

# How are ad valorem taxes calculated for vehicle registration in Shelby County Alabama

## What is Ad Valorem Tax?

Ad Valorem tax is based on the **value of property**, not a usage tax and follows the property from owner to owner. Therefore, unlike registration fees, taxes accumulate even when a vehicle is not used on the highway.

An ad valorem tax lien attaches to a vehicle on (1) the date an individual permanently brings the vehicle into Alabama, (2) the date the vehicle is sold from a dealer's inventory, or (3) the date a vehicle is sold by an individual or organization that is exempt from ad valorem taxes, or (4) upon the date a motor vehicle otherwise becomes subject to taxation.

### Ad Valorem Tax is based on the following factors:

1. Market Value of the vehicle
2. Property Classification
3. Millage Rate

## Market Value

The market value of a vehicle is determined from the vehicle valuation tables provided to the County License Office by the Alabama Department of Revenue. The State contracts with [Penton Media](#) to provide the vehicle values.

Vehicles 15 years old and older shall be valued at their minimum market value which is based on vehicle type.



Vehicle Type	Minimum Market Value
Automobiles	\$ 500
Light Trucks	\$ 500
Heavy Trucks	\$ 2,000
Motorcycles	\$ 200
Semi-Trailers	\$ 1,000
Utility Trailers	\$ 200
Motor Homes	\$ 1,000
Travel Trailers	\$ 500
Camping Trailers	\$ 200
Buses	\$ 3,500
School Buses	\$ 2,000

# Property Classifications

Ad Valorem taxes are calculated based on the vehicle's **assessed value**. This is determined by **multiplying the market value times the corresponding Property Classification**.

CLASS	DESCRIPTION	ASSESSMENT %
I	Motor vehicles owned by public utilities and used in the business of such utility	30%
II	This includes all motor vehicles that do not fall within the definition of either Class I or IV. Including motorcycles, utility trailers, recreational vehicles, leased vehicles not for private use & without a lease-purchase option, trucks weighing more than eight thousand (8,000) pounds gross weight, and all vehicles used for commercial purposes.	20%
IV	This includes all private passenger motor vehicles to include private passenger motor vehicles & pickup trucks under a lease-purchase option lease agreement, motor vehicles registered in the name of a beneficiary or a trust, station wagons, sport utility vehicles (regardless of weight), vans and pickup trucks which weigh eight thousand (8,000) pounds gross vehicle weight or less that are owned and operated by an individual for personal or private use and not for hire, rent or compensation	15%

The assessed value is then multiplied by the **Millage rate**. The millage rate (also known as the tax rate) is a figure applied to the value of your property to calculate your property tax liability. One "mill" equals one dollar of tax on every thousand dollars of taxable value to calculate the Ad Valorem amount.

Shelby County Millage Rates		
<u>State:</u>		
Public School	3.0	
Soldier	1.0	
General Fund	2.5	
<b>TOTAL STATE</b>	<b>6.5</b>	
<u>County:</u>		
General Fund	5.0	
Road & Bridge	2.5	
<b>TOTAL COUNTY</b>	<b>7.5</b>	
<u>School:</u>		
<b>TOTAL SCHOOL</b>		
Outside	<b>30.0</b>	
Inside Hoover	<b>22.0</b>	
Inside Bham/Vestavia	<b>16.0</b>	

MUNICIPALITY CODES & RATES	
Alabaster (02)	10.0
Birmingham (14)	36.2
Calera (03)	10.0
Chelsea (17)	0.0
Columbiana (04)	10.0
Harpersville (05)	5.0
Helena (06)	5.0
Hoover (13)	30.5
Indian Springs (15)	0.0
Leeds (12)	9.2
Montevallo (07)	7.0
Pelham (08)	14.0
Vestavia Hills (16)	49.3
Vincent (09)	5.0
Westover (18)	0.0
Wilsonville (10)	5.0
Wilton (11)	5.0

# Calculating Ad Valorem Tax

1. Determine the market value of the vehicle (County Offices use values in their registration programs that are provided by the Alabama Department of Revenue)
2. Determine the property class of the vehicle
3. Multiply the Market Value times the Property Class rate to determine the assessed value of the vehicle
4. Multiply the Assessed value times the Millage Rate for your primary residence or business location to calculate the ad valorem tax for 12 months

EXAMPLE:

Market Value= \$16,800  
Property Class IV (15%)

<u>Assessed Value</u>				
Market Value	x	Property Class	=	Assessed Value
\$16,800	x	15%	=	\$2,520

Residence Location = Vincent Shelby County

State 6.5 + County 7.5 + School/Outside 30.0 + Vincent 5.0 = 49.0 Millage Rate (49/1000=.049)

<u>Ad Valorem Amount for 12 Months</u>				
Assessed Value	x	Millage Rate	=	Ad Valorem
2520	x	.049	=	\$ 123.48

# How is a Basic Tag Renewal Notice Calculated?

Your renewal card actually has a lot of information on it. It shows your vehicle information on the left side, including the assessed value and the municipal code assigned to your record.

OWNER(S) NAME					NO. MOS.		AMOUNT	
RECORD NUMBER			MUN CODE					
			9		TAG & ISSUE FEE		12	
MAKE	MODEL	YEAR	BODY	ASSESSED VALUE	METAL TAG FEE		\$0.00	
CHEV	IMPALA LTZ	20XX	4D	2520	TOTAL TAX		12	
VEHICLE NUMBER			COLOR		TOTAL TAX & TAG		\$123.48	
			WHI		MAIL FEE		\$2.00	
CLASS	CURRENT TAG EXPIRED	RENEWAL MONTH		TOTAL IF PURCHASED BY MAIL OR ON-LINE		\$149.73		
PC	JAN 20XX	JAN 20XX						
TAG NUMBER			DECAL NUMBER					

The right side of the card has the number of months and breakdown of the fees that are being charged.

You can use the information in the previous section, to calculate your ad valorem tax:

Assessed Value (2520) X Millage Rate for 09 Vincent (.049) = \$123.48 in ad valorem taxes for 12 months.

Additionally, if you have a standard tag on your vehicle, the tag and issue fee is \$24.25.

If you renew by mail or internet, you will also have a \$2.00 mail fee.

When you renew your vehicle each year, you are presented with a Registration Receipt to keep in your vehicle. This shows you a complete breakdown of all the fees you paid.

You can see your Municipal Code here

ALABAMA DEPARTMENT OF REVENUE MOTOR VEHICLE REGISTRATION TAG AND TAX RECEIPT										ALABAMA LAW REQUIRES ORIGINAL OR PHOTOCOPY OF RECEIPT TO BE IN THE VEHICLE																													
ISSUING COUNTY		SHELBY		COUNTY CODE		58		CITY CODE		9		TAG YEAR		20XX		METAL TAG		X		NON-USE AFFIDAVIT		LAST YR DECAL NO.		CURRENT YR DECAL NO.															
DATE ACQUIRED/REGISTERED STATE				ACQUIRED FROM				FOR RENEWAL				NO. OF MONTHS				LAST YEAR				TAG TYPE				CURRENT YR TAG NO.															
20121208				K...								12				12				PC				PC															
ADVAL START DATE				NEW				USED				MARKET OPTION																											
2/1/20XX				X				18,789.00				0																											
VEHICLE IDENTIFICATION NUMBER										MODEL																													
										IMPALA LTZ																													
APPL. OR TITLE		MAKE		YEAR		BODY		SITT		COLOR		STATE S/TAX		COUNTY S/TAX		CITY S/TAX		PD OTHER ST.		TOTAL SALES TAX																			
		CHEV		2012		4D				WHITE		0.00		0.00		0.00				0.00																			
ASSESSED VALUE		STATE		COUNTY		CITY		SCHOOL		ADVAL CREDIT		ADVAL CREDIT		ADVAL CREDIT		ADVAL CREDIT		ADVAL CREDIT		ADVAL CREDIT		ADVAL CREDIT		ADVAL CREDIT															
2,520.00		16.38		18.90		12.60		75.60		0.00		0.00		0.00		0.00		0.00		0.00		0.00		123.48															
CLASS CODE		TRANS FEE		APP FEE		POOL FEE		LICENSE FEE		FEE PENALTY		CITATION		INTEREST		TOTAL TAG		MAIL FEE		TOTAL TAG AND TAX																			
4		0.00		0.00		0.00		23.00		1.25		0.00		0.00		24.25		0.00		147.73																			
																				0.00																			
SIGN HERE										DATE OF ISSUE										TIME ISSUED										TOTAL PAID									
										01/23/20XX										10:50 AM										147.73									
										CC																													
										ALEX DUDCHOCK																													
										COUNTY MANAGER																													
										U48																													
										Renew																													

This line shows you the total ad valorem tax paid as well as a breakdown of how much is allocated to the State, County, City and School

If you renewed by mail or internet, you will see the mail fee here

Your tag and issue fee is show here

Any penalty and interest would be displayed in these boxes

This number is the Teller's ID that processed your transaction

**DISCLAIMER:**

The calculations and fees described above are the basic standard fees for a standard yearly renewal. There are many situations that can affect the renewal amounts. These situations could be either discounted rates or additional fees.

Some of the other applicable fees would include:

- Late Penalty and Interest
- Deferred Taxes (If you purchase a New vehicle, your ad valorem taxes are deferred until your first renewal date)
- Back Taxes (If you purchase a used vehicle, there could be taxes due if the previous owner did not have their registration current.)
- Fees for a specialty plate