

# California Tire Fee

## What is the California Tire Fee?

The California Tire Fee is a fee imposed upon the purchase of a new tire. The Board of Equalization (BOE) administers the program on behalf of the Department of Resources Recycling and Recovery ([CalRecycle](#)) and the California Air Resources Board ([ARB](#)).

## How are the fee revenues used?

Fee revenues are used to fund programs that promote recycling and other alternatives to landfill disposal and stockpiling of used tires; and for the mitigation or remediation of air pollution caused by the decomposition of tires in this state.

## How much is the fee?

For the current tire fee rate, please visit our website at [www.boe.ca.gov/sptaxprog/tax\\_rates\\_stfd.htm](http://www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm). The retailer must separately state the tire fee on the receipt or invoice provided to their customers.

## What tires are subject to the fee?

Tires that are subject to the fee are new solid or pneumatic\* tires that are intended for use with, but sold separately from:

- on-road or off-road motor vehicles;
- motorized equipment;
- construction equipment; *or*
- farm equipment.

New tires (including the spare) included with the purchase of:

- new or used motor vehicles;
- new or used trailers drawn upon a highway or road;
- new or used farm equipment; *or*
- new or used construction equipment.

\*A "pneumatic tire" is a tire inflated, or capable of inflation, with compressed air.

A "new tire" does not include retreaded, reused, or recycled tires.

## What new tires are not subject to the fee?

New tires not subject to the fee include tires intended for use or sold with:

- any self-propelled wheelchair;
- any motorized tricycle or motorized quadricycle, as defined in [California Vehicle Code section 407](#); and any vehicle that is similar to a motorized tricycle or motorized quadricycle and is designed to be operated by a person who, by reason of that person's physical disability, is otherwise unable to move about as a pedestrian.

## Who is required to register and pay the fee?

You must register with the BOE, file as required, and pay the fee to the BOE if you are:

- a California retailer that sells new tires, *or*
- a California retailer or lessor that sells/leases/rents new or used motor vehicles, trailers, farm equipment, or construction equipment that include new tires, *or*
- a purchaser (consumer) who purchases new tires for personal or business use, but does not pay the tire fee at the time of purchase. This includes a retailer who becomes a purchaser (consumer) by removing new tires from inventory for purposes other than retail sale or resale or by renting, for periods of four months or less (for example, short-term car rental companies), motor vehicles, trailers, farm equipment, or construction equipment on which new tires were mounted (including the spare).

Penalties may be imposed on any person or business that does not comply with a permit, rule, regulation, standard, or requirement of the California Tire Fee Law. For more information, please refer to the Public Resources Code section 42885, subdivisions (e) and (f).

## How do I register?

You can apply for an account, license, or permit at [www.boe.ca.gov](http://www.boe.ca.gov). Select New Registration to get started. If you have questions, please contact our Customer Service Center at 1-800-

400-7115, Monday through Friday, 8:00 a.m. to 5:00 p.m., (Pacific time), excluding state holidays.

## When are my fee payments and returns due?

Tire fee returns for retailers are due for the reporting period in which the tires are sold to a retail consumer; or, for the reporting period the tires are removed from inventory by the retailer for purposes other than a retail sale or resale (for instance, a personal or business use, a demonstration, a donation, or a promotional prize.) For consumers who did not pay the fee at the time of purchase, the reporting period is the period in which the tires were purchased.

The reporting period may be quarterly or annually, *as determined by the BOE*. The due date for the return and payment is the fifteenth day of the month following your assigned reporting period. You must file a return for the reporting period even if you did not sell or purchase any new tires subject to the fee for the period.

The BOE will mail a return within 15 days of the due date. If you do not receive a return within 15 days of the due date, please contact the BOE or download a tire fee return from our website at [www.boe.ca.gov](http://www.boe.ca.gov). Your return must be filed timely even if you do not receive a return from the BOE.

Retailers may retain one and a half (1.5) percent of the fee as reimbursement for any costs associated with the collection of the fee and must pay the remainder to the BOE (Revenue and Taxation Code section 42885).

If you file a late return or make a late payment, you will be subject to interest and penalty charges. If you pay your fee liability on time but do not file your return on time, you will owe a penalty for filing a late return.

For more information regarding penalties and interest charges that may apply, please refer to the BOE's [publication 75](#), *Interest, Penalties, and Fees*, or contact the BOE Customer Service Center.

### What if my business is located outside California?

If you are required to have a California seller's permit or Certificate of Registration—Use Tax, you must register for a California Tire Fee account and collect the fee when you sell tires to California retail customers. If you are not sure whether you need to register and collect sales or use tax, see BOE's [publication 77, Out-of-State Sellers: Do You Need to Register with California?](#), or call our Customer Service Center.

If you are not required to register for a tire fee account, you may voluntarily register to collect and pay the tire fee as a courtesy to your California customers. Upon collecting the tire fee, you must provide the customer with an invoice or similar document that lists the tire fee as a separate charge.

A copy of the invoice or similar document should be retained by both the seller and purchaser.

If the out-of-state seller does not have a California tire fee account and does not collect the tire fee, the California purchaser must pay the fee directly to the BOE.

### Do you lease/rent new or used motor vehicles, construction equipment, or farm equipment that include new tires?

If you are in the business of leasing/renting new or used motor vehicles, construction equipment, or farm equipment and you purchase the vehicles/equipment on which new tires are mounted without paying the California Tire Fee, you are responsible for reporting the fee. You owe the tire fee as the consumer on leases or rentals of four months or less or as the retailer on leases of more than four months. In either situation, you are required to register for a California Tire Fee account.

### Is the amount of the fee subject to sales or use tax?

No. Do not include the fee amount in your sales and use tax calculation.

### Are any sales exempt from the fee?

The fee does not apply to the following sales:

- Sales for resale;
- Sales to American Indians occurring on Indian reservations; *and*
- Sales of new tires that the retailer ships directly to a location outside California when the transaction is not subject to California sales or use tax; however, the fee will apply if the buyer takes possession of the new tires in California.

*Please note:* Sales to the United States Government are *not* exempt from the California Tire Fee.

### What about defective tire replacements?

The fee applies to defective tire replacements and is owed as follows:

- If the customer is not charged for tires that are replacing defective tires, the customer does not owe the tire fee on the replacement tires.
- If a manufacturer recalls the tires and instructs the retailer to provide replacement tires to customers at no cost, and the manufacturer pays or gives credit to the retailer for the replacement tires, then the manufacturer owes the tire fee on the replacement tires because the manufacturer is deemed to be the purchaser of the replacement tires. When the manufacturer is deemed to be the purchaser, the retailer must collect the tire fee from the manufacturer.
- If the customer has to pay an amount to the retailer for the replacement tires, then the customer owes the tire fee and the retailer must collect the tire fee from the customer, not the manufacturer.

### Sales Suppression Software Programs and Devices

It is a crime for anyone to knowingly sell, purchase, install, transfer, or

possess software programs or devices that are used to hide or remove sales and to falsify records.

Using these devices gives an unfair competitive advantage over business owners who comply with the law and pay their fair share of taxes and fees. Violators could face up to three years in prison, fines of up to \$10,000, and will be liable for all taxes, fees, interest, and penalties due as a result of the use of this type of software or device.

### What if I have changes to my business?

You must notify us in writing if you make any changes to your business. This includes, but is not limited to, selling your business, changing business partners, changing the type of items you sell, changing your mailing address or telephone number, or closing your business. You can use [BOE-345-SP, Notice of Business Change \(PSTD\)](#), which is available on our website at [www.boe.ca.gov](http://www.boe.ca.gov), to report any changes to your business. It is important to notify us so we can update our records to ensure you receive information and returns timely.

If you close your tire fee account, it is important to file your final return timely to avoid penalty and interest charges. If you need assistance in filing your final return, please contact our Customer Service Center at 1-800-400-7115.

### How do I obtain more information?

If you have questions regarding this program, please contact us by mail, phone, or email at:

Special Taxes and Fees  
State Board of Equalization  
PO Box 942879  
Sacramento, CA 94279-0088

Customer Service Center:  
1-800-400-7115 (TTY:711); select the option for Special Taxes and Fees or contact us at [www.boe.ca.gov/info/email.html](http://www.boe.ca.gov/info/email.html).

*Note:* This publication summarizes the law and applicable regulations in effect when the publication was written. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the text in this publication and the law, decisions will be based on the law and not on this publication.