



While sales tax generally applies to the sale of merchandise in the state, use tax applies to the use, storage, or other consumption of merchandise purchased from outside the state. Use tax helps protect California sellers who would be at a competitive disadvantage when out-of-state retailers sell goods to California customers without charging tax. The use tax is set at the same rate as the state's sales tax and must be paid directly to the California Department of Tax and Fee Administration or on your Franchise Tax Board (FTB) income tax return. If one has been applied to a transaction, then the other is not due.

Use tax is your responsibility.

Payment of use tax is generally the responsibility of the purchaser. Many out-of-state companies are "engaged in business," or have a physical presence in California and must register with us to collect use tax on their retail sales to California customers. Some out-of-state companies voluntarily register with us and collect California use tax as a courtesy to their California customers. However, if a company is not engaged in business in California, it will generally not charge California use tax.

It is your responsibility to report and pay use tax for purchases you make from out-of-state companies that don't charge you tax.

Exemptions from use tax may apply.

Generally, the same types of items that are subject to sales tax are subject to use tax. Use tax generally does not apply to items specifically exempt from sales tax such as prescription medicines and most food items purchased at a grocery store.

How do I pay use tax?

- You can report your purchase(s) subject to use tax on our website at www.cdtfa.ca.gov by selecting [File & Make a Payment](#), then selecting [File a Return under Limited Access Functions](#), then selecting [One-Time Use Tax and/or Lumber Return](#). Please see our [Online Services](#) guide on [payments](#) for more information.
- Once you have registered, you can pay any use tax due by filing your return. You can also register to report use tax in person at any of our [offices](#), or
- Report use tax on your FTB income tax return.

Who is not eligible to report tax on the FTB income tax return?

The following taxpayers are required to report purchases subject to use tax directly to us and may not report use tax on their income tax return:

- Businesses that have a California seller's permit.
- Businesses that are not required to hold a California seller's permit and that make more than \$10,000 in purchases subject to use tax (excluding vehicles, vessels, or aircraft) per calendar year if the use tax imposed on those purchases has not otherwise been paid to a retailer authorized to collect the tax. Please see our [Qualified Purchaser Program](#) webpage for more information and additional conditions.
- Individuals or businesses that have a California consumer use tax account.

Did you purchase from one or more of these common out-of-state retailers?

- Internet retailer
- Television shopping network
- Online auction
- Mail order catalog

If yes, you will need to check your records to determine whether or not you paid tax.

What items purchased from out-of-state are subject to additional excise taxes and fees?

- Tires
- Lead-acid batteries
- Cigarette and tobacco products
- Covered electronic devices with screens larger than four inches (such as laptops, monitors, televisions, tablets)
- Lumber products
- Prepaid telephone cards

If yes, in addition to reporting and paying use tax, you are also responsible for paying the applicable excise tax and fee to us.

How do I pay the additional excise taxes and fees?

For the purchase of new tires, lead-acid batteries, cigarette and tobacco products, and covered electronic devices, you are required to register for the applicable account, file a return, and pay the applicable tax or fee. For lumber products and prepaid Mobile Telephony Services, you can make a one-time payment of the amount owed. For additional information on how to pay, please visit our website.

Please note: You may not report the applicable excise taxes or fees on your FTB income tax return.

Where do I look in my records for these purchases?

- Email receipts
- Sales invoices
- Your order history on the seller's website
- Purchase orders

These records will help you determine whether or not you owe California use tax or any additional excise tax or fee.