

**LINE 25. USE TAX**

Use tax is the counterpart of sales tax and applies to taxable purchases made over the Internet, through toll-free numbers, from mail order catalogs and from out-of-state locations, or any other occasion where sales tax was not charged and collected by the seller. The use tax rate is the same as the sales tax rate: 6 percent state tax, plus an additional 1 percent local tax for items purchased or used in Allegheny County and 2 percent local tax for Philadelphia.

If you purchase items or services subject to sales tax for which the seller does not charge and collect sales tax on the invoice or receipt, you are personally responsible for remitting the use tax directly to the PA Department of Revenue.

Examples of taxable items include the following: antiques, paintings, appliances, books, stationery, computers, exercise equipment, sports equipment, formal clothing, furniture, furnishings, jewelry, luggage, handbags, musical instruments, office equipment, souvenirs, televisions, radios, stereo equipment, video equipment and camera equipment.

Examples of taxable services include lawn care, pest control, self-storage, building cleaning and maintenance services such as housekeeping services. See the Retailer's Information Guide (REV-717) for an extensive, though not comprehensive, list of taxable items and services.

This method of reporting and paying use tax may not be used for purchases of motor vehicles, watercraft, boats, ATVs, snowmobiles or cigarettes.

If you have receipts or purchase records for items or services subject to use tax, use the worksheet below to calculate your use tax liability. Taxpayers are encouraged to review purchase histories made available online by popular Internet sellers and use that information to calculate the tax due.

Note that this worksheet must be used to calculate use tax due on individual purchases over \$1,000.

If you paid some sales tax on items – for example, sales tax at a lower rate paid to another state or sales tax paid to Pennsylvania but not Philadelphia – you may offset your use tax liability by the sales tax already paid using this worksheet.

<b>Use Tax Worksheet</b>	
	Amount
1. Purchases of taxable items subject to Pennsylvania use tax, including shipping & handling	
2. Purchases of taxable services subject to Pennsylvania use tax	
3. Total taxable purchases	
4. Tax rate (0.07 Allegheny County, 0.08 Philadelphia or 0.06 state)	0. __ __
5. Use tax: Multiply Line 3 by Line 4	
6. Additional estimated use tax from Table 1	
7. Sales tax previously paid on any amount included on Lines 1 and 2 (up to 0.07 per item for Allegheny County, 0.08 for Philadelphia or 0.06 state)	
8. Total use tax liability. Add Lines 5 and 6, then subtract Line 7 and enter the amount here and on Line 25 of your PA-40, Pennsylvania personal income tax return	

If you have incomplete or inaccurate receipts to calculate use tax on purchases less than \$1,000, you may use Table 1 to estimate your use tax liability based on taxable income.

<b>Table 1 – Estimated Use Tax Due</b>			
PA-40 Line 9, Total PA-Taxable Income	City of Philadelphia	Allegheny County	Remainder of PA
\$15,000 and less	\$8	\$7	\$6
\$15,001 - \$30,000	\$17	\$14	\$12
\$30,001 - \$50,000	\$22	\$19	\$17
\$50,001 - \$75,000	\$30	\$26	\$23
\$75,001 - \$100,000	\$43	\$37	\$32
\$100,001 - \$150,000	\$59	\$52	\$44
\$150,001 - \$200,000	\$76	\$66	\$57
> \$200,000	.03% (0.0003) of PA-40 Line 9, Total PA-Taxable Income, or \$94 (Philadelphia), \$83 (Allegheny) or \$71 (PA), whichever amount is smaller		

**IMPORTANT:** If you do not have a use tax liability or used form PA-1 to report and pay use tax, you must enter zero on Line 25.

The department reserves the right to assess additional use tax due if and when it discovers evidence that the total purchase amount reported on the PA-40 is less than the actual purchase amount.

Individuals and businesses with Pennsylvania sales tax licenses should report use tax on their sales tax returns.

For detailed information on use tax reporting responsibilities and options, visit [www.revenue.state.pa.us/usetax](http://www.revenue.state.pa.us/usetax).