

REPLACEMENT VEHICLE TIRE FEE
RCW 70.95.510

Tax Base Retail sales of new replacement vehicle tires. The tax does not apply to tires that are installed on a new or used vehicle when it is purchased, nor does it include retreaded tires.

Tax Rate \$1.00 per tire. Vendors are allowed to retain 10 percent of the fee receipts to cover their costs of collection.

Levied by State

Administration Department of Revenue. Vendors of new replacement vehicle tires report the collections on their Combined Excise Tax Return. Like the retail sales tax, the fee receipts are considered as trust funds of the state and must be collected from purchasers by the vendor and paid to the state.

Recent Collections (90 percent of fee receipts) (\$000)

<u>Fiscal Year</u>	<u>Collections</u>	<u>% Change</u>	<u>% of All State Taxes</u>
2009	\$3,602	(5.3)%	0.0%
2008	3,802	0.3	0.0
2007	3,789	18.7	0.0
2006	3,193	-.-	0.0

Distribution of Receipts

Waste tire removal account per RCW 70.95.521. The funds are used by the Department of Ecology to clean up and prevent unauthorized piles of waste vehicle tires.

Exemptions, Deductions and Credits None

History

A similar fee was established in 1985. Initially, the rate was 0.12 percent of the gross receipts derived from retail sales of replacement vehicle tires. The rate was changed to \$1.00 per tire in 1989. This earlier fee expired on September 30, 1994. The current fee was adopted by the Legislature in 2005, effective on July 1, 2005. It was originally scheduled to expire on July 1, 2010, but in 2009 the expiration date was repealed.

Discussion/Major Issues Approximately 850 taxpayers report the replacement tire fee.