

## **Form E-500G Scrap Tire Disposal Tax Return** **General Instructions**

Use Form E-500G to file and report your North Carolina scrap tire disposal taxes. The tax is collected on the retail sale of new tires. Purchases of new tires from outside North Carolina for storage, use or consumption in North Carolina or for placement in this State on vehicles offered for sale, lease or rental are subject to the scrap tire disposal tax in addition to the sales and use tax. The exemptions to the tax are set forth in G.S. 105-187.18. The scrap tire disposal tax rate is 2% on tires with a bead diameter of less than 20 inches and 1% on tires with a bead diameter of 20 inches or more. The bead diameter is the diameter of the hole in the center of the tire or the diameter of the rim.

Monthly returns and remittance of tax are due on or before the 20th day of each month for the preceding calendar month. Quarterly returns with remittance of tax are due on or before the last day of January, April, July, and October for the preceding three-month period. Use the filing frequency assigned by the Department. Forms filed late are subject to penalty and interest.

If you discontinue business operations or sell your business, complete [Form NC-BN, Out-of-Business Notification](#), and mail it separate from any returns to the Department at the address shown on the form.

Complete the scrap tire disposal tax return in its entirety on your computer and print the return. Nontaxable sales and receipts should be identified on Lines 3 through 7. All retail sales of tires are subject to sales and use tax unless the sales are specifically exempt from tax by statute. For any conditions relating to the exemptions on Lines 3 through 7, you should refer to the applicable provision of the statute, which contains information regarding the exemptions.

Payment must be made in U.S. dollars by check or money order drawn on a U.S. (domestic) bank payable to the North Carolina Department of Revenue. Do not mail cash, stamps, or post-dated checks with your return.

### **How to Prepare Return**

- Line 1 - Gross Receipts:** Enter the total of all receipts from sales of tires.
- Line 2 - Sales For Resale:** Enter the total sales of tires to registered merchants for the purpose of resale. Do not include sales for resale in exempt sales on Lines 3 through 7.
- Line 3 - Sales in Interstate Commerce:** Enter the total sales delivered to a point outside the State for use solely outside the State.
- Line 4 - Sales Directly to the Federal Government:** Enter the total sales made directly to the Federal Government.
- Line 5 - Sales of Recapped Tires and Used Tires:** Enter the total sales of recapped tires and used tires as provided in G.S. 105-187.18(2).
- Line 6 - Sales of Tires for Placement on Newly Manufactured Vehicles:** Enter the total sales of tires for placement on newly manufactured vehicles as provided in G.S. 105-187.18(3).
- Line 7 - Bicycle Tires and Other Tires for Vehicles Propelled by Human Power:** Enter the total sales of bicycle tires and other tires for vehicles propelled by human power as provided in G.S. 105-187.18(1).

**Line 8 - Total Exempt Sales:** Add Lines 3 through 7 and enter the sum.

**Line 9 - Total Taxable Sales:** Subtract Lines 2 and 8 from Line 1 and enter the result.

**Line 10 - Tires Less Than 20 Inches - 2% Rate:** Enter under the column "Receipts and Purchases" total taxable receipts and sales which are subject to the 2% rate of tax excluding the tax collected. Compute the tax due at the 2% rate and enter that amount under the column "Tax."

**Line 11 - Tires At Least 20 Inches - 1% Rate:** Enter under the column "Receipts and Purchases" total taxable receipts and sales which are subject to the 1% rate of tax excluding the tax collected. Compute the tax due at the 1% rate and enter that amount under the column "Tax."

**Line 12 - Total Tax:** Add the tax on Lines 10 and 11 and enter the sum.

**Line 13 - Penalty:** If the return is filed after the due date, add the failure to file return penalty of 5% per month of the tax shown on Line 12 for each month, or fraction thereof, that the return is filed late. The maximum failure to file return penalty is 25% of the tax due.

If the tax was not paid when due, add the failure to pay tax when due penalty of 10% of the tax shown on Line 12.

**Line 14 - Interest:** If the return is filed after the due date, compute interest on the total tax shown to be due on Line 12 from the time the taxes were due until paid. The Secretary of Revenue establishes the interest rate on a semiannual basis. See the Department's website for the current interest rate.

**Line 15 - Total Due:** Enter the total amount due by adding Lines 12, 13, and 14 and pay this amount.

Additional information may be obtained from the Department's website at [www.dornc.com](http://www.dornc.com). Questions should be directed to the Taxpayer Assistance Division, North Carolina Department of Revenue, Post Office Box 25000, Raleigh, North Carolina 27640-0001, or to the Taxpayer Assistance Call and Collection Center at 1-877-252-3052 (toll-free).