

# Alabama Department of Revenue

News Release

March 10, 2010

## Consumer Use Tax Line Item Reminder

*Montgomery*—The Alabama Department of Revenue reminds taxpayers and tax preparers of the convenient line item featured on the Alabama income tax return, used to report and pay any consumer use tax due on catalog and Internet purchases made during the 2009 tax year.

“The department endeavors to make the use tax reporting easy for Alabama residents,” said State Revenue Commissioner Tim Russell. “Many online and catalog shoppers are simply unaware that Alabama use tax is due if no sales tax has been collected on their purchases by the Internet or catalog retailers. That is why on the Alabama individual income tax return, we offer a convenient, easy reporting method, that is free of any penalty,” explained Russell.

Use tax applies to both catalog and Internet sales. As a general rule, many catalog and Internet retailers do not meet state sales tax or state use tax reporting requirements, and they are not legally required to collect a sales tax or a use tax from their customers. If no tax has been collected by the seller, then the Alabama tax liability passes to the consumer or the purchaser.

The state use tax rate is four percent, the same as the state sales tax rate. As is the sales tax, the four-percent use tax is specifically earmarked for the state’s Education Trust Fund. Items subject to use tax are the same items that would be subject to sales tax if purchased in Alabama, such as computers, books, electronic equipment, furniture, jewelry, and clothing.

A worksheet is included in the 2009 return booklet, and reminders are included in many of the software tax preparation packages for use in calculating the amount of use tax due on purchases.

Sales receipts or sales invoices are not required. Individuals are not required to provide the dates of purchases or from whom the purchases were made. Only the total of the purchase prices is necessary to compute the tax.

Failure to report consumer use tax can result in failure to file and pay penalties.

For more information concerning Alabama's consumer use tax reporting requirements, contact the Alabama Department of Revenue Sales, Use and Business Tax Division at (334) 242-1490 or visit the department's Web site at [www.revenue.alabama.gov](http://www.revenue.alabama.gov).

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**Media contact for more information:**

ADOR Media Affairs Office: Carla A. Snellgrove or Carolyn Blackstock:  
(334) 242-1390; FAX: (334) 242-0550  
[www.revenue.alabama.gov](http://www.revenue.alabama.gov)