

Use tax and how to determine if you owe it

What is use tax?

Use tax applies to items being used in Washington where sales tax has not been paid. It applies to both businesses and individuals. The tax is due when the item is first used in the state, and the tax rate is the same as the sales tax rate where the item is being used.

Use tax must be paid by each new owner of the item and is calculated on the value of the item, which is generally the purchase price.

When is use tax due?

Use tax is due on:

- Items purchased over the Internet or through catalogs, without paying sales tax, and delivered to Washington for use here.
- Any consumer item purchased in another state, without paying sales tax, and brought into Washington for use here.
- Items purchased in Washington where sales tax has not been paid. This includes items purchased through private parties.

What are some examples of items subject to use tax?

Examples include:

- Artwork.
- Tools.
- Computer equipment.
- Furniture.
- Clothes.
- Digital products.

It also includes:

- Private party automobile purchases.
- Purchases from garage sales, estate sales, etc.
- Any item of tangible personal property that is used as a consumer in Washington may be subject to use tax.

Note: Consumers that support the qualifying fundraising activities of nonprofit organizations or libraries by purchasing items or winning items through a contest of chance are not required to pay use tax on those items, subject to these limitations:

- Jan. 1, 2023 through Dec. 31, 2023 - \$13,920
- Jan. 1, 2022 through Dec. 31, 2022 - \$12,780
- Jan. 1, 2021 through Dec. 31, 2021 - \$12,250

How do I report and pay the tax?

For vehicles, use tax is normally paid to the Department of Licensing at the time of registration. The value subject to use tax is the fair market value.

For other types of items, login to My DOR and report use tax on a designated tax return:

- If you are a registered business, you must report use tax on your regular excise tax return.
- If you are an individual or a business not required to register with the Department of Revenue, report use tax by clicking "File a Consumer Use Tax Return".

For more information on use tax, please see our Use Tax page.

References

Chapter 82.12 RCW - Use Tax

RCW 82.12.225 - Exemptions - Nonprofit fund-raising activities

WAC 458-20-178 - Use tax and the use of tangible personal property

WAC 458-20-169 - Nonprofit organizations

WAC 458-20-17802 - Collection of use tax by county auditors and department of licensing - Measure of tax



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