



TIRE RECYCLING ALBERTA

A Division of Alberta Recycling Management Authority

Frequently Asked Questions about the Advance Disposal Surcharge (the 'ADS')

1. Which tires are subject to the ADS and which tires are not?

The ADS applies to the sale of all **new** tires (“eligible tires”) with a minimum rim size of 8 inches up to and including 39 inches (with certain exceptions listed below), whether the tire is sold individually or sold on a new or used piece of equipment/vehicle such as a used trailer or a used car.

“Eligible tires” include everything from small utility trailer, ATV, riding mower, foam filled, and scooter tires to larger industrial, construction, highway transport truck and bus tires.

As mentioned there are some tires for which the ADS does not apply:

- a) Tires with rim sizes less than 8 inches or greater than 39 inches, aviation tires, solid rubber tires, used or recapped tires, motorized mobility aid tires, hand powered equipment tires (wheelbarrow, wagon, dolly, wheelchair, bicycle, hand powered lawn and garden equipment, etc.).
- b) Certain types of agricultural tires are ADS exempt including: farm/agricultural tires, both drive and free rolling tires for farm implements, tractors & other farm equipment with the following sidewall codes: F-1, F-2, F-2M, F-2D, R-1, R-1W, R-2, R-3, HF-1, HF-2, HF-3, HF-4, I-1, I-2, I-3, IMP, IMP FLOTATION.
- c) Recap, retread or used tires - the ADS was already collected on these tires when they were sold as new.

If you have tire types not listed here and would like to know if the ADS applies to them, please call us and we would be happy to assist you.*

2. “Off-the-Road” Tires (OTR)

The ADS applies to tires manufactured for use on all kinds of vehicles and equipment not used for travel on highways. Generally, these are larger tires used on heavy equipment for industrial applications, construction, mining and forestry or smaller tires used on industrial loaders, bobcats and forklifts etc.

3. When “Eligible Tires” are used on farm equipment or on a farm.

Sometimes an “eligible tire” - for example, a car tire - is purchased for use on a farm implement. For example:

Mr. Smith comes in to your establishment and wants to purchase tires for his farm equipment. As the tire dealer, you might immediately assume the ADS does not apply because Mr. Smith will be installing the car tire on a farm implement. If you were to sell him *implement rated tires (or any tires listed in 1 (b) above)*, you would be correct. However, because Mr. Smith wants to purchase “eligible tires” for his farm equipment, the ADS is applicable.

The ADS must be charged, collected and remitted on all “eligible tires” even if the customer says he intends to use the tires on farm equipment or in a farm application.

4. ADS Eligibility - Tire Type versus Use

ADS eligibility is based on the type of tire, not how the tire will be used. For example, the ADS for tires manufactured solely for use on a forklift is \$4.00, however, in some applications an OTR tire may be placed on a forklift. In this case, the fee for an OTR would apply (as that is the type of tire being purchased), not the fee for a forklift tire.

5. All-Terrain Vehicles ('ATVs')

There are a growing number of ATVs in use for business and pleasure. They are defined in the *Off-Highway Vehicle Act* as "... a wheeled or tracked motor vehicle designed for travel primarily on unprepared surfaces such as open country and marshland ...".

The ADS does apply to tires manufactured to be used on ATV's but does not apply to rubber tracks.

6. Medium Truck Tires (MTTs)

The \$9.00 ADS applies to all MTTs which have a rim size greater than 19.5 inches. The \$4.00 ADS applies to MTTs with a rim size of 19.5 inches or less.

7. When eligible tires are sold to other registrants of Tire Recycling Alberta ("TRA"), a division of Alberta Recycling Management Authority

Often, tire dealers that have a TRA registration number buy their tires from another TRA registered tire dealer. When one registered tire dealer sells to another registered tire dealer (who provides a valid registration number), the ADS is either charged or exempted based on the type of registration they hold:

- a) Direct Registrant (DiR): six digit registration number beginning with "0".
 - i. This registrant is exempt from being charged the ADS as they will charge the ADS to their customer and remit it directly to TRA.
 - ii. The tire dealer that sells to a DiR must record the DiR's registration number on the invoice.
- b) Payment on Purchase ("POP") registrant: six digit registration number beginning with "7"
 - i. The tire dealer must charge a POP registrant the ADS as their "supplier" and then remit the ADS to TRA on the POP registrant's behalf.

8. Tires Replaced Under Warranty

The ADS is to be charged on replacement tires, regardless of wear or age of the original tire and even if the replacement tire is supplied free of charge to the customer (noting that both the replacement tire and the original tire will enter the waste stream for recycling).

9. New Tires Leaving Alberta

The ADS applies to new tires installed on vehicles even if the vehicles are driven directly out of Alberta upon purchase, regardless of the end destination.

Tires shipped directly out of Alberta, without touching Alberta highways, are not subject to the ADS. This includes tire shipments via carrier or courier as well as shipments of vehicles with new tires on them. Tire dealers can apply for an ADS exemption for tires shipped directly out of Alberta. In order to qualify for this exemption, the invoice must clearly state the out-of-province address/destination and the name of the carrier or courier used to transport the tires. The invoice should also indicate that the sale is exempt.

10. Sales of Tires to Tax Exempt Individuals, Groups or Companies

There are NO ADS exemptions based on *the type of customer* purchasing an eligible tire. Sections 3.3 and 3.4 of the Alberta Recycling Management Authority Tire Recycling Bylaw requires retailers to levy, collect and remit the ADS for each eligible tire sold, regardless of who the customer is. (The only exemption is under the "New Tires Leaving Alberta" provision as described above.)

*If you have any further questions about tires and the ADS please call us at 1-888-999-8762 or 780-990-1111 (in Edmonton) and we be pleased to assist you.