

**D**id you know that you may owe use tax on artwork, antiques, jewelry, collectibles, and other goods that you purchase or acquire?



If you have any questions about the use tax, please visit our website [www.dor.wa.gov/usetaxinfo](http://www.dor.wa.gov/usetaxinfo) or call 1-800-647-7706.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715.

Teletype (TTY) users please call 1-800-451-7985.



**Customer Experience  
and Communications Division  
Washington State  
Department of Revenue  
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# USE TAX ON ARTWORK





## WHAT IS USE TAX?

Washington's use tax is a tax on goods or certain services purchased or acquired when sales tax has not been paid. Goods used in this state are subject to either the sales or use tax, but not both. Since 1935, the use tax has functioned as a compensating tax when sales tax has not been paid.



## WHEN DO I OWE USE TAX ON ARTWORK, ANTIQUES, OR OTHER ITEMS THAT I ACQUIRE?

If Washington sales tax is not paid at the time of purchase, then use tax is owed when goods are first brought into Washington for use here.

### Use tax is due when goods are purchased or acquired:

■ **In a state or country that does not have a sales tax.** If you purchase artwork from an Oregon dealer that does not charge Washington sales tax and bring it into Washington to display in your home, the purchase is subject to use tax.

■ **In a state or country with a sales tax lower than Washington's.** For example, you purchase a sculpture in Hawaii and pay Hawaii's sales tax (four percent rate). When you ship the sculpture to Washington for use here, the sculpture is subject to Washington's use tax. If you provide proof that sales tax was paid in Hawaii, you will receive credit for that amount against the use tax owed in Washington.

■ **From someone who is not authorized to collect sales tax.** For example, the purchase of a painting from an individual through an art magazine ad or an antique lamp at a local estate sale is subject to use tax.

■ **From outside the state.** Purchases made through the internet, through ads in art magazines or journals, through an online auction house, or from a mail order catalog company are subject to use tax. Many of these companies collect Washington's sales tax, but if the company from which you order does not, you owe the use tax.



## HOW DO I CALCULATE USE TAX?

Use tax is calculated on the value of the goods when they are first used in Washington. Usually, this is the purchase price of the goods. As of June 1, 2002, any freight, shipping, or delivery charges that you pay to the seller are also subject to use tax.

## HOW DO I KNOW THE USE TAX RATE?

Use tax rates are the same as the sales tax rates. Unlike sales tax, which is calculated on where the sale takes place, use tax is calculated on the places where the goods are first put to use in Washington.

## HOW DO I REPORT ANY USE TAX I OWE?

If you have purchased artwork or any other taxable goods within the last four years, and did not pay sales tax, you will need to complete a Consumer Use Tax Return. This return can be found at [www.dor.wa.gov/usetaxinfo](http://www.dor.wa.gov/usetaxinfo) or call 1-800-647-7706.

Interest penalties will not be applied to tax that is paid voluntarily. However, if the Department of Revenue identifies your purchase through its ongoing tax discovery efforts, you may be subject to delinquent penalties of up to 29 percent, assessment penalties, and interest.