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State of Alabama Department of Revenue

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Assistant Commissioner
LEWIS A. EASTERLY
Secretary

September 18, 2009

MEMORANDUM

2009-28

TO: License Plate Issuing Officials

FROM: Amy Bright, Assistant Supervisor **AB**
Registration Section

SUBJECT: Ad Valorem Tax Payments on Apportioned Vehicles

Recently, several carriers who have applied for apportioned (IRP) license plates with the Department of Revenue, Motor Vehicle Division, have reported difficulties in paying ad valorem taxes through the county license plate issuing officials' offices. Specifically, there seems to be some confusion regarding the provisions of Act 2009-281, which became effective July 1, 2009, as they relate to the titling of apportioned vehicles.

Prior to the change in the title law, vehicles regularly engaged in interstate transportation that were not titled in Alabama may have been exempt from Alabama ad valorem taxes. A form MV-IRP 27 was submitted to the Motor Vehicle Division which waived ad valorem taxes for these type vehicles. Now that the title exemption has been removed, apportioned carriers must pay ad valorem taxes prior to securing an apportioned registration. Carriers are required to provide proof of payment of the tax at the time of registration.

The Department of Revenue, Motor Vehicle Division, is the agency responsible for inspecting title documents to determine whether or not the carrier must apply for an Alabama title before an apportioned plate is issued. Please assess/collect the appropriate ad valorem taxes so that carriers will have the required documentation to present to this office.

Should you have questions regarding this matter, please feel free to contact the Registration Section at tags@revenue.alabama.gov.

AB:bc