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 2009, approximately $7 million was collected for the state’s Scrap Tire Management Fund.

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 4 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 2 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 to the Scrap Tire Management Fund.

Administration

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

Ohio Revised Code Citations
R.C. 3734.90 – 3734.99.

Table

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Scrap Tire Management Fund</th>
<th>Administrative Fund</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>2005</td>
<td>$6,506,387</td>
<td>$271,099</td>
<td>$6,777,487</td>
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<tr>
<td>2006</td>
<td>7,141,764</td>
<td>153,535</td>
<td>7,295,299</td>
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<td>2007</td>
<td>7,089,479</td>
<td>144,776</td>
<td>7,234,255</td>
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<td>2008</td>
<td>7,118,699</td>
<td>145,363</td>
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<td>2009</td>
<td>7,025,050</td>
<td>142,862</td>
<td>7,167,912</td>
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</tbody>
</table>

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