

Alabama Department of Revenue

News Release

Jan. 7, 2005

Changes in Property Tax Credit Law Benefit Vehicle Owners

Montgomery—Changes in Alabama’s property tax laws, which became effective Jan. 1, 2005, will benefit vehicle owners who sell or trade their vehicles during their registration year, according to the Alabama Department of Revenue.

“A new law went into effect Jan. 1, 2005, that allows vehicle owners to receive a property tax credit or tax refund for any unused portion of their prepaid vehicle property taxes,” said ADOR Commissioner Tom Surtees.

Vehicle owners will be issued a property tax credit—good for 12 months—by their local tag-issuing official for any unused portion of their prepaid vehicle property taxes when they sell or trade their vehicles. Owners can apply the credit toward property taxes due on their replacement vehicle purchase or on taxes due for another vehicle they already own at the time the vehicle’s registration is renewed.

The new law, Act 2004-520, also allows a refund to be issued to owners in the event that the credit voucher cannot be applied toward payment of property taxes on another vehicle. The old law did not.

For more information concerning Alabama’s property tax laws, visit ADOR’s Web site at www.ador.state.al.us.

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