



# MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION INSTRUCTIONAL BULLETIN NO. 48

---

## RECYCLING ASSISTANCE FEE

---

This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. It contains general and specific information of interest as well as interpretations and determinations by Maine Revenue Services regarding issues commonly faced by your business. Portions of the Sales and Use Tax Law referred to in this bulletin can be found at the end of the bulletin in Attachment #1.

### 1. GENERAL INFORMATION

A recycling assistance fee is imposed on the retail sale of new tires and new lead-acid batteries at the rate of \$1.00 each. The fee applies to all items in each category whether used for residential, commercial or industrial purposes unless specifically exempted. The fee is also specifically excluded from the definition of “sales price” and is therefore not subject to sales tax.

The recycling assistance fee is not to be confused with the lead-acid battery deposit required by 38 MRSA §1604, which requires the retailer to charge a \$10.00 deposit to the consumer if no used battery is presented at the time of sale. The \$1.00 recycling assistance fee is in addition to the \$10.00 deposit and applies whether or not the \$10.00 deposit applies to a particular sale.

### 2. TIRES

The recycling assistance fee applies to the sale of new tires. Sales of used tires (retread tires, for example) are not subject to the fee. As defined in the law, only tires to be attached to a motorized vehicle or trailer are subject to the fee. See Attachment #1 for the statutory definitions of “tire”, “motorized vehicle” and “trailer”.

“Tires” include those sold for airplanes and lawn and garden tractors. “Tires” do not include those sold for motorized wheelchairs and tricarts and push-type lawn mowers.

### 3. LEAD-ACID BATTERIES

The recycling assistance fee applies to the sale of new lead-acid batteries only. These are batteries most commonly used to store electrical energy for motorized vehicles, such as automobiles, trucks, motorcycles, etc. Please see Attachment #1 for the full definition of “lead-acid battery”.

“Lead-acid batteries” include those sold for security systems installed in real property, but batteries sold for motorized wheelchairs and tricarts are not subject to the fee.

#### **4. EXEMPTIONS**

The fee is applied in the same manner as sales and use tax. Any exclusion, exemption or credit provided in the sales and use tax law also applies to the recycling assistance fee. Thus sales of applicable items to the Federal government, State, county and local governments and other organizations that are exempt from sales and use tax are also exempt from the recycling assistance fee.

#### **5. DIRECT PAY PERMITS**

Recycling assistance fees imposed on items purchased by holders of direct pay permits should be treated in the same manner as sales and use tax. No fees are applicable to such sales. However, the purchaser is responsible for payment of the recycling assistance fee directly to the State in the same way that sales and use taxes are remitted.

#### **6. TIRE OR BATTERY AS COMPONENT PART**

Any tire or lead-acid battery sold as a component part of other tangible personal property is not subject to the fee. Situations which may commonly occur include, but are not limited to, the following:

- a) Tires and batteries sold as part of a motorized vehicle, such as an automobile, truck, motorcycle, ATV, construction equipment or farm equipment;
- b) Tires sold as part of a trailer;
- c) Tires and batteries sold as part of a motor home; and
- d) Tires sold as part of a mobile or modular home that is sold as tangible personal property.

#### **7. RETAILER RESPONSIBILITIES**

The recycling assistance fee must be remitted in the same manner as sales and use tax. Retailers responsible for collecting and remitting sales and use tax are also responsible for collecting and remitting the recycling assistance fee. The retailer is required to maintain records that indicate the number of tires and lead-acid batteries sold and the amount of fees collected in each category. This information must be reported on the Sales and Use Tax Return (Form ST-7) and included with the sales and use tax remittance for the applicable reporting period. The records must be maintained in accordance with Maine Revenue Services Rule 103 (“Recordkeeping and Retention”). Interest and penalties applicable to sales and use tax also apply to the recycling assistance fee.

#### **8. ITEMS PURCHASED OUT OF STATE**

The statute also provides that new tires and new lead-acid batteries purchased out of State for use within the State are also subject to the recycling assistance fee. Likewise, retailers who withdraw from inventory any of the aforementioned items for their own use are required to pay the fee.

#### **9. ADDITIONAL INFORMATION**

The information in this bulletin addresses some of the more common questions regarding the Sales and Use Tax Law faced by your business. It is not intended to be all-inclusive. Requests for information on specific situations should be in writing, should contain full information as to the transaction in question and should be directed to the:

**MAINE REVENUE SERVICES  
SALES, FUEL & SPECIAL TAX DIVISION  
P.O. BOX 1065  
AUGUSTA, ME 04332-1065  
TEL: (207) 624-9693  
TTY: 1-888-577-6690**

The Department of Administrative and Financial Services does not discriminate on the basis of disability in admission, to access to, or operation of its programs, services or activities.

**Issued: July 1, 1990**

**Last Amended: January 8, 2009**

(Published under Appropriation 010-18F-0002-07)

**ATTACHMENT #1**  
**Excerpts taken from Maine Revised Statutes, Title 36 Chapter 719**

**§ 4831. Definitions**

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

**2. Lead-acid battery.** "Lead-acid battery" means a device designed and used for the storage of electrical energy through chemical reactions involving lead and acids.

**3. Motorized vehicle.** "Motorized vehicle" means any self-propelled vehicle, including motorcycles, construction and farm vehicles and other off-road vehicles, not operating exclusively on tracks.

**4. Tire.** "Tire" means the device made of rubber or any similar substance which is intended to be attached to a motorized vehicle or trailer and is designed to support the load of the motorized vehicle or trailer.

**5. Trailer.** "Trailer" means any vehicle without motive power that is designed to be drawn by a motorized vehicle.

**§ 4832. Fee imposed**

**1. Imposition.** A fee is imposed on the retail sale in this State of new tires and new lead-acid batteries in the amount of \$1 per tire or lead-acid battery. A fee in the same amount is imposed on the storage, use or other consumption in this State of tires and lead-acid batteries purchased new in this State by the user or purchased outside the State by the user unless the fee imposed by this section has been paid.

**2. Exemption.** Transactions that, under the laws of this State, are not subject to taxation in accordance with Part 3 are exempt from the fee imposed by subsection 1. Sales of any items that occur as part of a sale of a trailer, a mobile home or any motorized vehicle are exempt from the fee imposed by subsection 1.