Manually update the Sales Tax field on STEP 4 to include TAVT plus other taxes applicable to the transaction.

Please note:

Any existing deals in CAPS that have a contract date of March 1 or later will need to have the Sales Tax modified to accommodate the TAVT.

If you have any questions regarding this communication, please contact your Market Area Manager, or the Dealer Service Center at 800-729-7633, option 6. For more information about the TAVT, visit the Georgia Department of Revenue website at onlinemvd.dor.ga.gov/TAP/faqs.aspx.