

Nebraska Tire Fee

Overview

The Nebraska Tire Fee of \$1 is due on the following tires:

- ❖ Retail sales of qualified tires sold and delivered in Nebraska;
- ❖ Every tire included with a new motor vehicle registered in Nebraska; and
- ❖ Every qualified tire a motor vehicle dealer places on a previously-owned motor vehicle registered in Nebraska.

Any retailer making sales of qualified tires in Nebraska must obtain a Nebraska Tire Fee Permit and collect and remit the Nebraska Tire Fee, unless a specific exemption applies.

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This guidance document may change with updated information or added examples. DOR recommends you do not print this document. Instead, sign up for the [subscription service](https://revenue.nebraska.gov) at revenue.nebraska.gov to get updates on your topics of interest.

Terms

Motor Vehicle. A motor vehicle is any motor vehicle, motorcycle, trailer, or semitrailer required to be registered for operation on the roads and highways of this state.

Non-qualified Tire. A non-qualified tire is any recapped or regrooved tire or any tire for vehicles other than motor vehicles, motorcycles, trailers, semitrailers, and farm tractors (for example: bicycles, golf carts, and all terrain vehicles).

Qualified Tire. A qualified tire is any new pneumatic (air or gas-filled) or solid tire made of rubber or other resilient materials that could be used on a motor vehicle, trailer, semitrailer, or farm tractor.

Tire Fee. The tire fee is \$1 per new qualified tire. This fee is in addition to any federal tax and any Nebraska and local sales tax.

The tire fee must be collected on:

- ❖ Each tire of every new motor vehicle registered in Nebraska; and
- ❖ Every retail sale of a new qualified tire where possession is taken in Nebraska, including every new replacement farm tractor tire.

Collecting and Remitting the Tire Fee

County Treasurers. The county treasurer, or designated county official, must collect the tire fee at the time of registration of a motor vehicle regardless of the location of the sale. The county must remit the tire fee on the [Nebraska Tire Fee Return, Form 9B](#).

Example 1. A car dealer in Iowa sells a new car to a resident of Nebraska. The Nebraska resident will pay the Nebraska Tire Fee at the time of registration in Nebraska.

Farm Implement Dealers. Retailers of new farm tractors and other farm implements are not required to collect the tire fee on retail sales of new farm tractors and other farm implements. However, retail sales of new **replacement** tires for farm tractors sold and delivered in Nebraska are subject to the tire fee.

Example 2. A farm implement dealer sells new farm tractors and other types of farm equipment. The farm implement dealer is not required to collect the \$1 tire fee on each new tire sold with a farm tractor or other farm equipment. The farm tractor or other farm equipment is not a motor vehicle.

Example 3. Farm implement dealers and other retailers who sell and deliver new **replacement** tires in Nebraska for a farm tractor must collect the \$1 tire fee on each new tire.

Motor Vehicle Dealers. Motor vehicle dealers must report the total number of new tires on new motor vehicles including the spare and new tires placed on previously-owned motor vehicles, on the [Nebraska Sales/Use Tax and Tire Fee Statement for Motor Vehicle and Trailer Sales, Form 6](#). A new motor vehicle is one which still has the manufacturer's statement of origin.

When a sale of a motor vehicle occurs between two individuals, no tire fee is due at the time the vehicle is registered in Nebraska.

Example 4. A car dealer sells a new car. When completing the Form 6, the dealer must indicate five tires on line 8 (four tires, plus the spare). The county treasurer collects the \$5 tire fee when the new car is registered. The entry on line 8 of Form 6 is illustrated below:

NEBRASKA Good Life. Great Service. DEPARTMENT OF REVENUE		Nebraska Sales/Use Tax and Tire Fee Statement for Motor Vehicle and Trailer Sales				Form 6	
Purchaser's Name and Address				Seller's Name and Address			
Name				Name			
Street or Other Address				Street or Other Address			
City		State		City		State	
Zip Code				Zip Code			
Purchased Vehicle/Trailer Description							
Make		Body Type		Year		Vehicle ID Number (VIN)	
Date of Purchase							
Trade-in Vehicle/Trailer Description							
Make		Body Type		Year		Vehicle ID Number (VIN)	
License Plate Number				Was the trade-in vehicle being leased?			
				<input type="checkbox"/> Yes <input type="checkbox"/> No			
If Yes, enter -0- on line 2.							
Tax Computation — See Instructions							
1 Total sales price						1	
2 Less trade-in allowance						2	
3 Less manufacturer's rebate assigned to dealer at time of sale						3	
4 Tax base (line 1 minus lines 2 and 3) (if zero or less, enter -0-)						4	
5 Nebraska sales or use tax (line 4 multiplied by rate)						5	
6 Local sales or use tax (line 4 multiplied by rate)						6	
7 Total Nebraska and local sales or use tax due (line 5 plus line 6)						7	
8 Tire fee (Number of new tires <u>5</u> multiplied by \$1)						8 5.00	
9 Penalty for late payment						9	
10 Interest for late payment						10	
11 Balance due (total of lines 7, 8, 9, and 10)						11	

Example 5. A car dealer sells a used car after placing two new tires on it. The tire fee has not been paid on the new tires, because the car dealer purchased the tires for resale by issuing a properly completed [Nebraska Resale or Exempt Sale Certificate, Form 13](#), Section A, to the seller. When completing the Form 6, the dealer must show two tires subject to the tire fee. The county treasurer collects the \$2 tire fee when the car is registered. The entry on line 8 of Form 6 is illustrated below.

Tax Computation — See Instructions			
1	Total sales price	1	
2	Less trade-in allowance	2	
3	Less manufacturer's rebate assigned to dealer at time of sale	3	
4	Tax base (line 1 minus lines 2 and 3) (if zero or less, enter -0-)	4	
5	Nebraska sales or use tax (line 4 multiplied by rate)	5	
6	Local sales or use tax (line 4 multiplied by rate)	6	
7	Total Nebraska and local sales or use tax due (line 5 plus line 6)	7	
8	Tire fee (Number of new tires <u>2</u> multiplied by \$1)	8	2.00
9	Penalty for late payment	9	
10	Interest for late payment	10	
11	Balance due (total of lines 7, 8, 9, and 10)	11	

Example 6. An individual places two new tires on a car, and then sells the car. The number of tires indicated on Form 6 is zero because the individual paid the tire fee when the tires were purchased from the retailer. The entry on line 8 of Form 6 is illustrated below.

Tax Computation — See Instructions			
1	Total sales price	1	
2	Less trade-in allowance	2	
3	Less manufacturer's rebate assigned to dealer at time of sale	3	
4	Tax base (line 1 minus lines 2 and 3) (if zero or less, enter -0-)	4	
5	Nebraska sales or use tax (line 4 multiplied by rate)	5	
6	Local sales or use tax (line 4 multiplied by rate)	6	
7	Total Nebraska and local sales or use tax due (line 5 plus line 6)	7	
8	Tire fee (Number of new tires <u>0</u> multiplied by \$1)	8	0.00
9	Penalty for late payment	9	
10	Interest for late payment	10	
11	Balance due (total of lines 7, 8, 9, and 10)	11	

There is No Exemption for Nonprofit Organizations, Educational Institutions, State and Local Governmental Agencies/Units, and Common or Contract Carriers. Unlike the Nebraska sales and use taxes, which allows for sales tax exemptions to many types of entities, there are no exemptions from the tire fee for tire purchases by the state or a local government, a sales tax-exempt nonprofit organization, educational institution, or a common carrier. There are limited exemptions, as shown in the [“Tire Fee Exemptions”](#) section below.

Example 7. The Nebraska Department of Education (DOE) purchases four new qualified tires. As an agency of the State of Nebraska, the DOE supplies a Form 13, Section B, and is exempt from sales tax, but the tire fee is still due and is not refundable. A sample invoice looks like this:

ABC Tire Co.		Invoice No. 0000
Sold to: Nebraska DOE Lincoln, NE 68509		
4 tires @ \$99.95		\$399.80
Sales tax		.00
Tire fee-4 tires @ \$1.00		4.00
Total due		\$403.80

Example 8. The sale of a qualified tire to a licensed Nebraska common or contract carrier is not subject to Nebraska sales or use taxes when the seller receives a [Form 13](#) from the buyer. However, the sale of the qualified tire is still subject to the Nebraska Tire Fee. A sample invoice looks like this:

ABC Tire Co.	Invoice No. 2000
Sold to: XYZ Trucking Company Lincoln, NE 68508	
4 tires @ \$275	\$1,100.00
Sales tax	.00
Tire fee-4 tires @ \$1.00	4.00
Total due	\$1,104.00

Retailers. Retailers selling new tires for motor vehicles and farm tractors to customers in Nebraska are responsible for collecting the tire fee from the customer and remitting it to DOR unless a specific exemption applies (see the [“Tire Fee Exemptions”](#) section).

The tire fee must be separately stated from the sales tax. If it is not separately stated, the tire fee is considered part of the sales price and is subject to sales tax.

Charges for disposing of tires, filters, and any other environmental fees paid to the tire retailer are subject to the Nebraska and local sales tax because the charges are part of the “gross receipts” for selling the new tire. A sample invoice is shown in the following example:

Example 9. A retailer sells a tire to a customer and completes an accurate invoice that looks like this:

ABC Tire Co.	Invoice No. 2050
Sold to: XY Trucking Company Omaha, NE 68102	
1 Tire	\$99.95
Disposal fee	5.00
Subtotal	\$104.95
Nebraska sales tax @ 5.5%	5.77
City sales tax @ 1.5%	1.57
Tire fee -1 tire @ \$1.00	1.00
Total due	\$113.29

Tire Fee Exemptions

The tire fee does not apply when a qualified tire is sold:

- 1 For resale purposes (the purchaser must issue a properly completed Form 13, Section A);
- 2 For delivery to another state;
- 3 To the federal government or its agencies. [Reg-1-072 , United States Government and Federal Corporations](#), lists agencies of the federal government which are exempt from sales tax. These same governmental agencies and entities are exempt from the tire fee; or
- 4 To Native Americans in Indian country in Nebraska when title and possession are taken within the boundaries of Indian country in Nebraska.

General Information

Obtaining A Permit. To obtain a Nebraska Tire Fee Permit, you must register your new business online at revenue.nebraska.gov/businesses/register-your-new-business-online or complete a [Nebraska Tax Application, Form 20](#). Unlike sales tax, only **one** permit is required regardless of the number of business locations under one ownership.

Filing Returns. The Nebraska Tire Fee is remitted on the [Nebraska Tire Fee Return, Form 93](#). The return is due on or before the 25th of the month following the tax period covered by the Form 93 return. The filing frequency is monthly, quarterly, or annually depending on the number of new tires sold. A preidentified return will be mailed to all permit holders for each period for which a return is required. A Form 93 must be filed, even if there is no fee due.

Filing Frequency. The filing frequency is determined by the number of new tires sold annually.

- ❖ 3,000 or more tires - returns are filed monthly;
- ❖ 900 to 2,999 tires - returns are filed quarterly; or
- ❖ Less than 900 tires - returns are filed annually.

Penalty and Interest. If the return is not filed and paid by the due date, a penalty will be assessed in the amount of 10% of the tax due or \$25, whichever is greater. Interest on the unpaid tax will be assessed at the rate printed on line 7 from the due date until payment is received.

Tire Fee Records. As with all business operations, it is important that current, complete, and accurate records of tire and motor vehicle sales be kept. For Nebraska tire fee purposes, all records should include the following information and documents:

- ❖ Invoices of sales of new tires and new or used motor vehicles, trailers, and semitrailers;
- ❖ Exempt sales allowed by law; and
- ❖ [Nebraska Resale or Exempt Sale Certificate, Form 13](#).

Keep tire records for the current year of business and at least three prior years.

Purpose and Use of Tire Fee Proceeds

The Nebraska tire fee is collected by DOR and remitted to the State Treasurer for credit to the Waste Reduction and Recycling Incentive Fund. The proceeds are available through cost-sharing grants to be used by individuals or businesses who manufacture tire-derived products, process scrap tires, or use scrap tires for specified civil engineering projects.

The grants may be requested by application to the [Department of Environment and Energy](#). To obtain a grant application form, call 402-471-2186 or toll-free 877-253-2603.

Resource List

Nebraska Revised Statute:

- ❖ [Neb. Rev. Stat. § 81-15,162, Tire Fee](#)

revenue.nebraska.gov
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