



SAVANNAH
Revenue Department

2019 Revenue Ordinance

As Adopted on December 6, 2018
and Amended on April 25, May 23, and
June 20, 2019

ARTICLE F. EXCISE TAX ON RENTAL MOTOR VEHICLES

Section 1. LEVY OF TAX

Pursuant to O. C. G. A. §48-13-90 through §48-13-96 (as adopted by the General Assembly in March, 1996) authorizing each municipality in the State of Georgia to impose, levy, and collect an excise tax upon certain rental motor vehicles, there is hereby levied an excise tax on the charges to the public for such automotive vehicle rentals from locations within the City of Savannah; provided, however, that the tax shall not be levied upon the fees or charges for vehicle rentals when such charges are excluded as provided in Section 3 of this Article, entitled *Definitions*.

The rental motor vehicle tax shall be levied and the resulting revenues shall be used pursuant to the provisions of O.C.G.A. §48-13-93, sub-paragraph (a)(2), for the purpose of promoting industry, trade, commerce, and tourism; for the provision of convention, trade, sports, and recreational facilities; and for public safety purposes, as described more particularly in Section 9 of this Article, *Use of Tax Proceeds*.

Section 2. RATE

The rental motor vehicle tax rate shall be three percent of taxable charges to the public for rental of motor vehicles within the City of Savannah.

Section 3. DEFINITIONS

The following words and terms shall have the meanings shown below when used in this Article:

(A) Rental Motor Vehicle. *Rental motor vehicle* means a motor vehicle designed to carry ten or fewer passengers and used primarily for the transportation of persons that is rented or leased without a driver regardless of whether such vehicle is licensed in this state.

(B) Taxable Charges. *Taxable charges* are the total charges received by a rental motor vehicle business for the rental or lease of a motor vehicle for 31 or fewer consecutive days, including the total cash and non-monetary consideration for the rental or lease including, but not limited to, charges based on time or mileage and charges for insurance coverage or collision damage waiver, but excluding all charges for motor fuel taxes and sales taxes.

Taxable charges shall *not* include rental charges associated with the rental or lease of a rental motor vehicle if either: (1) the customer picks up the rental motor vehicle outside this state and returns it in this state; or (2) the customer picks up the rental motor vehicle in this state and returns it outside this state.

(C) Taxable Event. Rental charges collected by a rental motor vehicle business when such charge constitutes a taxable event for purposes of sales and use tax under O.C.G.A. Title 48, Chapter 8, Article 1, shall be deemed a *taxable event* for purposes of this Article. The tax levied hereunder shall be imposed only at the time and place where a customer pays sales tax with respect to the rental charge.

(D) Rental Motor Vehicle Business. A *rental motor vehicle business* is a person or legal entity which owns or leases five or more rental motor vehicles and which regularly rents or leases such vehicles to the public for value.

Section 4. CUSTOMER LIABLE FOR PAYMENT OF TAX

A customer who pays a rental charge that is subject to a tax levied pursuant to this Article shall be liable for the tax. The tax shall be paid by the customer to the rental motor vehicle business, and shall be a debt of the customer to the rental motor vehicle business until it is paid and shall be recoverable at law in the same manner as authorized for the recovery of other debts.

Section 5. RETURN; PAYMENT OF TAX

The rental motor vehicle business collecting the tax shall remit the tax to the City Revenue Department, and the tax remitted shall be a credit against the tax imposed on the rental motor vehicle business. Every rental motor vehicle business subject to a tax levied pursuant to this Article shall be liable for the tax at the applicable rate on the rental charges actually collected or the amount of taxes collected from the customers, whichever is greater.

Each rental motor vehicle business collecting said tax shall on or before the twentieth day of each month transmit to the Revenue Department a return showing the total automotive rental charges collected during the preceding calendar month, the amounts of the various exclusions as provided by this Article, and the tax amount due. Said rental motor vehicle business shall remit the tax to the City of Savannah with its monthly tax return. Such return shall be submitted on a form prescribed by the Revenue Department.

Section 6. COLLECTION FEE

Each rental motor vehicle business collecting the tax levied by this Article shall be allowed a collection fee of *three percent* of the tax due to the City of Savannah. Such collection fee shall be reimbursed in the form of a deduction from the tax amount due, provided that the amount due is not delinquent at the time of payment, and provided further that no other City taxes, fees, or assessments are delinquent.

Section 7. PENALTIES

When any person liable hereunder fails to make a return or pay the full amount of the required tax, a penalty shall be added to the tax in the amount of \$5.00 or five percent, whichever is greater, if the failure is for not more than 30 days, plus interest equal to the Federal Reserve prime rate plus 3 percent for each additional 30 days or portion thereof

during which the failure continues; provided, however, that if such failure is due to providential cause shown to the satisfaction of the Revenue Director in affidavit form attached to the return and remittance is within 10 days of the due date, such returns may be accepted exclusive of penalties and interest. In the case of a false or fraudulent return or the failure to file a return, where willful intent exists to defraud the City of any tax due herein, a specific penalty of fifty percent of the tax due shall be assessed. All penalties and interest imposed herein shall be payable and collectible by the Revenue Department in the manner as if they were a part of the tax imposed.

Section 8. EXECUTION AND FI FA

In any case where a person or firm liable for paying rental motor vehicle taxes as provided herein fails to do so, the Revenue Director shall be authorized to determine the amount of taxes due using the best information available, either by return filed or by other means, and to execute and record one or more FI FAs for such unpaid taxes. Any FI FA so executed and recorded shall constitute a lien on the real property of the facility for which the tax is due, and such portion of any other real property owned by said person or firm as may be required to satisfy the total amount due in taxes and penalties.

Section 9. CONDITION FOR DOING BUSINESS

Payment of rental motor vehicle taxes as provided by this ordinance is a condition for doing business within the City as an automotive rental business, and failure to pay the tax shall be grounds for revocation of business tax certificate in accordance with Article Y, Section 29 of this ordinance.

Section 10. CITY EXAMINATION OF RECORDS AUTHORIZED

For the purpose of ascertaining the correctness of any return required to be filed by this Article, or to determine the amount of taxes due, any authorized representative of the City of Savannah shall have free and complete access at all reasonable times to any books, papers, records, or other information bearing upon said return or taxes due.

Section 11. USE OF TAX PROCEEDS

Pursuant to O.C.G.A. §48-13-93, subparagraph (a)(2), this ordinance levying an excise tax on rental motor vehicles shall specify with particularity the authorized projects or purposes, or both, for which proceeds of the tax are to be expended in each fiscal year during which the tax is collected. Such tax proceeds shall be used for one or more of the following purposes:

- (a) Promoting industry, trade, commerce, and tourism;
- (b) Capital outlay projects consisting of the construction of convention, trade, sports, and recreational facilities, or public safety facilities, including the acquiring, constructing, renovating, improving, and equipping of parking facilities, pedestrian walkways, plazas, connections, and other public improvements associated with

such convention, trade, sports, and recreational facilities or public safety facilities or the retirement of debt issued with respect to such capital outlay projects; and

- (c) Maintenance and operation expenses or security and public safety expenses associated with capital outlay projects funded pursuant to subparagraph (b) above.

Amounts collected pursuant to this article may be expended pursuant to a contract or contracts with a county, municipality, development authority, downtown development authority, urban redevelopment authority, recreation authority, or any combination of two or more such entities.

~~—In accordance with the purposes authorized by O.C.G.A. §48-13-93, subparagraphs (a)(2) and (a)(3) as set forth above, the City of Savannah will expend the proceeds of this tax to promote trade, commerce and tourism.~~

In accordance with the purposes authorized by O.C.G.A §48-13-93, subparagraphs (a)(2) and (a)(3) as set forth above, the City of Savannah will expend the proceeds of this tax to:

(1) promote trade, commerce, and tourism; and

(2) construct and equip the civic center arena and other public improvements associated with such to be constructed in the area of Stiles Avenue and Gwinett Avenue, known as the Canal District, and to retire debt issued with respect to the same.

Section 12. ANNUAL AUDIT REQUIREMENT

As a part of the annual audit report required under O.C.G.A. §36-81-7, the auditor shall include, in a separate schedule, a report of the revenues and expenditures pertaining to the tax under this Article.

Section 13. TERMINATION OF AUTHORITY TO LEVY THE TAX

Pursuant to O.C.G.A. §48-13-93, subparagraph (a)(4), the tax levied by this Article shall terminate not later than December 31, 2038, and thereafter the City of Savannah shall not be authorized to levy a rental motor vehicle tax.

Note: This ordinance became effective on the first day of the month following the month of its adoption, that day being June 1, 1996. O.C.G.A. Title 48, Chapter 13, provides that the City's authority to levy this tax terminates on December 31, 2038.