

SPECIAL NOTICE

June 15, 2005

For further information contact:

Telephone Information Center
1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715
Teletype 1-800-451-7985

Tire Fee Reimposed on New Replacement Vehicle Tires

Substitute House Bill 2085, Chapter 354, Laws of 2005, under RCW 70.95.510, reimposes the requirement for retailers to collect a \$1 per tire fee on the retail sale of new replacement vehicle tires. **The tire fee is effective July 1, 2005 through June 30, 2010.**

The tire fee does not apply to the sale of re-treaded vehicle tires. Nor does it apply to tires provided free of charge under the terms of a recall or a warranty service. If a customer returns the purchased new tire and the entire selling price is refunded to the customer, the \$1 tire fee is likewise refundable.

Paying and Collecting the Tire Fee

The tire fee must be paid by the buyer to the seller. Each seller must collect the full amount of the fee from the buyer. The tire fee is not subject to sales tax.

Reporting and Remitting the Fee to the Department

The seller must **report the number of new replacement vehicle tires sold** under the new tire fee classification line in the "Other Taxes" section on the excise tax return. Tire sellers may retain ten percent of the fee and must remit the remainder to the Department of Revenue. The amount that must be remitted to the Department is calculated by multiplying the number of tires sold by the rate of \$.90.

Collected Trust Funds

The tire fee due to the Department is considered to be held in trust by the seller until paid to the Department. Any seller or person who uses the fee for personal use or any other use than the payment of the fee to the Department on the due date will be guilty of a gross misdemeanor.

Sellers Not Collecting the Fee

Any seller who does not collect the tire fee, whether as a result of his or her own acts or the acts or conditions beyond his or her control, is guilty of a misdemeanor and is personally liable to the state for the entire amount of the tire fee.

Buyer's Failure to Pay Fee

The tire fee, until paid by the buyer to the seller or to the Department of Revenue, is considered a debt from the buyer to the seller and any buyer who refuses to pay the fee due is guilty of a misdemeanor.

For More Information

If you have questions, please contact the Telephone Information Center at 1-800-647-7706.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

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Important Information
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Washington State Department of Revenue