
Taxable Tires

Taxable tires are divided into three categories for reporting and figuring the tax as described below. A tax is imposed on taxable tires sold by the manufacturer, producer, or importer at the rate of \$.0945 (\$.04725 in the case of a biasply tire or super single tire) for each 10 pounds of the maximum rated load capacity over 3,500 pounds. The three categories for reporting the tax and the tax rate are listed below:

- Taxable tires other than biasply or super single tires at \$.0945
- Taxable tires, biasply or super single tires (other than super single tires designed for steering) at \$.04725
- Taxable tires, super single tires designed for steering at \$.0945

A taxable tire is any tire of the type used on highway vehicles if wholly or partially made of rubber and if marked according to federal regulations for highway use. A biasply tire is a pneumatic tire on which the ply cords that extend to the beads are laid at alternate angles substantially less than 90 degrees to the centerline of the tread. A super single tire is a tire greater than 13 inches in cross section width designed to replace 2 tires in a dual fitment.

Special rule, manufacturer's retail stores. The excise tax on taxable tires is imposed at the time the taxable tires are delivered to the manufacturer-owned retail stores, not at the time of sale.

Tires on Imported articles. The importer of an article equipped with taxable tires is treated as the manufacturer of the tires and is liable for the taxable tire excise tax when the article is sold (except in the case of an automobile bus chassis or body with tires).

Tires exempt from tax. The tax on taxable tires does not apply to the following items:

- Recapped or retreaded tires if the tires have been sold previously in the United States and were taxable tires at the time of sale
- Tire carcasses not suitable for commercial use
- Tires for use on qualifying intercity, local, and school buses (for tax-free treatment, the registration requirements discussed earlier under Requirements for Exempt Sales apply)
- Tires sold for the exclusive use of the Department of Defense or the Coast Guard
- Tires of a type used exclusively on mobile machinery

Qualifying intercity or local bus. This is any bus used mainly (more than 50%) to transport the general public for a fee and that either operates on a schedule along regular routes or seats at least 20 adults (excluding the driver).

Qualifying school bus. This is any bus substantially all the use (85% or more) of which is to transport students and employees of schools.

Credit or refund. A credit or refund (without interest) is allowable on tax-paid tires if the tires have been:

- Exported
- Sold to a state or local government for its exclusive use
- Sold to a nonprofit educational organization for its exclusive use (as defined under Communications Tax in chapter 4)
- Sold to a qualified blood collector organization (as defined under Communications Tax in chapter 4) for its exclusive use in connection with a vehicle the organization certifies will be primarily used in the collection, storage, or transportation of blood
- Used or sold for use as supplies for vessels
- Sold in connection with qualified intercity, local, or school buses

Also, a credit or refund (without interest) is allowable on tax-paid tires sold by any person on, or in connection with, any other article that is sold or used in an activity listed above.

The person who paid the tax is eligible to make the claim.