



SASKATCHEWAN
SCRAP TIRE
CORPORATION

RETAILER HANDBOOK

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Please contact the Saskatchewan Scrap Tire Corporation at (306) 721-8473 if you have any questions about the information presented in this handbook.

This handbook is presented for general information. The contents are not to be accepted or construed as a substitute for the provisions of the mandate.

SASKATCHEWAN SCRAP TIRE CORPORATION



The Saskatchewan Scrap Tire Corporation (SSTC) is a non-profit, non-government, industry-led organization that delivers a province-wide tire recycling program.

Through the *Environmental Management and Protection Act* (EMPA) and the *Scrap Tire Management Regulations (1998)*, under Section 4(1), the authority is provided to make scrap tires a designated material. Therefore, with the SSTC being the only approved scrap tire-recycling program in Saskatchewan, it is mandated to impose and collect a tire recycling fee on the sale of all new tires.

Established in 1996, the SSTC has grown to include over 1,300 registered retailers, as well as strong recycling network of haulers

and processors who are involved in the collecting and recycling of over one million scrap tires each year. Since its inception, the SSTC has diverted over 21 million used tires from the Saskatchewan waste stream and has cleaned up decades worth of old tires from municipal landfills. These tires have been recycled into useful, marketable products.

The SSTC works cooperatively with retailers, auto dealers, rural municipalities, local governments, regional waste authorities, processors, collectors, and the general public to ensure that scrap tires are recycled in an environmentally friendly and sound manner.

THE TIRE RECYCLING PROGRAM

Over 4,000 tires are purchased in Saskatchewan every day - and the number continues to grow. In a year, this equates to over 1.5 million tires; that is enough tires to span across the province one and a half times. Prior to SSTC's program, almost all of these tires ended up in our local landfills as domestic waste, were stockpiled, buried, or even burned.

The SSTC provides a comprehensive program that manages all tire waste in three phases. These three phases help the SSTC to ensure that all waste tire material is removed from the waste stream and is recycled responsibly to help maintain a clean and healthy environment for generations to come.

Phase I - Current Generation Tires:

This is the daily activity of gathering scrap tires accumulated at the retail level. At no cost to the retailer, tires are picked up under the SSTC program and diverted from landfill disposal and from the environment.

Retailers are encouraged to keep all scrap tires generated from the new tire sale. This makes it easier to keep those tires in the recycling stream and keeps them away from the "good intentions" of "using it

for something" when it goes home in the customer's trunk.

Phase II - Landfill Cleanup:

This phase of the program involved removing tires from registered landfills in Saskatchewan. When the work wrapped up in 2009, the SSTC had removed the equivalent of two million passenger car tires from more than 300 landfill sites around the province. In exchange for the free clean up, municipalities were required to pass bylaws banning scrap tire disposal

from their landfills, thus ensuring a tire free site for the future.

Phase III - Private Stockpiles:

Branded as *Black Gold Rush (BGR)*, Phase III of the SSTC's program offers a one-time, free clean up of stockpiled tires on private land and urban residential property.

Prior to the SSTC's existence, most farmers and landowners simply stockpiled tires, as there was no other disposal option.

ACCOUNTABILITY & ENFORCEMENT



The SSTC continues to increase the focus on compliance with program guidelines and contractual obligations of stakeholders to ensure a fair and level playing field for all participants. The SSTC ensures transparency by communicating openly and honestly with all stakeholder groups, of which includes the Ministry of Environment, the Board of Directors, Retailers, and all other program participants through a variety of mediums, all operating in compliance with the *Scrap Tire Management Regulations, 1998*. Accountability of program operations is provided through:

Annual Audit

The SSTC is charged with the administration of the collected Tire Recycling Fees as well as managing the operations of the program.

ACCOUNTABILITY & ENFORCEMENT CONTINUED

The SSTC has procedures in place to ensure proper financial management and accountability. A comprehensive financial administration and accounting system is maintained to manage and report on revenues and expenditures resulting from SSTC activities.

Retailer Compliance

Responsibility of ensuring that all consumer-paid tire recycling fees are collected and reported, and that all retailers are compliant with the Regulations, is achieved through Retailer Compliance Reviews. These reviews are conducted by The SSTC and third party independent auditors.

Retailer compliance is done by conducting compliance reviews on the retailers registered with the SSTC. Through the process of random selection the retailers' records will be reviewed to ensure that:

- TRFs have been charged on all new tire sales;
- All TRFs have been reported to the SSTC; and
- All records, from both the retailer and the SSTC - are consistent.

Collector & Processor Audits

As contributing participants of the day to day activities of the SSTC, these stakeholders play a prominent role in the movement of scrap tires. Evaluation and audits of these stakeholders involve many facets of their business in accordance with the SSTC policy defined in the *Collector and Processor Guidelines* manual.

PARTICIPATION

All dealers and retailers that sell new tires or lease vehicles or lease equipment that have new tires, are required to participate in the program. This includes all tires that are sold on new vehicles, leased vehicles, trucks, buses, trailers, ATVs, motorcycles, agricultural equipment, recreation vehicles, and industrial equipment.

RETAILER REQUIREMENTS

The retailer is responsible to charge the Tire Recycling Fee (TRF) on each new tire sold, to collect the TRF, and to remit the TRF to the SSTC. In the event the fee is not charged or paid, the retailer is responsible to pay the amount required. The only time the TRF would not be required is if the transaction or sale is of a wholesale nature to another retailer that is participating in an approved tire recycling program (See Wholesale Transactions, Page 16).

Retailers are responsible to ensure compliance in other jurisdictions if they sell tires out of province.

THE TIRE RECYCLING FEE (TRF)

The SSTC program relies on a user-pay principle, which means that the consumer of the tire bears the responsibility for the product once it has reached the end of its useful life.

The TRF applies wherever the first retail sale (or deemed sale) of a new tire takes place in Saskatchewan. This includes sales to non-residents that are completed within the province of Saskatchewan.

The TRFs collected are used solely for the recycling of scrap tires and administration of the scrap tire program.

TRF CONTINUED:

The TRF is applicable to every tire that has a rim size of 8" or larger, regardless of its use.

The SSTC program encompasses all tire categories to ensure that all tires, from lawn tractor to mining tires, are collected and recycled within the program.

The SSTC sets the TRF that is to be charged at the point-of-sale of all new tires. The *Tire Recycling Fee Schedule* details the five main tire categories and the applicable TRF (*The Tire Recycling Fee Schedule can be found on the SSTC website*).

"THE TRF IS APPLICABLE TO EVERY TIRE THAT HAS A RIM SIZE OF 8" OR LARGER, REGARDLESS OF ITS USE"

RECYCLING FEE EXEMPTIONS

The tire recycling fee (TRF) is an environmental levy imposed for the sole purpose of recycling tires; it is not a tax.

There are no exemptions to paying the tire recycling fee. All government agencies, charities, First Nations, emergency response units, etc. are required to pay the fee on all new tire purchases.

GST

The SSTC manages the tire recycling program in Saskatchewan, which includes the collection of the tire recycling fees, on behalf of the retailer.

The Canada Revenue Agency (CRA) views this as a "taxable service" to the retailer. CRA also views the reporting of the tire recycling fee as payment to the SSTC for the service of providing a tire recycling program.

When reporting the monthly remittances, the GST must be added to the total amount of tire recycling fees being reported to SSTC. This will flow through as an "input tax credit".

TIRE CLASSIFICATION TABLE

CLASSIFICATION	TIRE TYPES	DEFINITION
<p>PLT Passenger Car / Light Truck (Rim Sizes 8" - 30")</p>	<ul style="list-style-type: none"> • Passenger Car (P), Light Truck Tires (LT) • Small RV, Trailer and Utility Trailer Tires • Motorcycle, All Terrain Vehicle and Golf Cart Tires • Lawn and Garden Equipment • Forklift, Skid steer, Press-on Solids, and Front Tractor & Implement Tires up to a maximum 16" rim 	<ul style="list-style-type: none"> • Passenger tires (P) are designed for use on passenger cars, light trucks, small RV's and multipurpose passenger vehicles (MPV), including sport utility vehicles (SUV) and crossover utility vehicles (CUV). • Codes found on the sidewall of passenger and light truck tires are (P) Passenger and (LT) Light Truck. Temporary spares are marked (T) Temporary. • Includes all tires specifically designed for on/off highway motorcycles, motorcycle sidecars, motor bikes, mopeds, mini-cycles, golf carts and all-terrain vehicles (ATV). • RV Trailer and utility trailer tires marked (ST) Special Trailer. • Includes pneumatic forklift tires, press-on solid tires, Bobcat/skid steer tires measuring 16" and under. • Includes free rolling farm and implement tires deemed for use on farm equipment up to a maximum 16" rim size. Tires are usually identified with the sidewall marked (IMP) Implement.
<p>MTRK Medium Truck (Rim Sizes 15" - 24.5")</p>	<ul style="list-style-type: none"> • All tires not marked "LT" or "ST" • Semi and Industrial Truck Tires • Wide Base Skid Steer and Loader Tires 17.5" rim and larger • Forklift, Skid steer, Press-on Solids, and Front Tractor & Implement Tires 16.1" rim and larger 	<p>Also commonly known as Commercial Truck Tires - Truck and Bus tires including Wide Base or Heavy Truck tires designed for truck/bus applications and Larger (RV) Recreational Vehicle tires not marked (P) or (LT) Passenger or Light Truck.</p> <ul style="list-style-type: none"> • Includes drive wheel tires used on tractors and combine equipment. These tires are normally identified with a sidewall marking (R) Radial Ply or (HF) High Flotation and are 16.1" - 20".

TIRE CLASSIFICATION TABLE CONTINUED

<p>AG Agricultural Tires (Rim Sizes 24" - 54")</p>	<ul style="list-style-type: none"> • Agriculture (All Rear & Front Wheel Drive) Tires • Rubber Tracks on Agricultural Equipment 	<ul style="list-style-type: none"> • These tires include ALL Rear and Front Wheel Drive tires classified as agriculture tires. Tires are designated with one of the following sidewall markings R-1/R-1W/R-2/R-3/R-4/HF1/HR2/HF3/HF4. This section also includes Agricultural Drive tires measuring 24" and up. • Includes rubber tracks on agricultural equipment.
<p>OTR I Off-the-Road/Mining Tires Medium Types (Rim Sizes up to and including 23.5-25")</p>	<ul style="list-style-type: none"> • Off-the-Road, Mining, Earthmover, Construction Tires within classification up to and including 23.5-25" Tires • Forestry Tires • Rubber Tracks on Industrial Equipment 	<ul style="list-style-type: none"> • Tires used on tree harvesting equipment and are normally identified with a sidewall marking with suffix letters (LS) Logger/Skidder. • Includes OTR Mining, Earthmover (E), Construction (C), Grader (G), Industrial (IND) and Aircraft tires up to and including size 23.5-25" tires. • Includes rubber tracks on industrial equipment.
<p>OTR II Off-the-Road/Mining Tires Large Types (Rim Sizes 26.5-25" - 39")</p>	<ul style="list-style-type: none"> • Off-the-Road, Mining, Earthmover, Construction Tires over 23.5-25" to a maximum rim size of 39" 	<ul style="list-style-type: none"> • Includes OTR Mining, Earthmover (E), Construction (C), Forestry (F), Industrial (IND), and other on/off highway tires over the size 23.5-25". *OTR tires that exceed 39" rim are not part of the scrap tire program. No recycling fee applicable and no disposal service provided.

COLLECTING AND REPORTING THE TIRE RECYCLING FEE (TRF)

Once registered with the SSTC, you will be issued an SSTC Retailer Number and will be sent a Registration Package that contains:

- A finalized copy of your signed *Retailer Agreement*
- *Tire Recycling Fee Schedule and Tire Recycling Fee (TRF) Classification Reference Table*
- Remittance Forms and Envelopes
- Consumer Pamphlets
- Retailer Handbook

Begin by displaying the consumer pamphlets and the *Tire Recycling Fee Schedule* in public view. This will help support the collection of the fees and let your customers know that you are a participant with the scrap tire recycling program.

Wholesalers may require your SSTC number when registering with them.

Charging the TRF:

The TRF is to be charged on every new tire that is sold, whether on a vehicle or sold separately as a replacement tire.

- Record the TRF on all invoices, as a separate line item. The TRF should not be referenced as a “tax”, nor should it be incorporated in a blanket “environmental fee.” **NOTE: The consumer is only obligated to pay the posted SSTC TRF when purchasing a new tire.**
- GST applies to the TRF on the sales invoice.
- PST is not applicable to the TRF if shown separately.

Reporting the TRF:

It is recommended that all TRFs be posted to a separate general ledger (GL) account. This allows for easy tracking.

All fees are to be reported on a monthly basis using the Retailer Remittance Form.

- Please provide all information requested on the form to ensure proper handling of your SSTC account.
- The TRFs that are remitted are recorded in the SSTC tracking system
- For each TRF that is remitted, a “tire credit” is generated, allowing for a scrap tire to be collected.
- Tire breakdown is necessary, as it supports your payment. The SSTC uses this information to determine the number and size of scrap tires that can be picked up from your business.

COLLECTING AND REPORTING THE TRF CONTINUED:

TRFs are due by the 20th.

- All TRFs for the reporting period must be submitted to the SSTC prior to the 20th of the following month (i.e. January sales are due no later than February 20th, etc.)
- Interest of 18% per annum is applicable on all late or outstanding TRFs (see *Retailer Agreement* for details).

Detail the number of tires sold.

- It is necessary to report the number of tires sold, by category, and the amount of applicable tire recycling fees

NOTE: The TRF is due on all tires sold, whether or not you charge or collect a fee from the consumer.

- If you are reporting for more than one location, one cheque can be issued; however, a separate *Retailer Remittance Form* or a *Summary Table* is needed for each location. Complete details on reporting and calculating the TRF can also be found on the *Retailer Remittance Forms*. It is important that all the information be provided on these forms to ensure accurate handling of your account. At any time please contact SSTC for assistance.
- All reporting is based on the actual number of tires sold by the Retailer during the reporting period. ***Do not report fees based on the scrap tires generated or on the number of scrap tires collected.***

Early Reporting Incentive

- You are eligible for a 2% early payment incentive for reporting on time. Late reports are not eligible for incentives.

Record Keeping

- Retain a copy of the remittance information for your records in accordance with Canada Revenue Agency.



WHOLESALE TRANSACTIONS

Retailers or car dealers that sell tires/ vehicles on a wholesale basis do not have to charge the TRF, as long as the receiver is registered and participating in an approved tire recycling program. If at anytime you are unsure of the status of a customer's registration, please call the SSTC office, we can verify this information for you.

i.e. ABC Tire Wholesaler is selling tires to XYZ Tire Store in Saskatchewan. XYZ Tire Store is a registered participant with SSTC and will charge the TRF at the point-of-sale of the new tire. ABC Tire Wholesaler would not charge the tire recycling fee when selling to XYZ Tire Store. This would include sales to dealers in other provinces, as they are registrants with their provincial organizations.

TIRE EXCHANGES, REPLACEMENTS AND WARRANTIES

If tires are purchased and subsequently exchanged for a different style or brand, the TRF is remitted only once - provided the original tire(s) can still be sold as new.

Where a tire fails due to a manufacturing defect and is replaced at no charge, the TRF on the replacement tire is to be charged and remitted, for both tires, as the transaction ultimately results in two scrap tires being generated.



OUT-OF-PROVINCE TIRE SALES

As a tire dealer registered with the SSTC program, you are required to charge the TRF on every new tire sold, regardless of where it is going.

All sales to out-of-province consumers still require the TRF to be applied on that sale. This includes sales to the United States.

Retailers are responsible for verifying their operating requirements in other jurisdictions, should they sell tires out-of-province.

FARM IMPLEMENT DEALERS

The TRF is applicable to tires sold on all farm implements. Every new piece of equipment that is sold must have the applicable TRF charged. Due to the many tires and different sizes of tires that can be on some implements, different fees apply based on the tire size (please see *TRF Schedule* for correct fee).

Farm implement dealers that choose not to charge the fee will be responsible to submit the TRF even if the fee was not collected from the consumer.

LLOYDMINSTER DEALERS

In 1998, an arrangement between Alberta, Saskatchewan, and the City of Lloydminster was formed. This arrangement states that all retailers and dealers within the city are required to participate in the Saskatchewan Tire Recycling Program.

This ensures that all the scrap tires generated within the city are collected and recycled, rather than landfilled, under the SSTC program.

AUTOMOBILE DEALERS

The TRF is applicable to all new and/or leased unit sales, as well as on replacement tire sales handled through service departments or quick service centers.

On used vehicle sales, the TRF would be applicable to any new tires that are put on the vehicle.

There are some dealers in Saskatchewan that offer a wide selection of vehicles (i.e. recreation vehicles, farm equipment, semi tractor/trailers, etc.) to their customers. All of these vehicle types are subject to the TRF at point-of-sale, and it is important to ensure that the TRFs are captured in the reporting process along with the vehicles and replacement tire sales.

SCRAP TIRE COLLECTIONS

Retailers are a very important part of the SSTC program because they have the first, and best chance at capturing tires before it becomes part of a private stockpile, or worse, sent to the landfill.

SCRAP TIRE COLLECTIONS CONTINUED:

Part of the SSTC mandate is to ensure that all of the scrap tires, generated at the retailer's place of business, are collected and recycled.

The SSTC contracts independent private companies to collect the scrap tires from retail locations. The SSTC provides the contracted collectors with details regarding the number of scrap tires that can be collected.

Retailers will only be allowed a tire collection providing their account is up-to-date, all TRFs have been reported correctly, and retailers have "tire credits".

NOTE: Tire credits are non-transferable amongst categories as these numbers are based on TRF Remittances sent in and paid for by the retailer.

Collectors are paid by The SSTC to pick up the tires and deliver them to recognized processing facilities. Retailers DO NOT pay the collector for collection services.

Tire collectors will/should automatically come to collect scrap tires once they see "tire credits" on the tire retailer's account. However, please contact SSTC directly should you need a pick up or have questions.

Retailers need to ensure the following to allow for easy and quick collection of scrap tires:

- All tires have to be easily accessible for the collector
- Collectors will not sort non tire debris or take any scrap tires that have

rims, dirt or debris. Storage of other materials should not be co-mingled. Collectors may use equipment to load tires (ie: bobcats, large trucks, etc) as clear access to scrap tires is needed

A representative from your retail location should be present when the tire collector is on site and picking up the scrap tires to ensure that:

- Only the designated scrap tires are being collected
- No damage is done to your property
- The number of tires and tire types being picked up is documented correctly
- The pick-up slip is signed, verifying the collection. **NOTE: The retailer will be invoiced for any collections that exceed credits.**

CHANGES TO YOUR BUSINESS

Please take the time to notify SSTC if:

- You are selling or closing your business;
- You are changing the nature of your business (i.e. no longer selling tires or your business expands to include car sales); or
- Your contact information changes.

Remember, there is a legally binding agreement between your current business and the SSTC. Any ownership changes need to be addressed to ensure you are not responsible for the activities of the new owner. Credits on your account are non-transferable between owners of stores or branches.

REPORT ILLEGAL TIRE DUMPING & NON-COMPLIANCE

Scrap Tire Management Regulations fall under *The Environmental Management and Protection Act, 2002*, enforced by Saskatchewan Conservation Officers. Tire dumping is illegal, and anyone with information about a tire dumping activity should contact the Provincial Toll-Free "Turn in Poachers" line at 1-800-667-7561. Calls are not traced or recorded in any way, and callers may choose to stay anonymous. There are cash rewards for information leading to the arrest or conviction of individuals involved in this illegal activity. In the event you have concerns about non-compliant retailers, or the SSTC program, you are encouraged to contact the T.I.P line (above), Saskatchewan Environment, or the SSTC office.



FREQUENTLY ASKED QUESTIONS

Q. Do I have to collect the TRF on “used vehicle” tires?

A. The TRF is only to be collected on new tires. Therefore, unless new tires have been put on a used vehicle, the TRF would not be charged.

Q. Does the TRF have to be charged if the consumer is refusing to pay the TRF or is taking the scrap tires with them?

A. Yes, the TRF is to be charged on ALL new tires, regardless if a scrap tire is left behind.

Q. How do I get my tires picked up?

A. When you require a tire collection please contact the SSTC office to arrange a collection. Please note your company will not receive a tire collection if you do not report the TRF.

Q. Do I have to charge the TRF even if I don’t agree with the tire recycling program?

A. Yes, as a tire retailer in Saskatchewan, you are responsible for the payment of the TRF on all new tires you sell. The program is designed so that the consumer pays the fee, freeing you of the financial responsibility. However, you will be responsible for all fees not charged on all new tire sales.

Q. What is happening to the tires?

A. The SSTC works with independent recycling businesses to ensure that the scrap tires are disposed of properly. The tires are recycled and repurposed in to usable, marketable items, such as playground surfaces, road paving material, patio blocks, shingles mats, and much, much more.

Q. What should I do if someone wants to drop off scrap tires at my location without purchasing a new replacement?

A. Some retailers may take the tires from the public and use their own “tire credits” without charging the TRF. However, it is advised that the applicable TRF be charged for producing a scrap. Consumers may also return the scrap to the point of purchase of the replacement tire. Contact the SSTC for other disposal options.

Q. Do I have to charge the PST on the tire recycling fee?

A. Fees charged on the tires are exempt from PST, providing it is segregated from the selling price of the tire.

SSTC STRUCTURE

The SSTC consists of eight organizations that have a direct interest in ensuring the effective management of the scrap tire program:

- CAA Saskatchewan
- Can-West Equipment Dealers
- Retail Council of Canada (RCC)
- Saskatchewan Association of Rural Municipalities (SARM)
- Saskatchewan Environment
- Saskatchewan Urban Municipalities Association (SUMA)
- Saskatchewan Waste Reduction Council (SWRC)
- Western Canada Tire Dealers (WCTD)

Representatives are appointed by these associations to form the SSTC Board of Directors. The Directors establish and implement program policies and operating fundamentals.

These associations represent your industry, therefore, feel free to contact them if you have any questions or concerns regarding the scrap tire recycling program.

CONTACT US

For all program information (inquiries, complaints, concerns, supplies, etc.), contact us at:

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For information on recycling in Canada visit the SSTC website.

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