

## Don't get caught with your vehicle registered in the wrong county!

Mobile County's License Commissioner Carol R. Norris is launching a campaign to recoup taxes that are lost when Mobile County businesses and residents register their vehicles outside the county. Alabama law requires individuals and businesses to register vehicles, acquire license tags and pay the ad valorem tax attached to those vehicles in the county where they reside or where their business is based. However, some Mobile County businesses and residents purchase tags in neighboring counties because of lower tax rates. The practice is not only illegal, but it also reduces the revenue that funds the services our government provides the citizens of Mobile County. If you have improperly acquired a tag for your vehicle in the wrong county, contact our main office today at 3925-F Michael Boulevard in Mobile and correct the problem.

## Frequently asked questions:

### **I own a second home in Baldwin County, why can't I acquire my tags in that county?**

Alabama law requires individuals to obtain their license tags from the county in which they reside, Section 40-12-253, Code of Alabama (1975). Residency is determined by such factors as homestead tax exemption and where you are registered to vote. Other factors may also apply.

### **I have acquired a tag for my vehicle in the wrong county, how can I correct the problem?**

You must have your tag re-issued in Mobile County. You should visit the Mobile County License Commissioner's office at Michael Square (3925-F Michael Boulevard at Azalea Road). Bring a copy of the bill of sale, the tag registration receipt, the tag presently issued to the vehicle and your Alabama driver's license. If your vehicle is registered to a business, you should also bring your federal employer's identification number or social security number as applicable.

### **My business has vehicles operating all over South Alabama. Where do I buy my tags?**

Alabama law provides that a firm or corporation must acquire its license tags from the county in which it is based, Section 40-12-253, Code of Alabama (1975). A vehicle is "based" in the county in which it is garaged, serviced, maintained, operated, from which it is dispatched or ordinarily departs and to which it ordinarily returns, Section 40-12-253, Code of Alabama (1975).

**What will I need to pay to get my tag re-issued by Mobile County?**

Every individual must pay ad valorem taxes each year on his or her vehicle(s) in the county in which he or she resides. These taxes are paid at the time the vehicle acquires its annual license tag. For each year your vehicle received its license tag from the wrong county, the ad valorem taxes due to Mobile County escaped collection. An escape assessment for ad valorem tax for the current year, plus the two previous years must be paid when the tag is re-issued. You will also need to pay a license fee and any license penalty.

**Will I need to pay a penalty to get my tag re-issued by Mobile County?**

Yes, you will need to pay a license penalty for the current year.

**I got a letter saying I have improperly acquired a tag in Washington County and assessing me for back ad valorem taxes. Can I have a hearing to object if I don't agree that my tag is acquired from the wrong county?**

Yes. If you object to your assessment, you, your agent or attorney must appear before the License Commissioner, Mobile County, within the 20-day period following the date of the letter to present your objections. Should you fail to object to the assessment, the assessment will be made final on the 20<sup>th</sup> day after the date of the letter. If you request a hearing and, on the date set for hearing your objection, you fail to appear, or if, following your hearing, the assessment is found to be proper, the assessment will become final. Once the assessment becomes final, you may have no additional appeal rights. If you present your objection to the License Commissioner, you may appeal the escape assessment to the Circuit Court of Mobile County within 30 days after the assessment becomes final. You may do so by giving notice in writing to the License Commissioner, filing a copy of that notice with the Clerk of the Circuit Court and giving bond to be approved by and filed with the Clerk of the Circuit Court to cover costs, Section 40-7-23(d), Code of Alabama (1975). If you did not present your objection to the License Commissioner, you have no right to appeal from the final assessment.

**What is ad valorem tax?**

Ad valorem tax is the property tax you pay annually on your vehicle.

**How is ad valorem tax collected?**

Property taxes on motor vehicles are assessed and collected forward on a current basis.

Property taxes on motor vehicles are due and payable on:

- the first day of the renewal month of the owner
- the date the motor vehicle enters the State
- the date the motor vehicle is removed from the inventory of a dealer
- or the date on which the motor vehicle is otherwise determined to be taxable, whichever comes first.

The property tax due at the time of registration on a new motor vehicle registered

for the first time with a manufacturer's certificate of origin where the motor vehicle meets the definition of Class IV property (private passenger automobiles and pickup trucks with GVW of 8,000 lbs. or less owned and operated by an individual for personal and private use and not for hire, rent, or compensation) will be deferred until the first renewal or other subsequent registration, whichever comes first. The first renewal or other subsequent registration shall include the property tax that would have been due at the time of the first registration and the next year's property tax to be paid in advance. Taxes on motorcycles, recreational vehicles, commercial vehicles and trailers cannot be deferred.

Assessing taxes due on the purchase of a used vehicle is more complicated and must be addressed on a case-by-case basis. The License Commissioner's office shall determine the amount of property tax due on a used vehicle from information provided on the most recent tag registration receipt from the previous owner. Therefore, it is important that the new owner bring a legible copy of the previous owner's tag receipt to the License Commissioner's office.