

STATE OF ALASKA TIRE FEES QUARTERLY RETURN INSTRUCTIONS

General Instructions:

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.

Effective July 1, 2004, 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 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.

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

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

Line by Line Instructions:

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

Lines 1 through 16. 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.

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 4. The fee rate for new tires (whether studded or not) is \$2.50 per tire.

Line 5. Enter the total fees on new tires. Multiply Line 3 by Line 4. Enter the result in Line 5.

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.

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.

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. Enter the result in Line 9.

Line 10. The fee rate for tires imbedded with metal studs or spikes weighing more than 1.1 grams each is \$5.00 per tire.

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

Line 12. Enter total tire fees for all new tires sold, studded tires sold and stud installations performed. Add lines 5 and 11. Enter the sum in Line 12.

Line 13. Enter 5% of the amount in 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 and enter the result in Line 14.

Line 15. Use Line 15 only if this is an amended return for a previous quarter. The box at the top of the form (indicating that this is an amended return) **must be checked**. Enter the amount from Line 16 ("Amount Due") of 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. If the amount due is \$100,000 or more, you must make a wire transfer of electronic funds transfer (EFT) in accordance with 15 AAC 05.310.

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

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 purchasers, 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 & services reported on Lines 2 and 8 of the Tire Fees Quarterly Return (Form 04-200). Additional pages may be added as necessary.