



NORTH
CAROLINA
DEPARTMENT
OF REVENUE



Consumer Use Tax

General Information

Consumer use tax is due if you purchase, lease, or rent items inside or outside this state for storage, use, or consumption in North Carolina and do not pay the applicable sales and use tax at the time of purchase. Items subject to consumer use tax include tangible personal property, certain digital property and taxable services. You must pay consumer use tax to the Department when retailers, remote sellers, or facilitators fail to collect sales or use tax on taxable transactions. See [G.S. § 105-164.6](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_105/GS_105-164.6.html) (https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_105/GS_105-164.6.html) for additional information about consumer use tax.

The [taxable items webpage](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/taxable-items) (<https://www.ncdor.gov/taxes-forms/sales-and-use-tax/taxable-items>) provides examples of items subject to sales and use tax.

Reporting and Paying Consumer Use Tax

The form used to report and pay consumer use tax depends on the person and items purchased. Review the following list to determine the correct form:

- **An individual required to file Form D-400**, North Carolina Individual Income Tax Return, must report the use tax liability on non-business purchases of taxable items, other than a boat, an aircraft, and food subject to the reduced rate of tax, on the individual's [income tax return](#)

(<https://www.ncdor.gov/taxes-forms/individual-income-tax/individual-income-tax-forms-instructions>). Please see the instructions for the applicable year in the North Carolina Individual Income Tax Instructions (Form D-401).

- **An individual not required to file Form D-400**, North Carolina Individual Income Tax Return, must report the use tax liability on taxable purchases other than a boat or an aircraft, on Form E-554, Consumer Use Tax Return.
- **An individual who purchases food subject to the reduced rate of tax** must report the 2% tax on Form E-554, Consumer Use Tax Return.
- **An individual who purchases a boat or an aircraft** must report the tax on Form E-555, Boat and Aircraft Use Tax Return.
- **A business** must report use tax on the applicable form. Generally, a business will report and remit use tax on Form E-500, Sales and Use Tax Return, or through the Department's online filing and payment system. For a business that is not registered with the Department to remit sales and use tax, register online using the [online business registration portal \(/registration\)](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-forms-and-certificates/sales-and-use-tax-registration-applications), or appropriate [registration application \(/taxes-forms/sales-and-use-tax/sales-and-use-tax-forms-and-certificates/sales-and-use-tax-registration-applications\)](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-forms-and-certificates/sales-and-use-tax-registration-applications).

Form D-400 (<https://www.ncdor.gov/taxes-forms/individual-income-tax-forms-instructions>)

Use Tax Forms (<https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-forms-and-certificates/tax-return-forms-schedules#Tab-CurrentForms-508>)

Additional Information

- [Frequently Asked Questions About Use Tax \(/taxes-forms/sales-and-use-tax/use-tax/frequently-asked-questions-about-use-tax\)](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/use-tax/frequently-asked-questions-about-use-tax)
- [Sales and Use Tax Bulletin Section 2-4, Consumer Use Tax \(/taxes-forms/sales-and-use-tax/sales-and-use-tax-bulletins\)](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-bulletins)