

Instructions for Alaska Tire Fees Quarterly Return

The Tax Division Offers Electronic Filing

The Alaska Department of Revenue, Tax Division, offers electronic filing through Revenue Online, its tax revenue management system. It's an online portal where taxpayers can file and pay tax returns, view tax accounts and balances, apply for licenses, upload documents, and conduct other business with the Tax Division.

Revenue Online allows us to process refunds faster, communicate with taxpayers quicker, and to more efficiently account for information we are required to report to the Alaska Legislature.

See the "How and Where to File" section for more on filing electronically through Revenue Online.

Recent Legislative Changes

Alaska Senate Bill 33 (SB 33) changed the return and payment due date to a date not later than the last day of the calendar month following the last day of the calendar quarter of the sale or installation. Additionally, SB 33 changed the timely payment credit amount to be 5% of the amount collected, not to exceed \$600 a quarter, to cover expenses associated with collecting and remitting the fees.

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 re-manufactured 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.

Return Due Date

A return is required to be filed for each calendar quarter. ***The return is due the last day of the calendar month following the last day of the calendar quarter of the sale or installation:***

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

How and Where to File

Filing Your Return

Taxpayers are encouraged to file their returns electronically using Revenue Online at <http://online-tax.alaska.gov>.

Or you may file a paper return by mail. The returns and other forms are on the Tax Division's website at www.tax.alaska.gov. Please mail your completed return to:

Alaska Department of Revenue
Tax Division
PO Box 110420
Juneau, AK 99811-0420

How to Pay

You may pay your taxes electronically through Revenue Online, <http://online-tax.alaska.gov>, or access it from our home page at www.tax.alaska.gov. You may also pay by wire transfer or mail in a check.

Note: If your payment is \$100,000 or more, you must pay electronically through Revenue Online or by a wire transfer. See Alaska Administrative Code 15 AAC 05.310 for more information.

Pay Electronically

Revenue Online uses Automated Clearing House (ACH) debit payments. It does not accept credit cards or ACH credit transactions.

If you are making a payment using Revenue Online for the first time, click on "Enroll Now" on the sign-in page and follow the prompts. If you have questions, call the Tax Division at 907.269.0041 or 907.269.6627.

Check with your bank before setting up a debit (ACH) payment to determine if your account has a debit block. The block (or filter) controls electronic transactions posted to bank accounts and only accepts authorized ACH debit originators.

If you have a debit block on your account, you must ask your bank to list the State of Alaska as an authorized ACH debit originator on your account, and give your bank the Department of Revenue's company ID (0000902050). If you don't give that information to your bank, your bank will reject your tax payment, and rejected payments may result in late payment penalties and interest.

Pay by Wire Transfer

To make a payment by wire transfer, you must notify the Department of Revenue, Treasury Division by 2:00PM Alaska Time **the business day prior** to the wire transfer settlement date.

For the notification, prepare a payment voucher on Revenue Online, and email it to dor.trs.cashmgmt@alaska.gov. The notice must include the taxpayer's name, total payment amount, settlement date, tax type, purpose of the payment, and that the funds are for the Department of Revenue. If your payment covers multiple tax periods, prepare a separate voucher for each period.

Contact the Treasury Division for the State of Alaska's bank information at dor.trs.cashmgmt@alaska.gov or 907.465.2320. Ask your bank to initiate a wire transfer of funds through the Federal Reserve wire transfer system to be received and credited to the State of Alaska.

If you don't have email or want confirmation that a wire transfer was successful, call 907.465.2360.

Pay by Check

Make checks payable to the State of Alaska. Mail your check and tax return to our Juneau office at the address below. To mail in your check without your tax return, fill out and print off a payment voucher from Revenue Online.

Alaska Department of Revenue
Tax Division
PO Box 110420
Juneau, AK 99811-0420

Penalties

Late Filing of a Return

Returns not filed by the due date are subject to a failure to file penalty of 5% of the unpaid tax 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 tax is not paid by the original due date of the return, even if an extension to file was granted, the return is subject to a failure to pay penalty of 5% of the unpaid tax for each 30-day period or portion of a period the payment is late, up to a maximum of 25%. An extension to file is not an extension to pay taxes. 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 tax. For current and historical rates, refer to our website at www.tax.alaska.gov.

Avoid Common Mistakes

To facilitate the processing of your return, be sure to do the following:

1. Provide the correct federal employer identification number (FEIN) or Social Security number (SSN).

2. Provide the name and phone number of a contact person who is authorized to answer any questions the Tax Division may have regarding the return. The contact person must be an officer or employee who is authorized to answer any such questions. The Tax Division cannot discuss taxpayer information with an outside party unless we have received a Power of Attorney.
3. Attach schedules as required by the forms. Attaching complete schedules will ensure a valid filing and prevent unnecessary correspondence with the Tax Division. Be sure that attached schedules are properly referenced and agree to the totals reported on the form.
8. **Sign the return.** The return is not valid until it has been signed. The return must be signed and dated by a person legally authorized to do so.

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 FEIN 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, phone number and fax numbers for the seller.
- Enter the name of a contact person, the title of that person and the phone 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. New tires include all new tires manufactured for vehicles designed for highway use. This does not include off-road tires, used tires, or tires upon which the fee has already been paid.

Line 2 – Enter the total number of new tires sold to exempt entities, as summarized in Schedule A, 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 new 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. This does not include used studded tires, studded tires upon which the fee has already been paid, or stud installations.

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 Schedule A, 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, and 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 \$600. 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, Supporting Schedule of Exempt Tire Sales

Tire sellers must complete this schedule if they sold new or 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). Additional pages may be added as necessary. **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 Assistance

These instructions are not in place of Alaska statutes or regulations and are offered only for the convenience of the taxpayer in completing the return.

If you have questions or require assistance, contact the Tax Division at dor.tax.tires@alaska.gov or call 907.269.6620.