

California Use Tax Reporting

You may owe California "Use Tax" on purchases you made out-of-state or via Internet sellers. The requirement to report "Use Tax" on Form 540 has been in effect since 2003 and is now being closely monitored for compliance.

What is "Use Tax"?

"Use Tax" is similar to sales tax paid on purchases made in California. It covers purchases made out-of-state that are brought into California to use, store, give-away or consume; and the seller did not collect the appropriate California sales tax. Purchases made by telephone, internet, mail order or in person fall under these reporting rules. Vehicles are excluded since registration and collection of "Use Tax" is handled by DMV.

Who is liable?

Individuals who do not hold a seller's permit must report "Use Tax" on California Form 540 in lieu of filing with the Board of Equalization.

How to report and pay?

You may use either the "Use Tax Worksheet" or "Use Tax Table". The "Use Tax Table" may be used to pay estimated use tax for personal items purchased for less than \$1,000 each. This enables you to report "Use Tax" based on your CA income and not keep receipts for purchases under the threshold.

For personal items purchased for more than \$1,000 each, you must use the "Use Tax Worksheet". This requires actual receipts for each purchase.

Please check which reporting method you would like to use.

If you do not indicate, we will use the "Use Tax Table" method.

_____ I have no "Use Tax"

_____ Use "Use Tax Table" Method.

_____ Calculate my Use Tax using the "Use Tax Worksheet." The total amount of my Use Tax purchases were:
 \$ _____

Certification

My tax advisor has informed me of the California Use Tax reporting requirement and I understand my responsibility. The information I have provided is true and correct.

Use Tax Look up Table

For Use Tax Table Method. Use Tax will be calculated based on your 2018 tax return Adjusted Gross Income.

Adjusted Gross Income Range	AGI X 0.041%
Less Than \$10,000	\$2
\$10,000 to \$19,999	\$6
\$20,000 to \$29,999	\$10
\$30,000 to \$39,999	\$14
\$40,000 to \$49,999	\$19
\$50,000 to \$59,999	\$23
\$60,000 to \$69,999	\$27
\$70,000 to \$79,999	\$31
\$80,000 to \$89,999	\$35
\$90,000 to \$99,999	\$39
\$100,000 to \$124,999	\$46
\$125,000 to \$149,999	\$57
\$150,000 to \$174,999	\$67
\$175,000 to \$199,999	\$77
More Than \$199,999	AGI X 0.041%

 Signature