

California Use Tax—For purchases made from out-of-state businesses

What is California use tax?

Many individuals and businesses in California buy items from out-of-state retailers that are not required or authorized to collect California tax. If you make such a purchase and then use, give away, store, or otherwise consume the item in California, you may owe California use tax. This is true whether you order the item over the Internet, by telephone, or by mail. The use tax rate for any California location is the same as the sales tax rate.

How can I tell if I owe use tax?

Generally, if sales tax would have applied to an item purchased from a retailer in California, use tax will apply to the purchase of the same item from a retailer located outside the state. If the out-of-state retailer does not collect the California tax which is due on your purchase, you are required to report and pay use tax. Some purchases may be exempt from tax. Please refer to [publication 112, Purchases from Out-of-State Vendors](#), for additional information.

Please note: The first \$800 of tangible personal property that is both purchased from a retailer in a foreign country and personally hand-carried into California from the foreign country within any 30-day period is exempt from use tax. This exemption does not apply to property mailed or shipped to you from a foreign country.

How do I report and pay the use tax?

You may complete and file the attached use tax return. The California state income tax returns also include a line to report use tax. This line makes it easy to report and pay use tax on out-of-state purchases for individuals and for businesses that are not required to have a seller's permit with the Board of Equalization (BOE). Simply follow the instructions included with your state income tax return. As an alternative, you may complete the use tax return included in this publication.

If you have a California seller's permit: You must continue to report and pay use tax on your sales and use tax returns.

Please note: If you sell tangible personal property that would ordinarily be subject to sales tax if sold at retail, you are required to hold a California seller's permit. You may complete and submit a [BOE-400-SPA, California Seller's Permit Application for Individuals/Partnerships/Corporations/Organizations](#) (Regular or Temporary). Please refer to [publication 107, Do You Need a California Seller's Permit?](#)

Cigarette and tobacco product consumers: You must pay state excise and use taxes if the out-of-state retailer does not collect them from you. Call the BOE Excise Taxes Division at 916-327-4208 for more information about reporting requirements.

Vehicles, vessels, and aircraft: Special rules and reporting requirements apply to these purchases. Please see [Regulation 1610, Vehicles, Vessels and Aircraft](#), [publication 52, Vehicles and Vessels: How to Request a Use Tax Clearance for DMV Registration](#), [publication 79, Documented Vessels and California Tax](#), and [publication 79A, Aircraft and California Tax](#).

Sales and Use TAX FACTS

Publication 79B • LDA

For additional information you may download regulations, forms and publications from our website or you may call our Taxpayer Information Section to talk to a Board of Equalization representative.

BOE website and Board Member contact information:
www.boe.ca.gov

Taxpayer Information Section
800-400-7115
TDD/TTY 800-735-2929

Taxpayers' Rights Advocate
888-324-2798



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When is my tax return due?

If you are reporting and paying use tax on the return included in this publication, it is due by January 31st of the year following the calendar year in which the use tax liability was incurred. Penalty and interest applies to payments received after the due date. If you are reporting and paying use tax on your state income tax return, the due date for use tax is the same as the due date for your state income tax return. The date the use tax liability was incurred must be within the tax year being reported on your state income tax return.

What can I do if I owe use tax for prior years?

The In-State Voluntary Disclosure Program may benefit purchasers who are not required to have a seller's permit, but have a use tax liability. If you owe use tax for periods prior to the current reporting year, you should review this program.

How do I complete this use tax return?

Follow these easy steps, starting at the top of the form:

- Fill in your name, address, city, county, state, and zip code.
- Write in the calendar year you made the purchase. (example: 2009)
- Enter a brief description of the item, date of purchase, and the dollar amount. If you need more space, attach a separate sheet with this information. You may round all dollar amounts to the nearest whole dollar. Do not include separately stated shipping charges in the purchase price. See [publication 123](#), *California Businesses: How to Identify California Use Tax Due*, for details.
- Enter the total amount of purchases you are reporting for the calendar year.
- Multiply the total purchases by the sales and use tax rate that is in effect at the time and location that the item was used, stored, or otherwise consumed. Enter this amount on the "Use Tax Subtotal" line. The use tax rate is the same as the sales tax rate for your location. Please see [publication 71](#), *California City and County Sales and Use Tax Rates*.
- Deduct the amount of any sales tax you paid to another state for the purchases being reported. Keep the receipts proving the payment of this tax for your records. Note: For each item purchased, you cannot deduct more than the amount of tax that would have been due if the purchase had been made in California.
- A penalty of 10 percent of the Net Use Tax Due is imposed for tax paid after the due date.
- Interest is also due on tax paid after the due date. Interest is due for each month or fraction of a month that payment is made after the due date. You may use our online interest calculator, <https://efile.boe.ca.gov/boewebservices/interestCalculation.jsp> or call our Taxpayer Information Section for assistance in calculating interest due. To find our online interest calculator, go to the BOE home page and search, Interest Calculator.
- Add the penalty and interest amounts to the Net Use Tax Due to determine the Total Due.
- Sign and date your tax return. Be sure to include a daytime telephone number where you can be reached if we have questions.
- Make your check payable to the Board of Equalization for the Total Due amount, attach it to the tax return, and mail them to the address shown on the return. Keep a copy for your records.

Additional information available from our Taxpayer Information Section or website.

Regulations

[1610](#) *Vehicles, Vessels and Aircraft*

Publications

[52](#) *Vehicles and Vessels: How to request a Use Tax Clearance for DMV Regulation*

[71](#) *California City and County Sales and Use Tax Rates*

[79](#) *Documented Vessels and California Tax*

[79A](#) *Aircraft and California Tax*

[107](#) *Do You Need a California Seller's Permit?*

[112](#) *Purchases from Out-of-State Vendors*

(Please print clearly and complete all items)

NAME	CALENDAR YEAR BEING REPORTED
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ADDRESS

CITY	COUNTY	STATE	ZIP CODE
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ADDRESS WHERE PROPERTY IS USED *same as above*

BRIEF DESCRIPTION OF ITEM PURCHASED <i>(attach a separate sheet if more space is needed)</i>	PURCHASE DATE	PURCHASE PRICE
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$

TOTAL PURCHASES FOR THE CALENDAR YEAR	\$
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TAX RATE	x
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USE TAX SUBTOTAL	\$
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DEDUCT SALES TAX PAID TO ANOTHER STATE	\$
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NET USE TAX DUE	\$
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ADD 10% PENALTY IF APPLICABLE <i>(see instructions)</i>	\$
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ADD INTEREST IF APPLICABLE <i>(see instructions)</i>	\$
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TOTAL DUE	\$
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SIGNATURE	DATE
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PRINT NAME	DAYTIME TELEPHONE ()
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Write your check for the amount of the Total Due. Make it payable to: Board of Equalization. Mail the original tax return (keep a copy for your records) and your check to:

Board of Equalization
 PO Box 942879
 Sacramento, CA 94279-7071

This tax return is due by January 31st of the year following the calendar year in which the use tax liability was incurred. Penalty and interest applies to payments made after the due date.

FOR BOE USE ONLY		
Account No. _____	Case ID No. _____	Case ID No. _____