



## Replacement Tire Fee

The replacement tire fee generates revenue intended to defray the cost of regulating scrap tire facilities and to abate accumulations of scrap tires. Revenue from the fee also funds grants to promote research regarding alternative methods of recycling scrap tires and loans to promote the recycling or recovery of energy from scrap tires. The fee was enacted by the Ohio General Assembly effective Dec. 1, 1993. In fiscal year 2015, approximately \$7.2 million was collected for the state's Scrap Tire Management and the Soil and Water Conservation District Assistance funds.

### Taxpayer

(Ohio Revised Code 3734.903)

The fee is paid by any wholesale distributor of replacement tires or by any retail dealer acquiring tires on which the fee has not been paid.

### Tax Base

(R.C. 3734.90, 3734.901)

The fee applies to the sale of new tires with rims of 13 inches or more designed for use on a motor vehicle and sold as replacements. Tires that are used, or retreaded, or tires on a new motor vehicle are not subject to the fee.

### Rate

(R.C. 3734.901)

The fee is \$1 per tire.

### Special Provisions

(R.C. 3734.904)

If the return and total fees due are filed and paid on time, then the taxpayer is entitled to a discount of four percent on the total amount owed.

### Filing and Payment Dates

(R.C. 3734.904)

Returns and payments are due on the 20th day of each month.

### Disposition of Revenue

(R.C. 3734.901, 3734.9010)

The Tire Fee Administration Fund receives two percent for appropriation to the Department of Taxation to

cover the costs of administering the fee. The remaining 98 percent of the revenue is distributed evenly between the Scrap Tire Management Fund and the Soil and Water Conservation District Assistance Fund.

### Administration

The fee and its distribution are administered by the Tax Commissioner.

### Ohio Revised Code Citations

R.C. 3734.90.

Fiscal Year	Scrap Tire Management Fund	Soil & Water Conservation Fund	Administrative Fund	Total
2011	\$3,300,576	\$3,300,576	\$134,717	\$6,735,870
2012	3,562,850	3,562,850	145,422	7,271,123
2013	3,453,222	3,453,378	140,954	7,047,554
2014	3,748,210	3,748,210	152,988	7,649,409
2015	3,600,867	3,600,791	147,148	7,348,806

Source: Office of Budget and Management monthly accounting report (OH GL070).

## History of Major Changes

1993	Senate Bill 165 created the fee effective Dec. 1, 1993 with a sunset date of June 30, 2002.
1999	House Bill 283 extended the fee through June 30, 2006.
2001	House Bill 94 increased the fee from 50 cents to \$1 per tire.
2005	House Bill 66 extended the tire fee through June 30, 2011. The percentage of revenue distributed to the Tire Fee Administration Fund is reduced from 4 percent to 2 percent. The percentage to the Scrap Tire Management Fund rises to 98 percent.
2011	House Bill 153 extended the tire fee through June 30, 2013 and stipulated that a portion of the revenue be distributed to the Soil & Water Conservation District Conservation Fund.
2013	House Bill 59 extended the tire fee through June 30, 2016.

## Comparisons with Other States

(as of June 30, 2015)

State	Fee
Georgia	\$1 per tire
Indiana	25 cents per tire on new tires
Kentucky	\$1 per tire on new tires
Michigan	\$1.50 tire disposal surcharge assessed on vehicle title transfers
North Carolina	2 percent privilege tax on all tires sold that are less than 20 inches in bead diameter; 1 percent for tires with a bead diameter at least 20 inches.
Ohio	\$1 per tire on new replacement tires.
Pennsylvania	\$1 per tire on new replacement tires.
Tennessee	\$1.35 per tire on new replacement tires.
Texas <sup>1</sup>	No state fee.
West Virginia	\$5.00 imposed on each car registration.

<sup>1</sup>Texas: Generators (tire dealers, junkyards and others that scrap tires) may charge customers a fee for transportation and storage of scrap tires.