

# Alaska Tire Fees Quarterly Return Instructions

## General Information

In the State of Alaska there is a \$2.50 tire fee imposed on the sale of all new tires (whether studded or not) for motor vehicles designed for use on a highway. New tires include unused tires customarily sold by tire dealers as well as retreaded or remanufactured tires. Tires subject to the fee include automobile, motorcycle, truck, and trailer tires, including tires for rigs and devices intended to be hitched or trailed behind a motor vehicle designed for highway use. Off-road tires such as those used on lawn mowers, farm equipment, racing cars, and similar vehicles that are not designed by the manufacturer for highway use are not subject to the fee.

An **additional** \$5.00 fee is imposed on the sale of tires with metal studs or spikes weighing more than 1.1 grams each ("heavy studs"). The \$5.00 fee also applies to the installation of heavy metal studs in a new or used tire.

Sales to a federal, state, or local government agency for official use are exempt from both the \$2.50 fee and the \$5.00 fee on tires with heavy metal studs. Sales for resale are also exempt from both portions of the fee. A certificate of use must be obtained for these sales. Other transfers that are not subject to the fee include the sale of used tires and certain replacements of defective tires. Sales to nonprofit and charitable organizations are not exempt from the tire fees.

Tire fees are due at the time of the sale or service. The **seller** is required to collect the fees at the time of the sale or service and the **seller** is also required to file a return and remit the fees collected to the Alaska Department of Revenue. The seller is liable for the fees if the seller fails to collect the fees. A seller is liable for the fees, as well as penalties and interest in the same manner as if the fees were taxes under AS 43.

A return is required to be filed for each calendar quarter. **The return is due the 30th day of the month following the end of the calendar quarter:**

<u>Quarter</u>	<u>Qtr Ending Date</u>	<u>Return Due Date</u>
1	March 31	April 30
2	June 30	July 30
3	September 30	October 30
4	December 31	January 30

## How To File

**File online return** – File your Tire Fees Quarterly Return using the Online Tax Information System (OTIS) at: [www.tax.alaska.gov](http://www.tax.alaska.gov). You may also pay your tax online at this site.

**File paper return** - Mail completed return to:

TAX DIVISION  
ALASKA DEPARTMENT OF REVENUE  
PO BOX 110420  
JUNEAU AK 99811-0420

## Payment

Pay your taxes using the Online Tax Information System (OTIS) at [www.tax.alaska.gov](http://www.tax.alaska.gov). Note that you must be an existing taxpayer with the Tax Division to pay electronically. If you are a first-time taxpayer, contact the Tax Division at (907) 465-2320 or visit [www.tax.alaska.gov](http://www.tax.alaska.gov) for information.

**ACH Debit (EFT)** - OTIS accommodates Automated Clearing House (ACH) debit payments. **If your bank account has a debit block, your online payment request will be rejected by your bank. Rejected payments may result in late payment penalties and/or interest.**

If you think your bank account has a debit block, contact your bank before making an online payment to register the State of Alaska as an authorized ACH debit originator. The company ID for the Alaska Department of Revenue is 0000902050.

**Credit Cards or ACH Credit** - OTIS cannot accept credit cards or ACH credit transactions for this tax program.

**Wire Transfers** - If you are paying by wire transfer, log on to the OTIS website at [www.tax.alaska.gov](http://www.tax.alaska.gov) for instructions.

**Checks** - Note that if your total payment exceeds \$100,000 you are required to pay electronically or by wire transfer. If you are paying by check, make your check payable to the State of Alaska and mail it with your return to:

TAX DIVISION  
ALASKA DEPARTMENT OF REVENUE  
PO BOX 110420  
JUNEAU AK 99811-0420

## Penalties

**Late filing of return.** Returns not filed by the due date are subject to a failure to file penalty of 5% of the unpaid fees for each 30 day period or portion of a period the return is late, up to a maximum of 25%.

**Late payment of tax.** If the full amount of fees is not paid when due, the return is subject to a failure to pay penalty of 5% of the unpaid fees for each 30 day period or portion of a period that the payment is late, up to a maximum of 25%. If during any period or portion of a period, both the failure to file and failure to pay penalties are applicable, only the failure to file penalty is imposed.

## Interest

Under Alaska Statute 43.05.225, interest will be assessed on any unpaid or delinquent fees. Interest is compounded quarterly at the applicable rate each quarter. Refer to [www.tax.alaska.gov](http://www.tax.alaska.gov) or contact the Tax Division for applicable rates.

## Records

All fee payers are required to keep adequate records pertaining to each line item on the return. Records may include, but are not limited to, general ledgers, invoices, and inventory schedules.

## Line By Line Instructions

A person subject to the fee should refer to the statute, AS 43.98.025 for further guidance before filing the return.

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- Enter the EIN or SSN and Alaska business license number of the person filing the return (the seller).
- Enter the calendar quarter ending date for which the return is being filed (see above).
- Check the box if the filing is to amend a prior return.
- Enter the name, mailing address, e-mail address, telephone number and fax numbers for the seller.

# Alaska Tire Fees Quarterly Return Instructions

- Enter the name of a contact person, the title of that person and the telephone number for the individual. This individual is the person you authorize the department to contact as your representative if the department has a question regarding the return.

## Fee Calculation

**Line 1** - Enter the total number of new tires sold in the state. Include in the total all new tires, whether studded or not and exempt tires reported on Line 2.

**Line 2** - Enter the total number of new tires sold to exempt entities, as summarized in Column D of the **Supporting Schedule of Exempt Tire Sales**.

**Line 3** - Enter the number of taxable new tires sold in the state. This number is Line 1 less Line 2.

**Line 5** - Enter the total fees on new tires. Multiply Line 3 by Line 4.

**Line 6** - Enter the total number of studded tires sold. Include tires imbedded with metal studs or spikes weighing more than 1.1 grams each. Include the number of exempt studded tires reported in Line 8.

**Line 7** - Enter the total number of tire stud installation services performed. Include only installations of metal studs weighing more than 1.1 grams each. Include the number of exempt stud installations reported in Line 8.

**Line 8** - Enter the total number of studded tires sold and tire stud installations performed for exempt entities as summarized in Column E of the **Supporting Schedule of Exempt Tire Sales**.

**Line 9** - Enter the total number of taxable studded tires and stud installations performed. Add Lines 6 and 7, subtract Line 8.

**Line 11** - Enter the total fees on studded tires and stud installations. Multiply Line 9 by Line 10.

**Line 12** - Enter the total tire fees for all new tires sold, studded tires sold and stud installations performed. Add Lines 5 and 11.

**Line 13** - Enter 5% of the amount on Line 12. The amount cannot exceed \$900. Enter \$0 if the tax amount due is not paid timely.

**Line 14** - Enter the total tire fees due this quarter. Subtract Line 13 from Line 12.

**Line 15** - Use this line only if this is an amended return for a previous quarter. You must check the box at the top of the form to indicate that this is an amended return. Enter the amount from Line 16 ("Amount Due") from the ORIGINAL tire fee return for this quarter.

**Line 16** - Subtract Line 15 from Line 14. This is the amount due for tire fees for the quarter.

**Sign and date the return.** The return must be signed by a person authorized by law to act on behalf of the seller.

## Schedule A - Tire Inventory

Each seller who collects the tire fee must keep a record of inventories each month under 15 AAC 98.090(a) and inventories must be reported on the quarterly return. Inventory should be kept for all tires, tires subject to the fee, studded tires subject to the fee, and tires not subject to the fee.

### New Unstudded Tires Subject to the Tire Fee (Column A).

This includes all new tires manufactured for vehicles designed for highway use. This does not include new studded tires (see Column B) or off-road tires, used tires, or tires upon which the fee has already been paid.

### New Studded Tires Subject to the Tire Fee (Column B).

This includes all new studded tires manufactured for vehicles designed for highway use. This does not include used studded tires or studded tires upon which the fee has already been paid.

### Total New Tires Subject to the Tire Fee (Column C).

This should equal column A plus column B.

**Line 1** - Enter the tire inventory on the first day of the quarter. This should equal the ending inventory from the last quarter. If this does not match, **attach an explanation**.

**Line 2** - Enter all tires purchased, produced, or otherwise received during the quarter.

**Line 3** - Enter all tires sold or transferred in the quarter, including all sales to exempt purchasers. The sum of Column A, Line 3 and Column B, Line 3 should match Page 1, Line 1 for Tires Subject to the Fee, and Column B, Line 3 should match Page 1, Line 6 for Studded Tires Subject to the Fee. If it does not match, **attach an explanation**.

**Line 4** - Enter any adjustments to inventory not accounted for on Lines 2 and 3. **Attach an explanation**.

## Supporting Schedule Of Exempt Tire Sales

Tire sellers must complete this schedule if they sold new tires, studded tires, or performed stud installation services for exempt purchases, as provided by AS 43.98.025(g). The number of exempt tires reported on the supporting schedule must agree with the number of exempt tires and services reported on Lines 2 and 8 of the Tire Fees Quarterly Return (Form 200). **You must have a current year Tire Fees Certificate of Use (Form 201) for each tax exempt purchaser entered in this section.** This certificate must be kept on hand for three years. Additional pages may be added as necessary.

## If You Need Help

If you have any questions, need additional information or require other assistance, call (907) 269-6620. Current forms, instructions, statutes and regulations are available online at [www.tax.alaska.gov](http://www.tax.alaska.gov).