

Arizona Use Tax for Individual Consumers

Pub 610A
Revised: April 2019

Use tax is due when tax was not paid on purchases made over the Internet, through toll-free numbers, from mail order catalogs and from out-of-state locations.

If you are a business, refer to Pub 610.

Is use tax new?

No. Arizona first imposed use tax in 1955. Since that date, Arizona residents have been required to self-assess and report use tax liability to Arizona Department of Revenue (ADOR). The use tax was instituted to protect Arizona sellers who otherwise would be at a competitive disadvantage when out-of-state sellers make sales of goods to Arizona customers without charging tax. All states that impose sales tax also impose use tax.

Are individuals liable for use tax?

Yes. Individuals who purchase taxable products from out-of-state locations but pay no sales tax are responsible for paying use tax.

Are purchases I make online taxable?

Yes. If you purchase taxable merchandise over the Internet and it is used or consumed in Arizona, it is taxable.

Are casual sales taxable?

Casual sales between individuals are not subject to the use tax. Items purchased for use in Arizona from persons who make isolated or occasional sales and who are not engaged in the business of selling tangible personal property at retail are not subject to use tax.

I purchased a vehicle.

If you purchase a vehicle from an out-of-state dealer or manufacturer, the Arizona Department of Transportation (ADOT) will require, at the time of vehicle registration, proof that tax was paid in the state of purchase and that the amount of state tax paid is equal to or greater than the applicable Arizona use tax rate. If tax was not paid in the state of purchase or was less than the Arizona use tax, ADOT will require that the use tax be paid at the time you register the vehicle.

I purchased a boat.

If you purchase a boat and the tax was not paid or was less than the Arizona use tax, the Arizona Game and Fish Department will require that the use tax be paid at the

time you register the boat.

Tax can be paid at the department or a copy of invoice and payment can be sent to 1600 W Monroe Division Code 22, Phoenix, AZ 85007. Also, a receipt will be issued to the Arizona Game and Fish Department for registration.

What purchases are exempt from use tax?

Generally, the same types of items that are subject to transactions privilege tax are subject to use tax. Use tax does not apply to items specifically exempt from transactions privilege tax such as prescription medicines, most food items purchased at a grocery store, casual sales and sales for resale. You can find a list of items the sale of which are not subject to transactions privilege or use tax in Pub 610, Use Tax .

What is the use tax rate?

The state use tax rate is equal to the state transaction privilege tax rate.

Some cities impose an additional use tax. Please refer to the Tax Rate Tables or the department's website for the current tax rate of cities in our collection program.

There is no county use tax.

How do I report and pay use tax?

Send use tax payments with Arizona Individual Consumer Use Tax Payment Voucher (Form AZ-USE V) by mail to:

Arizona Department of Revenue
P.O. Box 29010
Phoenix, AZ 85038-9010

What types of documentation should taxpayers keep?

Any documentation that shows the purchase price and whether tax was already paid on items purchased over the Internet, by telephone or through catalogs.

What happens if I don't pay the use tax due?

Failure to pay use tax may result in the imposition of penalties and interest. ADOR conducts both routine and special audits to promote compliance.

Why is use tax important?

Use tax is an important source of revenue for the Arizona General Fund. Every dollar collected is a dollar available for government and public services. Equally as important,

uniform collection and enforcement of use tax provides for fair competition between out-of-state and Arizona-based businesses.

Why do some out-of-state retailers collect tax and others do not?

An out-of-state company that is “engaged in business” in the State of Arizona must register with ADOR to pay transactions privilege tax (sometimes referred to as “sales tax”) on their retail sales of tangible personal property to Arizona customers. Generally, an out-of-state company is “engaged in business” in Arizona when they have a sales office, warehouse, or sales representative located in Arizona, or have some other physical presence in this state.

If a company is not “engaged in business” in Arizona, they will generally not charge Arizona tax. However, some out-of-state companies with no physical presence register with ADOR and collect tax as a courtesy to their Arizona customers.

If the out-of-state vendor does not charge sales tax, the Arizona resident is required to remit use tax directly to ADOR.

For Additional Information, call:

Phoenix..... (602) 255-3381
Toll free from area codes 520 & 928..... (800) 352-4090

Or Write to:

Arizona Department of Revenue
Taxpayer Information & Assistance
PO Box 29086
Phoenix AZ 85038-9086

For Related Tax Information:

ADOR Websitewww.azdor.gov
File and Pay Onlinewww.AZTaxes.gov

Email for Vehicle Use Tax:

VehicleUseTax@azdor.gov

This publication is available in an alternative format upon request.

Use Tax Examples

I purchased merchandise from a catalog company based in Illinois. The seller charged me Arizona tax. Why was I charged tax? Should I report these purchases?

If the catalog company charged you Arizona tax, it is because the company has a presence in Arizona requiring it to pay transactions privilege tax, or is registered to collect use tax on behalf of its customers. Assuming the catalog company charged you the correct tax rate, you do not need to report these purchases because you already paid the appropriate tax directly to the catalog company who will then remit the tax to the Arizona Department of Revenue.

I purchased a pair of shoes over the Internet from a company in Montana. The seller shipped the shoes to my home and did not charge me any tax. Should I report these purchases?

Yes. This is an example in which use tax is due.

I purchased a digital camera by mail order from a company in New Jersey. They did not charge me Arizona tax. I purchased the camera as a gift for a friend. Should I report this purchase?

Yes. The purchase is subject to use tax regardless of whether you use the camera or give it as a gift to a friend.

I ordered assorted specialty luncheon meats, cheeses, and crackers from a company based in Wisconsin for

consumption at home. Will Arizona use tax apply to this purchase?

No. You would not report the purchase of this item. Luncheon meats, cheeses, and crackers purchased for home consumption are food products and their purchase is exempt from tax.

I ordered a stove and refrigerator from a company based in New Hampshire. I had them ship the items directly to my cabin in Colorado. I plan to install these items in the cabin when I visit there later this year. Do I owe Arizona use tax on this purchase?

No. The Arizona use tax only applies to property used, consumed or stored in this state. Since the stove and refrigerator were never stored or used within Arizona, you are not required to report or pay Arizona use tax on this purchase.

I purchased a used set of golf clubs over the Internet from an individual in Connecticut. The seller shipped them to my home and did not charge me any tax. The individual is not in the retail business. Should I report these purchases?

No. Items purchased for use in Arizona from persons who make isolated or occasional sales and who are not engaged in the business of selling tangible personal property at retail are not subject to use tax.