



TAX BULLETIN 11-8

Virginia Department of Taxation

June 10, 2011

IMPORTANT INFORMATION REGARDING THE VIRGINIA TIRE RECYCLING FEE

Effective July 1, 2011, pursuant to legislation enacted during the 2011 Session of the General Assembly (Senate Bill 1431, *Acts of Assembly* 2011, Chapter 649), individuals installing tires in Virginia pursuant to an agreement with a retailer who has not collected the Virginia Tire Recycling Fee must collect the fee from their customers.

Current Law with Respect to Tire Installers

The Virginia Tire Recycling Fee is levied on each new tire sold at retail in Virginia. Under current law, only the retailer of tires in Virginia is subject to the tire recycling fee. A "retailer of tires" is defined by statute as any person engaged in the business of making retail sales of tires, whether new or used, in Virginia. The tire recycling fee is imposed at a rate of \$1.00 for each new tire sold.

The tire recycling fee does not apply to new tires for: 1) any device moved exclusively by human power; 2) any device used exclusively on stationary rails or tracks; or 3) any device used exclusively for farming. In addition, all exemptions that apply with respect to the Retail Sales and Use Tax also apply to the Virginia Tire Recycling Fee.

The Virginia Tire Recycling Fee Return (Form T-1) must be filed quarterly with the accompanying fee remitted on or before the 20th of the month following the end of each quarter of the calendar year. Quarterly periods end on March 31, June 30, September 30, and December 31. A return must be filed for each reporting period, even if no fee is due.

Changes Effective July 1, 2011

Senate Bill 1431 changes the definition of “retailer of tires” to include individuals who perform installation of tires in Virginia pursuant to an agreement with a person who makes a retail sale of such tires, but has not collected the Retail Sales and Use Tax. Pursuant to Senate Bill 1431, Virginia tire installers who have contractual agreements with these tire retailers who do not collect the fee are also considered “retailers of tires” and must therefore remit the Virginia Tire Recycling Fee. Installers must collect the fee unless the customer presents documentation that the fee has already been collected on the tires. This fee is deposited into the Waste Tire Trust Fund in order to pay the costs of implementing the waste tire plan, provide partial reimbursement to persons for the costs of using waste tires, chips, or similar materials, and pay the costs to remove waste tire piles from property. This fee is not to be confused with the disposal fees on waste tires that some dealers may charge in connection with the sale of tires in order to recover their costs of disposing of waste tires.

In addition, effective July 1, 2011, the rate for the Virginia Tire Recycling Fee is reduced to \$.50 per tire.

For additional information or to download Form T-1, please visit TAX’s website, www.tax.virginia.gov. If you have any questions regarding this Tax Bulletin, you may also contact TAX at (804) 367-8037 or through the “Live Chat” service on TAX’s website, www.tax.virginia.gov.