

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

1. Use Form E-500G to report your North Carolina scrap tire disposal taxes. For more information on the scrap tire disposal tax, click [here](#).
2. You must file a tax return for each filing period on or before the file by date. If you do not file on time, you will receive a delinquent notice and may owe penalty and interest. **If you do not owe any tax for a filing period, you must file a return and enter zero (0.00) on Line 15. Do not write "No Tax Due" or any similar text on the return.**

If your business is seasonal and you registered as a seasonal business, only file returns for the seasonal filing periods indicated for scrap tire disposal tax on the business registration form unless you have business activity during other filing periods. If you have business activity in other filing periods, you must file returns for those periods.

3. You must pay the tax due when your return is due. If you do not pay the tax due on or before the file by date, you will owe penalty and interest.

You must pay in U.S. dollars. Pay by check or money order drawn on a U.S. (domestic) bank. Make any check or money order payable to the North Carolina Department of Revenue and write your account number and tax period in the memo section. **Do not** mail cash, stamps, or postdated checks.

4. **If the ownership of your business changes**, the new owner must submit a new registration application to obtain a new scrap tire disposal tax account number.

If you discontinue business operations or sell your business, you must complete [Form NC-BN, Out-of-Business Notification](#). You can now complete and submit the Form NC-BN online at ncdor.gov, or you can mail the paper Form NC-BN separate from any return to the address shown on the form.

5. Only include an exempt tire sale once on Lines 3-7.
6. Complete the Scrap Tire Disposal Tax Return in its entirety on your computer, print the return and mail to the address on the return.

How to Prepare Return: Specific Line Instructions

- Line 1 - Gross Receipts:** Enter the total amount of gross receipts from sales of tires. **Do not include any taxes collected on the amount you enter on Line 1.**
- Line 2 - Sales For Resale:** Enter the total amount of wholesale sales of tires sold for resale, sublease, or subrent. **Do not include sales for resale in exempt sales on Lines 3 through 7.**
- Line 3 - Sales in Interstate Commerce:** Enter the total amount of 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 amount of sales made directly to the Federal Government.
- Line 5 - Sales of Recapped Tires and Used Tires:** Enter the total amount of sales of recapped tires and used tires.

Line 6 - Sales of Tires for Placement on Newly Manufactured Vehicles: Enter the total amount of sales of tires for placement on newly manufactured vehicles as provided in G.S. 105-187.18(a)(3).

Line 7 - Bicycle Tires and Other Tires for Vehicles Propelled by Human Power: Enter the total amount of sales of bicycle tires and other tires for vehicles propelled by human power as provided in G.S. 105-187.18(a)(1).

Line 8 - Total Exempt Sales: Add the amounts on 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: On the "Receipts and Purchases" column, enter your total taxable receipts and purchases of tires with a bead diameter of less than 20 inches. Next, multiply the total "Receipts and Purchases" by 2% (0.02) and enter the amount in the "Tax" column.

Line 11 - Tires At Least 20 Inches - 1% Rate: On the "Receipts and Purchases" column, enter your total taxable receipts and purchases of tires with a bead diameter of at least 20 inches. Next, multiply the total "Receipts and Purchases" by 1% (.01) and enter the amount in the "Tax" column.

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

Line 13 - Penalty: Enter the sum of the penalties that apply to you.

If you file a return after the due date, multiply the tax amount shown on Line 12 by 5% (.05) for each month, or part of a month, that the return is filed late. The maximum Failure to File Return penalty is 25% of the total tax.

If you do not pay the tax when due, multiply the tax amount shown on Line 2 by 5% (.05). The Department will publish a notice if this penalty changes.

Line 14 - Interest: If you do not pay the tax when due, compute interest on the tax amount shown on Line 12. The current interest rate is 7% per year or .583% per month through December 31, 2023. The interest rate for the period July 1, 2019 through December 31, 2022 was 5% per year or .417% per month. Check the current and past interest rates at ncdor.gov/taxes-forms/interest-rate.

Line 15 - Total Due: Enter the total amount you owe by adding Lines 12, 13, and 14. This amount is due on the due date of the return.

Signature and Verification: You must sign and date your return.

You should also include your title and phone number in the spaces provided.

Do not fold your return or payment.

Additional information about scrap tire disposal tax may be obtained from the Department's website, ncdor.gov.