

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	
TOTAL STATE	6.5	
<u>County:</u>		
General Fund	5.0	
Road & Bridge	2.5	
TOTAL COUNTY	7.5	
<u>School:</u>		
TOTAL SCHOOL		
Outside	30.0	
Inside Hoover	22.0	
Inside Bham/Vestavia	16.0	

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 notice actually has a lot of information on it.
It shows your vehicle information including the renewal month and municipal code.

RENEWAL MONTH: **AUG 2017** ←

MUN CODE: **1**

RECORD NUMBER: ~~XXXXXXXXXX~~




SAVE TIME!
RENEW ONLINE:
license.shelbyal.com




This is Not an Official Receipt. This TAG renewal reminder has been prepared as a courtesy. Please note there is some risk you must assume if you renew by mail. If the vehicle tag is lost in the mail, the titled owner of the vehicle must come to one of the license office locations for a replacement at a charge of \$2.00 for each vehicle.
Late renewals must be processed online, or in person.
A \$15.00 late fee plus interest and penalties per vehicle will be applied.

Make Check Payable To: **LICENSE OFFICE**
PO BOX 190, COLUMBIANA, AL 35051

INCLUDE DRIVERS LICENSE, PHONE & TAG NUMBER(S) ON CHECK
KEEP AUTO RENEWAL CHECK SEPARATE FROM OTHER PAYMENTS
NO CASH OR OUT OF STATE/COUNTER CHECKS ACCEPTED

All Mail orders must be received by this office no later than the 25th of the renewal month.

WITHOUT THESE REQUIREMENTS, THIS RENEWAL CANNOT BE PROCESSED.

Due to State of Alabama Mandatory Liability Insurance Regulations, in order to renew your tag(s) by mail:

- (1) Return center portion of notice to renew by mail.
- (2) Vehicle owner must provide a copy of insurance card which includes the insurer's NAIC#, Policy#, VIN#, and Effective Dates.
- (3) In the event that an owner is deceased or name change due to marriage or divorce the vehicle title must be updated.
Bring your title along with the necessary verification documents to your local license office.
- (4) Please provide current email address: _____

TITLE NAME: JOHN DOE					UNIT: 1234	MUST CHECK BOX TO RENEW BY MAIL <input type="checkbox"/>					
TAG#	TYPE	DECAL	VIN	MAKE	MODEL	YR	COL	BODY	VAL	TAX	TAG
XXXXXX	PC	XXXXXXXX	XXXXXXXXXXXXXXXXXXXX	LEXU	IS 250 2WD	20XX	BLK	4D	1720	12	12
TAG FEE: \$24.25		TAXES: \$75.68		IN-PERSON TOTAL: \$99.93		MAIL FEE: \$2.00		MAIL/WEB TOTAL: \$101.93			

Also you will find the vehicles assessed value and number of months charged.

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

Assessed Value (1720) X Millage Rate (.049) for Vincent (MUN code 09) = \$123.48 in ad valorem taxes for 12 months.

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.

ALABAMA DEPARTMENT OF REVENUE
ALABAMA LAW REQUIRES ORIGINAL OR PHOTOCOPY OF RECEIPT TO BE IN THE VEHICLE

SHELBY		58	9	20XX	X										
DATE ACQUIRED/ENTERED STATE	ACQUIRED FROM	FOR RENEWAL	NO. OF MONTHS	LAST YEAR	TAG TYPE	CURRENT YR TAG NO.									
20121208					PC										
ADVAL START DATE	NEW	USED	MARKET OPTION												
2/1/20XX	X		0												
VEHICLE IDENTIFICATION NUMBER		MODEL	SCHOOL	FRUIT	GROSS WT. NOT OVER	CURRENT TAG EXPIRES	RENEW THIS TAG IN								
		IMPALA LTZ				01/31/20XX	01/20XX								
APPL. OR TITLE	MAKE	YEAR	BODY	STT	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 FROM	ADVAL FROM	ADVAL FROM	ADVAL FROM	ADVAL FROM	TOTAL AD VALOREM					
2,520.00	16.38	18.90	12.60	75.60	0.00	0.00	0.00	0.00	0.00	123.48					
CLASS CODE	TRANS FEE	APP FEE	ADOL 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					
										TITLE FEE	0.00				
										TOTAL PAID	147.73				
										DATE OF ISSUE	01/23/20XX		TIME ISSUED	10:50 AM	
										CC					
										ALEX DUDCHOCK					
										COUNTY MANAGER					
										U48					
										Renew					

You can see your Municipal Code here

Sales Tax Paid

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
- Back Taxes (If you purchase a used vehicle, there could be taxes due if the previous owner did not have their registration current.)
- Sales tax paid
- Fees for a specialty plate