

PA USE TAX CERTIFICATION

Pennsylvania passed a law in 1953 that requires PA residents to pay a 6% tax on any goods or services that was not collected by the vendor. This **use tax** is the counterpart of the PA sales tax, and applies to **taxable purchases of goods** made over the internet, through toll-free numbers, from mail-order catalogs, from or at out-of-state locations, or any other occasion where PA sales taxes were not charged and collected by the seller, whether inside or outside Pennsylvania. (Clothes are not subject to PA sales or use tax.) In addition, if you purchase **services** subject to PA sales tax for which the seller/provider did not charge and collect sales tax, you are responsible to remit the use tax directly to the PA Department of Revenue. Examples of **taxable services** include **lawn care, pest control, self-storage rentals, house cleaning and maintenance, and utilities for home offices and on the owners of residential rental properties (i.e. electricity, heat/oil/gas, etc.) if the landlord pays them as a residential customer, rather than as a commercial customer. Water, snow removal and house/building repair services (such as painter, electrician, plumber, carpenter, etc.) are not taxable.** An extensive list is in the Retailer's Information Guide at www.revenue.state.pa.us/portal/server.pt/document/755531/rev-717.pdf

PA Dept. of Revenue wants you to pay this **use tax** and has taken steps towards making it easier to comply with the law. Prior to 2011, you were supposed to report your use tax on a separate form monthly or quarterly, but almost no one knew about this law or form, so rarely was this done. Beginning with the 2011 tax filing season, the state added line 25 to the PA-40 personal income tax return for you to enter your **use tax** obligation, and pay it in conjunction with your PA income tax. There are new instructions for PA Schedules C (sole proprietor business income), E (residential rental income), and UE (Unreimbursed Employee Business Expenses, for home offices).

In order for me to determine your **PA USE TAX** obligation, if any, please check the line below that applies to you, and/or your spouse:

___ 1. I/we purchased taxable goods or services during the year for which the seller did not charge or collect sales tax from me/us. However, those purchases were less than \$ 1,000 and I/we did not keep accurate receipts for those purchases. Therefore, I/we will pay an **estimated use tax** according to the table on the following page as provided by the PA Department of Revenue based upon my level of income for this year.

___ 2. I/we purchased taxable goods or services during the year for which the seller did not charge or collect sales tax from me/us. The amount of those sales and/or services to me totaled \$ _____ and \$ _____ for my spouse for this year.

___ 3. I/we did not purchase any taxable goods or services during the year, inside or outside Pennsylvania, for which the seller did not charge or collect sales tax from me/us. Therefore, I/we do not owe any PA use tax for this year.

___ 4. I/we have a home office, and owe the **PA Use Tax** on the proportionate % share of the utilities.

___ 5. I/we rent a residential property to tenants, and may owe the **PA Use Tax** on the utilities. I/we will give you copies of each type of utility bill, and the totals for each type of expense.

I/we certify that the above statement(s) is/are true and accurate to the best of my/our knowledge.

Signature _____
Taxpayer

Spouse, if applicable

Date _____

If you have incomplete or inaccurate receipts to calculate use tax on purchases less than \$1,000, you may use Table 1 to estimate your use tax liability based on taxable income.

Table 1 – Estimated Use Tax Due			
PA-40 Line 9, Total PA-Taxable Income	City of Philadelphia	Allegheny County	Remainder of PA
\$15,000 and less	\$8	\$7	\$6
\$15,001 - \$30,000	\$17	\$14	\$12
\$30,001 - \$50,000	\$22	\$19	\$17
\$50,001 - \$75,000	\$30	\$26	\$23
\$75,001 - \$100,000	\$43	\$37	\$32
\$100,001 - \$150,000	\$59	\$52	\$44
\$150,001 - \$200,000	\$76	\$66	\$57
> \$200,000	.03% (0.0003) of PA-40 Line 9, Total PA-Taxable Income, or \$94 (Philadelphia), \$83 (Allegheny) or \$71 (PA), whichever amount is smaller		

IMPORTANT: If you do not have a use tax liability or used form PA-1 to report and pay use tax, you must enter zero on Line 25.

The department reserves the right to assess additional use tax due if and when it discovers evidence that the total purchase amount reported on the PA-40 is less than the actual purchase amount.

Individuals and businesses with Pennsylvania sales tax licenses should report use tax on their sales tax returns.

For detailed information on use tax reporting responsibilities and options, visit www.revenue.state.pa.us/usetax.