

## **MANITOBA'S TIRE STEWARDSHIP PROGRAM**

### **Frequently Asked Questions:**

Responsibility for the Manitoba tire stewardship program will soon change from the current Manitoba Tire Stewardship Board (TSB) to a new industry led, not-for-profit organization called Tire Stewardship Manitoba (TSM).

#### **“Why is the government changing the Tire Program?”**

The government is pursuing one of its key goals of guiding the development of a waste management system in Manitoba where the end-of-life management of a broad range of products is financed and operated by the private sector under results-based regulations. This goal is driven by the ever-increasing burden on the environment and taxpayers to deliver programs through the municipal waste management infrastructure.

This end-of-life product management is referred to as “industry product stewardship”. It is based on the principle of “user-pay”, where responsibility for materials and products in the waste stream is borne by the producers and consumers, rather than by general taxpayers. In practice, it is either a brand-owner of a product located in the province, or the first importer into the province, that is designated as the party responsible for managing the product at its end-of-life.

#### **“What is Tire Stewardship Manitoba – and why was it formed?”**

Under the Waste Reduction and Prevention Act, The Tire Stewardship Regulation 2006 (MR 222/06) was enacted in November 2006, which compels industry to take full responsibility for the waste management of all scrap tires in the province. Tire Stewardship Manitoba (TSM) was formed to represent the tire stakeholders in the province to take on the challenge of industry product stewardship. TSM is a not-for-profit organization comprised of members from four founding organizations: the Retail Council of Canada, Western Canada Tire Dealers, The Rubber Association of Canada and Manitoba Motor Dealers Association.

TSM will become the primary contact to industry and the general public for all issues relating to the life cycle of tires in Manitoba. It will operate and manage the provincial scrap tire recycling program and will fund the program by directly collecting Eco Fees from tire retailers on new tire sales from the retailers. All funds remitted will be used solely and completely to support tire collection and recycling in the province.

#### **“How will things change under TSM?”**

The immediate goal of TSM is to achieve a smooth transition from the current tire program. To ensure minimal disruption to industry and the public, this means that TSM will not make any wholesale changes to the system in the short term.

However, some changes will be unavoidable to accommodate the new stewardship model, and these are identified below.

### *...for the tire buying public*

The current levy system applies to all tires regardless of size at \$2.80 per tire with a few exceptions. This approach has resulted in the levy for the smaller tires subsidizing the cost of recycling the larger tires. Therefore, the levy, or Eco Fee will be increased to replace the current tire levy and will vary by tire type to cover the actual cost of waste diversion and to only apply to those tires eligible for financial incentives under the new program.

**No Eco Fee Exemption:** The Eco Fee is a supply of a taxable service and is no longer a government levy. Tires supplied for use on fire trucks and ambulances and tires supplied to First Nations are not excluded from the Eco Fee.

### *...for tire retailers*

**Registration:** Tire retailers will be asked to register with TSM and agree to certain terms and conditions to participate in the new program. Registration is required by no later than March 31, 2008, to ensure the retailer is in compliance with The Tire Stewardship Regulation 2006 and to maintain scrap tire collection services.

**Tire Levies:** As of April 1, 2008, tire retailers will be required to cease applying the government levy of \$2.80 and instead remit an Eco Fee as per **Schedule A**. The types of tires to which the Eco Fee applies will vary, for example \$4.50 for passenger and light truck tires and \$9.00 for medium truck tires. The official category and rate table is available at [www.tirestewardshipmb.ca](http://www.tirestewardshipmb.ca) and is included in all registration packages.

**Remittance:** As of April 1, 2008, the retailer must remit the Eco Fees directly to TSM rather than to the Manitoba Government. The reporting period will continue to be a calendar month, and the payment will be due by the **25<sup>th</sup> of the following month**.

For future planning purposes, the remittance form for the Eco Fee will require some information that was not previously requested. Tire retailers will be asked to provide the number of tires sold in each of the categories as noted on the Eco Fee rate table for included tires – for example, passenger and light truck, medium truck, agricultural tires and logger / skidder tires.

**Record keeping:** Tire retailers will have to maintain accurate ongoing records of all tire sales – including substantiation for sales they have determined to be exempt – of the Eco Fees collected, and the Eco Fees remitted. The TSM may request an inspection of the vendor's records to verify that appropriate remittances are being made for applicable tire sales.

*Note: Eco Fees assessed to the purchaser will attract the Provincial Sales Tax (PST) and the Goods & Services Tax (GST).*

**Participation:** Tire retailers involved in Eco Fee-applicable tire sales are not permitted to opt out of the new program unless they submit and receive Manitoba Conservation's approval to implement their own stewardship plan to deal with scrap tires. TSM will monitor the participation of Manitoba tire retailers, including any new businesses that commence following program start-up, and will liaise accordingly with the department. For further information on regulation requirements contact Manitoba Conservation, Pollution Prevention Branch @ [pollupreve@gov.mb.ca](mailto:pollupreve@gov.mb.ca) or phone (204) 945-8443.

*Only those tire retailers with a valid TSM registration number will receive scrap tire pick up eligible for financial assistance under the program.*

TSM will be providing tire retailers with the Registration Application, Instructions for and remitting the Eco Fee, and the Remittance Reports. Tire retailers should find both the application and remittance forms quite simple to complete.

**No GST Exemption for Tire Retailers:** There are consumers who are GST exempt, but TSM's business relationship being the supply of a taxable service to retailers, is not exempt. Therefore, the GST applies to all retailers.

### ***...scrap tire generators***

Businesses that do not sell new tires but do generate scrap tires, for example auto dismantlers, etc., are required to register with TSM by March 31, 2008. Upon completion of the registration form, TSM will issue generators a registration number that must be presented to the transporter at time of collection in order for those tires to be eligible for financial assistance under the program.

### ***...for Program processors and haulers***

The rates of financial incentives for both scrap tire transportation and processing as well as existing Program policies will also be transferred “as-is” to TSM, for later review and revision as determined appropriate.

The forms used to track tire collection and claims for financial incentives will be modified to accommodate the capture of the scrap tire generator registration number. As all generators must be registered to participate in the program, transporters should not accept scrap tires from a generator without a valid TSM registration number as those scrap tires will not be eligible for any financial incentives.

### **“What are TSM’s plans for the longer term?”**

Some of the initiatives that TSM will be working on in the future include:

- the formation of an advisory committee
- an overall review of the policies and financial assistance rates as transferred from Manitoba Conservation.

### **“Where can I get more information?”**

Further information that includes copies of the stewardship plan, the Regulation, registration forms and current information is available at [www.tirestewardshipmb.ca](http://www.tirestewardshipmb.ca), by calling TSM at (204) 661-3242, toll free (866) 724-5002 (MB), or by e-mailing TSM at [info@tsmb.ca](mailto:info@tsmb.ca).