

**TIRE STEWARDSHIP B.C. ASSOCIATION**

**TIRE RETAILERS GUIDELINES FOR REMITTING THE ADVANCE DISPOSAL FEE (ADF)**

Procedures to apply and remit the Advance Disposal Fee are described below.

Topic	Procedures
<b>Retailer registration</b>	<ol style="list-style-type: none"> <li>1. Under the Recycling Regulations of the BC Environmental Management Act it is necessary for producers, including all retailers who sell or offer for sale the tires described in the Recycling Regulation to consumers within BC to participate in a tire product stewardship program approved by the Ministry of Environment. All retailers who sell new tires are required to register with TSBC by completing and submitting a Registration Application.</li> <li>2. All registered tire retailers will be issued a Certificate of Registration that will specify a unique registration number to be used on all transactions with TSBC.</li> </ol>
<b>ADF amounts due to TSBC</b>	<ol style="list-style-type: none"> <li>3. The ADFs due are: <ul style="list-style-type: none"> <li>— Passenger and Light Truck Tires including Motorcycle, ATV Tires &amp; Free Rolling Farm Tires: \$5</li> <li>— Medium Truck Tires: \$9</li> <li>— Agricultural Drive Tires: \$15</li> <li>— Logger / Skidder Tires: \$35</li> </ul> <p>Detailed definitions are noted in Schedule A “Tire Definitions, Advance Disposal Fees (ADF) and Interest Schedule”.</p> </li> </ol>
<b>ADF – point of application</b>	<ol style="list-style-type: none"> <li>4. The ADF applies wherever the first retail sale (or “deemed” sale – see items 5 through 7 below) of a new tire takes place in British Columbia. This includes sales to non-residents that are completed within the Province of BC.</li> <li>5. Motor vehicle dealers are required to remit the ADF when a new vehicle is taken out of resale inventory and dedicated to a specific use by the dealer, such as racing cars, parts delivery vehicles, and tow trucks.</li> <li>6. The ADF also applies to new vehicles used by a dealer while held in the resale or lease inventory and taxed under the Province’s dealer-use formula. The ADF is due the first time the vehicle is taxed under the dealer-use formula. When such vehicles are subsequently sold, the seller is not required to remit the ADF on the tires since they are no longer new (unless new tires are placed on the vehicle as part of the sale).</li> <li>7. Motor vehicle dealers are required to remit the ADF on new vehicles they take out of inventory for lease purposes, as are tire manufacturers who sell new tires on mileage contracts to end-use customers.</li> </ol>

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<b>Applicable tire sales</b>	<p>8. The ADF will apply to:</p> <ul style="list-style-type: none"> <li>— all tires sold (or “deemed” sold as discussed in previous section) in the province for \$30 or more, including those incidentally sold with a new vehicle sale – usually four installed tires and one spare tire;</li> <li>— both inflatable tires and solid tires (doughnuts) designed for use as spare tires for vehicles; and</li> <li>— tires for vehicles that include automobile, truck, bus, trailer, motorcycle or any other device in, on, or by which a person or things is or may be transported or drawn on a highway, except a device designed to be moved by human power or used exclusively on stationary rails or stationary tracks. This includes vehicles such as tractors, logging trucks, all terrain vehicles, and golf carts even though they may only be incidentally used on a highway.</li> </ul>
<b>Exempt tire sales</b>	<p>9. The ADF does not apply to:</p> <ul style="list-style-type: none"> <li>— tires designed for use on bicycles or wheelchairs;</li> <li>— tires purchased for use on three-wheeled motorized devices designed for the transportation of persons with a physical impairment (seller must retain a copy of the sales invoice that certifies this use and includes the name, address, telephone number and signature of the purchaser);</li> <li>— tires designed for use on an aircraft or wheelbarrow;</li> <li>— tires that ordinarily have a retail value of less than \$30;</li> <li>— recapped and retreaded tires; and</li> <li>— tires designated with a tread code of C, E, G, L or IND in the 2005 Tire and Rim Handbook of the Tire and Rim Association of the United States, as amended from time to time.</li> </ul> <p>10. Remittance of the ADF is not required:</p> <ul style="list-style-type: none"> <li>— by registered retailers (retailers) who acquire new tires solely for purposes of resale, provided they quote their TSBC registration number to the retailer from whom they purchase the tire. However, if the tire is subsequently taken out of the resale inventory and used for any business or personal use, retailers must remit the applicable ADF; and</li> <li>— by retailers who ship to a non resident to a location outside of the province. The retailer is required to retain documentation relating to the out-of-province delivery to substantiate non-remittance of the ADF for that sale.</li> </ul>
<b>Tire exchanges, replacements and warranties</b>	<p>11. If tires are purchased and subsequently exchanged for a different style or brand, the ADF is remitted only once – provided the original tires can still be sold as new.</p> <p>12. Where a tire fails due to a manufacturing defect and is replaced at no charge, the ADF is remitted for both tires as the sale ultimately results in two scrap tires being generated.</p>

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<b>Registered Indians</b>	13. Registered Indians or Indian Bands are <b>not</b> exempt from paying the Advance Disposal Fee.
<b>Applicability of HST</b>	<p>14. The Harmonized Sales Tax (HST) is applicable to the ADF where the ADF is charged by a tire retailer to its customer. The HST is then remitted to the Canada Revenue Agency (CRA).</p> <p>15. Pursuant to a ruling from CRA retailers must also calculate and <b>pay</b> HST on their monthly ADF Return to TSBC. Visit <a href="http://www.tsbc.ca">www.tsbc.ca</a> for a copy of the ruling.</p>
<b>Retailer's remittance due date</b>	16. ADF remittances are due to TSBC by the <b>15th day of the month</b> following the month in which the applicable tire sale was made (Reporting Period).
<b>Remittance information</b>	<p>17. An ADF Return is required to accompany the monthly remittance to TSBC. <b>If there were no applicable tire sales in a Reporting Period, a "NIL" report must still be submitted to TSBC to confirm this.</b></p> <p>For each Reporting Period, the retailer's report must indicate the applicable tire sales in each of the following general categories:</p> <ul style="list-style-type: none"> <li>— Passenger &amp; Light Truck / Motorcycle / All Terrain Vehicle / Free Rolling Farm tires</li> <li>— Medium Truck tires</li> <li>— Agricultural Drive tires</li> <li>— Logger / Skidder tires</li> </ul>
<b>Payment options</b>	<p>18. Tire retailers are to send their monthly ADF Return along with their cheque or money order payable to TSBC directly to:</p> <p style="padding-left: 40px;">Tire Stewardship B.C. Association, PO Box 5366 Victoria B.C., V8R 6S4</p> <p>Please note that the courier address is:</p> <p style="padding-left: 40px;">Tire Stewardship B.C. 4 - 1627 Fort Street, Victoria B.C., V8R 1H8</p>
<b>Retailer's records</b>	<p>19. Tire retailers must keep accurate ongoing records of all new tires sold, leased or supplied to allow confirmation of the monies paid or due and payable, including substantiation for sales they have determined to be exempt.</p> <p>20. TSBC may request an inspection of the tire retailer's records to verify that appropriate remittances are being made for applicable tire sales.</p>

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<b>Consequences of non-reporting</b>	<p>21. Registered tire retailers who do not provide a monthly ADF Return and the related ADF payment (where applicable), are in contravention of their registration agreement and may be subject to one or more of the following:</p> <ul style="list-style-type: none"> <li>— an assessment of estimated ADF due;</li> <li>— interest charged on the outstanding ADF;</li> <li>— an independent audit of the retailer’s relevant records;</li> <li>— disqualification of the retailer’s scrap tires from eligibility for financial incentives under the TSBC’s scrap tire recycling program; and</li> <li>— de-registration of the retailer from TSBC and notification of the non-compliance to the Ministry of Environment for enforcement under the applicable Regulation.</li> </ul>
<b>Where to get more information</b>	<p>Web site: <a href="http://www.tirestewardshipbc.ca">www.tirestewardshipbc.ca</a></p> <p>By Phone: 1-866-759-0488</p> <p>By Mail: Tire Stewardship B.C.  PO Box 5366  Victoria, BC  V8R 6S4</p>