

What Is Use Tax?

Use tax is the counterpart of sales tax. It is applied when merchandise is purchased outside of Alabama and imported into the state. The use tax rate is the same as the sales tax rate.

Why A Use Tax?

The Alabama use tax was enacted in 1939 to prevent vendors located outside the state from having an unfair competitive advantage against the in-state vendors who have to charge the sales tax. The liability for paying the use tax falls on the purchaser. If the vendor does not collect the use tax, it is the responsibility of the purchaser to self-assess and report the tax due to the Alabama Department of Revenue.

What Is Taxable?

The use tax applies to the same merchandise that is taxable under the Alabama sales tax law. This includes all tangible personal property that is purchased at retail and brought into Alabama for storage, use, or consumption unless it is specifically exempted by law.

What Is The Tax Rate?

Automotive Rate – 2%

If you purchased an automotive vehicle from outside the state and did not pay the casual sales and use tax when you purchased your tag or if no tag is required for the vehicle, you owe use tax at the rate of 2% of the purchase price. Examples of items not requiring tags which qualify as automotive vehicles include off-road motorcycles, ATVs, and self-propelled construction equipment.

Agriculture Rate – 1-1/2%

Equipment and its replacement parts used in connection with the production of agricultural products, livestock, or poultry on farms are subject to tax at the rate of 1-1/2%.

Machine Rate – 1-1/2%

Machines and the parts for machines used in mining, quarrying, compounding, processing and manufacturing tangible personal property are taxed at the rate of 1-1/2%.

General Rate – 4%

All other taxable tangible personal property is taxed at the rate of 4% of the purchase price.

Questions Often Asked:

Do I have to pay use tax on telephone or mail-order purchases?

Yes. If you make a purchase from outside the state by telephone or mail order and the vendor fails to charge you tax, you are responsible for paying use tax.

Who should pay use tax?

Individuals and businesses are required to pay use tax when making out-of-state purchases that are subject to use tax.

How is use tax reported and paid?

To report use tax to the state, complete and send the attached form with a payment to the address shown on the form. You may also report the state consumers use tax on the line labeled "Consumers Use Tax" on your individual income tax return.

When is the tax due?

The tax is due on the first of the month following the month in which the merchandise is purchased. A return should be completed for each month in which merchandise is purchased. The tax is considered delinquent after the 20th of the succeeding month. *Example: Purchases made in January – the tax is due on February 1 and delinquent after February 20.*

Where can I get help or additional forms?

The Alabama Department of Revenue has Taxpayer Service Centers conveniently located throughout the state. (See list on back.) If one of these locations is not convenient, call the Sales, Use & Business Tax Division at (334) 242-1490 or write to the following address:

Alabama Department of Revenue
Sales, Use & Business Tax Division
P.O. Box 327710
Montgomery, AL 36132-7710

You may also download instructions from our Web site at www.revenue.alabama.gov.



2610

ALABAMA DEPARTMENT OF REVENUE Consumers Use Tax Return

Date of Purchase: _____ / _____ / _____

Phone Number: (____) _____ - _____

Name: _____

Address: _____

Social Security Number: _____ - _____ - _____

Signature: _____

| | | | |
|--|--------|----|----|
| Tax Rate | 1-1/2% | 2% | 4% |
| Total Purchase Price | | | |
| TAX DUE (Multiply By Tax Rate) | | | |

TOTAL AMOUNT REMITTED

\$ _____ . _____

Date: _____

ALABAMA CONSUMERS USE TAX



If your out-of-state
purchase did not include
Alabama sales tax,
you may owe use tax.

ALABAMA
DEPARTMENT OF REVENUE

August 2010

Taxpayer Service Centers

- **AUBURN/OPELIKA**
3300 Skyway Drive (36830)
P.O. Box 2929, Auburn (36831-2929)
Phone: (334) 887-9549
- **DOTHAN**
344 North Oates Street (36303)
P.O. Box 5739 (36302-5739)
Phone: (334) 793-5803
- **GADSDEN**
235 College Street (35901)
P.O. Drawer 1190 (35902-1190)
Phone: (256) 547-0554
- **HUNTSVILLE**
4920 Corporate Drive, Suite H (35805)
P.O. Box 11487 (35814-1487)
Phone: (256) 837-2319
- **JEFFERSON/SHELBY**
2020 Valleydale Road, Suite 208
Hoover (35244)
P.O. Box 1927, Pelham (35124-1927)
Phone: (205) 733-2740
- **MOBILE**
955 Downtowner Boulevard (36609)
P.O. Drawer 160406 (36616-1406)
Phone: (334) 344-4737
- **MONTGOMERY**
1021 Madison Avenue (36104)
P.O. Box 327490 (36132-7490)
Phone: (334) 242-2677
- **MUSCLE SHOALS**
874 Reservation Road (35661)
P.O. Box 3148 (35662-3148)
Phone: (256) 383-4631
- **TUSCALOOSA**
518 19th Avenue (35401)
P.O. Box 2467 (35403-2467)
Phone: (205) 759-2571
- **TDD NUMBER**
(334) 242-3061

Detach and mail with your check or money order to:

Alabama Department of Revenue
Sales, Use & Business Tax Division
P. O. Box 327900
Montgomery, AL 36132-7900