

Compliance Headliner

The South Carolina Excise Tax for the Purchase of New Tires and What it Means to the Consumer

What is the Environmental Excise Tax for New Tire Purchases?

The State of South Carolina imposes an excise tax of \$2.00 per tire for the retail purchase of new tires. This is a law that has been in effect since 1991 and is imposed in addition to standard sales tax. Although this tax is collected when purchasing new tires, the revenue generated goes towards solid waste reduction and tire recycling activities within South Carolina.

Why is there a \$2.00 Environmental Excise Tax for Tires?

The state of South Carolina has banned whole waste tires from being disposed of in landfills because of the number of used tires generated and the potential hazards they create. In the state of South Carolina alone over 4,000,000 waste tires are generated every year. Alternative options to disposal, along with transport, storage and recycling can be more costly than simply land-filling used tires in a dump. The excise tax is necessary to assist in the safe and environmentally sound treatment of used tires. This includes the development of recycling technologies and facilities that can handle large numbers of used tires.



What Happens to the Used Tires?

The recycling options for used tires have improved in the last several years. Used tires can be shredded and used in the production of asphalt or as filler material and noise barrier ingredients in the construction of bridges and overpasses. Other recycling options include use as an alternative fuel, athletic surfaces, and plastic and rubber blends.

What Happens to My \$2.00 Fee?

For every tire sold in South Carolina a fee of \$2.00 is collected. Of this fee the retailer may keep 3% for administrative costs. The remainder is turned over to the state. Of this amount, 25% goes to the South Carolina Waste Tire Fund and is used by local governments for the remediation of old stockpiles of used tires and development of recycling programs. The remainder of the fee is allocated to counties directly on a per capita basis and used for waste tire management purposes only.

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Please turn to page 3 to learn more about documentation and funding requirements for the SC Waste Tire Excise Tax. Reference: South Carolina's Solid Waste Policy and Management Act of 1991 (SB 388 and HB 3096)

Safety Managers - OSHA REQUIRES Employers to Provide PPE!

Although this topic can instigate some controversy, the answer to the question of whether or not employers must provide personal protective equipment to employees may be “in the writing”. According to a guidance document geared towards worker awareness published by OSHA and available on-line, OSHA states that “once your area has been assessed, your employer must provide, at no cost to you, appropriate personal protection equipment that fits, for you to use while performing your job.”

Clients participating in Crandall’s Compliance Management Program have a site-specific Personal Protective Equipment Plan that includes a hazard assessment. This assessment documents specific hazards in the workplace and describes the appropriate safety equipment to be worn by employees. Please refer to your facility’s PPE Plan for selection.

When choosing the material for gloves, boots and clothing, remember to evaluate the type of chemical exposure. The chosen material(s) must resist permeation, degradation, and penetration by the respective chemicals. **Permeation** is the process by which a chemical dissolves in or moves through a material on a molecular basis. **Degradation** involves physical changes in a material as the result of a chemical exposure, use, or ambient conditions (e.g. sunlight). The most common observations of material degradation are discoloration, swelling, loss of physical strength, or deterioration. **Penetration** is the movement of chemicals through zippers, seams, or imperfections in a protective clothing material (<http://www.osha-slc.gov/dts/osta/otm/>).

Oil Spill Response Training a Top Priority for State Responders

On July 7, 2003 the SCDHEC released information regarding intentions for state emergency response teams to undergo a 5-day training course “focusing on coastal oil spills and aftermath shoreline assessments”. The National Oceanic and Atmospheric Administration (NOAA) and the US Coast Guard will coordinate, administer and fund the training for representatives from the SCDHEC, SCDNR, state Emergency Management Division, US Fish and Wildlife Services, and National Park Service. Source: <http://www.scdhec.net/news/releases/2003/200307/nr07OilSpillRespTrng03.htm>

Ten Most Frequently Cited Serious General Industry Standards by OSHNC in 2003

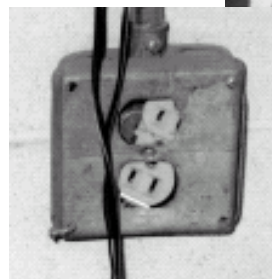
1. Missing machine guard
2. North Carolina General Duty Clause
3. Tongue guard on bench grinder out of adjustment
4. Lack of electrical path to ground
5. Electrical conductors not protected from abrasion
6. Work rest on bench grinders out of adjustment
7. Lack of railing or toeboard for open side of platform
8. Lack of emergency eye wash or shower
9. Lack of approved covers for electrical boxes
10. Noncompliance with the 1991 Life Safety Code

Reference: NCDOL, <http://www.nclabor.co>

Violation of Standards 1910.215(a)(4) and 1910.215(b)(9)



Violation of Standard 1910.305(b)(2)



Requirements, Documentation, and Funding for the South Carolina Waste Tire Environmental Excise Tax

South Carolina dealers that sell retail tires are required by the state to collect \$2.00 per tire from the consumer. While many dealers are aware that they can retain 3% of the tax for administrative costs, there are other portions of this fee that can be retained. Below is a guide that lists your requirements and some of the advantages of this program.

Requirements:

- Each retailer of new tires for automobiles, trucks, motorcycles, and trailers is required to collect \$2.00 per new tire sold. The wholesale of new tires is exempt.
- Each retailer must complete and submit a Form ST-390-Solid Waste Excise Tax Return when remitting the tax to the state.
 - ❖ *Dealers who have more than one location may file a consolidated return or one for each dealership.*
- Solid waste excise tax payments are due on the 20th day of each month following the month in which the fee is collected.
 - ❖ *If your dealership is permitted to file sales and use tax on a quarterly basis, you may submit the ST-390 form each quarter.*
 - ❖ *The ST-390 is to be completed and returned to:* South Carolina Department of Revenue
Solid Waste
Columbia, SC 29214-0106

Retention of Funds from the Excise Tax

- For each tire sold, the state of South Carolina only requires that **\$1.94** be remitted to the Dept. of Revenue. This is reflected in the computation table, line 1a of the ST-390 form. The remaining 3% is reimbursement for your administrative costs.
- For each new tire sold, one used tire is usually retained and stored by the dealer until a licensed transporter picks them up. For each used tire that you collect you are allowed to retain an additional **\$1.00** per tire. This only applies if the used tires are picked up by a licensed transporter and recycled/disposed of by a certified treatment/disposal facility.
 - ❖ *This amount can be retained by your dealership by multiplying the number of used tires you have collected by \$1.00, entering the dollar amount on the ST-390 form line 2a and deducting the amount from line 1b.*
 - ❖ *The used tire credit cannot exceed the number of new tires sold within the same reporting period.*
 - ❖ *The used tire credit cannot be used for credit against used oil or battery excise tax payments.*
 - ❖ *Crandall can perform pick-up service and is a licensed transport, storage and disposal facility.*

If you require any assistance, or have questions, please contact your **Crandall** Compliance Specialist at **800-248-4801**.

Consent Orders Issued by the SCDHEC Result in \$273,967

According to the SCDHEC, during the period of March 1, 2003 through April 30, 2003, the Office of Environmental Quality Control issued 58 Consent Orders with total assessed civil penalties in the amount of \$273,967. The Bureau of Land & Waste Management collected \$ 64,100, the Bureau of Water collected \$127,067 and the Bureau of Air Quality collected \$82,800 in civil penalties. There were also three Administrative Orders placed in force during this reporting period with total assessed civil penalties of \$15,000. Source: SCHDEC; <http://www.scdhec.net/eqc/admin/pubs/enf03-0403b.pdf>

For each used tire that you collect & recycle, you are allowed to retain an additional \$1.00 per tire.

Chlorinated Brake Cleaners May Initiate the “Mixture Rule”, Causing Used Oil to Become Hazardous Waste

If aerosol brake cleaners containing chlorinated compounds drain into used oil transfer containers during brake/parts cleaning, they may cause the entire mixture to become hazardous!

It was recently brought to Crandall’s attention that many automotive service shops are using chlorinated brake cleaners and/or chlorinated carburetor cleaners. For example, CRC – Brakleen® contains more than 90% tetrachloroethylene (TCE) and Gunk® Brake Cleaner contains more than 90% perchloroethylene. Most of these cleaners are in the aerosol form, but may be in a non-aerosol liquid form also.

TCE and “perc”, along with other chlorinated solvents, such as methylene chloride, have extremely sensitive environmental properties and occupational exposure limits. One environmental ramification of using chlorinated solvents in an automotive shop is that they may contaminate non-hazardous wastestreams, such as used oil and parts washer solvent vats. While TCE and perchloroethylene are extremely volatile, meaning they turn to vapor fairly quickly at room temperature in unconfined air, if they are drained into other containers during brake/parts cleaning, their volatility is greatly reduced. Consequently, the chlorinated compound will remain in its liquid form and could potentially contaminate the contents of used oil transfer containers, solvent vats and bulk used oil storage tanks.

Due to the Environmental Protection Agency’s “mixture rule”, if a listed hazardous waste (such as tetrachloroethylene, perchloroethylene or methylene chloride) is mixed with a non-hazardous waste (used oil or combustible solvent), the entire waste mixture becomes hazardous and must be treated as such!

Please note that it may take some time for chlorinated solvents to “build up” in the bottom sludge of tanks, vats and oil transfer containers. This may be due to their weight – about twice as heavy as petroleum-based wastestreams. Therefore, it may go undetected for an extended period of time...however, once the reservoirs are contaminated, it is extremely difficult to remove the chlorinated compounds and their residue. If chlorinated compounds are detected in a used oil sample collected from your facility, you may be held responsible for the disposal of a large quantity of “hazardous waste”.

Health affects to exposed employees should also be considered. OSHA establishes permissible exposure limits (PEL) for hazardous chemicals to provide guidance for the maximum amount of exposure allowed by an employee during an 8-hour workday/40-hour work week. Exposure includes all routes of entry, to include inhalation, skin absorption, injection and ingestion. The PEL set for perchloroethylene is 25 parts per million (ppm), compared to its commonly used petroleum-based counterparts, heptane – PEL of 400 ppm and toluene – PEL of 200 ppm. Furthermore, tetrachloroethylene, perchloroethylene and methylene chloride have all been linked to cancer in humans.

Please evaluate your chemical inventory and eliminate the use of chlorinated solvents. If you would like assistance with this evaluation, please contact your Compliance Specialist account manager at 800-248-4801.

Proof Again that Short-Cuts Don’t Pay

OSHA recently cited three contractors on a construction site nearly \$100,000 for violations of fall hazard standards and asbestos regulations. According to a report released by OSHA on July 10, 2003, the inspector found that the contractors were exposing their employees to “both asbestos and fall hazards of up to 65 feet while working in a crawl space located above an auditorium in the 90-year old school building.” Source: <http://www.osha.gov/pls/oshaweb>

* The Compliance Headliner is written, edited and designed by Crandall Corporation. References used for developing the articles include a variety of private and public resources, including Crandall personnel knowledge and relevant experience.

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