

## REG-1-059 Tire Retreading, Recapping and Repairing

059.01 Persons engaged in the retreading, recapping and relugging of tires for customers are deemed to be producing property for sale and the sales tax attaches thereto. The sales tax shall be collected on the full amount charged the customer, which includes both materials and labor, regardless of the manner in which the customer is billed for such charges.

059.02 Where recapped, relugged or retreaded tires are sold to or processed for dealers for resale purposes, such dealers shall collect the tax on the full amount, which includes both materials and labor, when the recaps, relugs or retreads are sold at retail.

059.03 Sales tax is imposed upon the charge made for tire and tube repairing other than tires for motor vehicles, trailers or semitrailers, or agricultural machinery used in commercial agriculture. Sales to the person repairing tires and tubes of articles, equipment and supplies used in performing such repair service are sales for final use or consumption and are taxable to the repairperson at the time of purchase.

*(Section 77-2702(4), (13) and (15), R.R.S. 2003. October 1, 2003.)*