
Pre-disposal Fee (New Tires)**Oil & Tire
taxes
notice**

Pursuant to Tennessee Code Annotated Section 67, chapter 4, part 16, all sales of new tires at retail for use on motor vehicles used in the transportation of persons or property on streets or highways are subject to the pre-disposal fee. This includes automobiles, motorcycles, trucks, trailers, semi-trailers, truck/semi-trailer combinations, farm tractors, farm equipment, and certain construction machinery.

A new tire is one that has not been previously used in the regular operation of a motor vehicle. A pre-disposal fee in the amount of \$1 per tire is imposed on each person exercising the privilege of making retail sales of new tires in this state. Any person engaged in making such sales, including persons making sales by mail or common carrier into Tennessee and having constitutional nexus with Tennessee for sales tax purposes, is responsible for the pre-disposal fee. **The pre-disposal fee is to be imposed even though the new tires may be sold to entities that are exempt for sales and use tax purposes.** Any dealer purchasing new tires for resale without the payment of the fee, and subsequently withdrawing the tires from inventory for such dealer's own use and consumption, must remit the fee on the tires on such dealer's own return. A motor vehicle leasing company, when purchasing new tires for resale in the form of a lease, must remit the fee on the

tires when the tires are first put to use in this state.

The sale of new tires as a component part of a new or used motor vehicle, used tires, recaps, retreads, tires sold for delivery out of state, and tires for vehicles which are propelled solely by human power such as bicycles, garden carts, wheelbarrows, etc., are exempt from the fee. Also exempt are tires sold for "resale" that are properly supported by a sales tax resale certificate.

If tires are sold at more than one location, a separate return must be filed for each separate location or place of business. The fee imposed shall be payable for quarterly periods as follows: (1) January 1 through March 31; (2) April 1 through June 30; (3) July 1 through September 30; and (4) October 1 through December 31. The returns and payments are to be made on or before the 25th day of the month immediately following the close of the aforementioned periods. Failure to timely file a return and/or pay the fee due shall cause the fee to become delinquent and subject to interest and penalty.

Have questions or comments? Please let us know. [Contact us.](#)

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