

# Replacement Tire Fee

**T**he replacement tire fee provides revenue to defray the cost of regulating the various scrap tire facilities, to abate accumulations of scrap tires, to provide funding for grants to promote research regarding alternative methods of recycling scrap tires, and to provide funding for loans to promote the recycling or recovery of energy from scrap tires. This fee was enacted by the Ohio General Assembly and became effective December 1, 1993. In Fiscal Year 2005, approximately \$6.8 million was collected.

## Taxpayer (Ohio Revised Code 3734.903):

The fee is paid by any wholesale distributor of replacement tires or 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):

\$1.00 per tire.

## Special Provisions

### R.C. 3734.904:

If the return and total fees due are filed and paid on or before the day they are due, then the taxpayer is entitled to a discount of 4.0 percent on the total amount owed.

## Filing and Payment Dates (R.C. 3734.904):

The 20<sup>th</sup> day of each month.



## Disposition of Revenue (R.C. 3734.9010):

Prior to July 1, 2005, of the total revenue collected, 4.0 percent is distributed directly to the Tire Fee Administration Fund, for appropriation to the Department of Taxation to cover the costs of administering the fee. Effective July 1, 2005, the distribution to the Tire Fee Administration Fund was reduced from 4.0 percent to 2.0 percent of the total revenue collected. The remainder of the revenue is distributed to the Scrap Tire Management Fund.

## Administration:

The fee is administered and revenue to the various funds is distributed by the Tax Commissioner.

## Ohio Revised Code Citations:

R.C. 3734.90 – 3734.99.

## Recent Legislation

**Amended Substitute House Bill 66, 126<sup>th</sup> General Assembly (FY 2006-2007 biennium budget bill, effective July 1, 2005).**

- This bill extended the fee to June 30, 2011; and
- reduced the Tire Fee Administration Fund from 4.0 percent to 2.0 percent of the total revenue collected. This fund is certified directly to the credit of the Tire Fee Administration Fund for appropriation to the Department of Taxation to cover the costs of administering the fee. The remainder of the revenue is distributed to the Scrap Tire Management Fund.

Table  
Replacement Tire Fee Revenue  
Fiscal Years 2001 - 2005

Fiscal Year	Scrap Tire Management Fund	Administration Fund	Total
2002	6,184,306	257,679	6,441,985
2004	7,315,940	304,831	7,620,771

\* Tire fee was increased from \$0.50 to \$1.00 in July 2002.  
Source: Department of Taxation, as reported on tax returns.