

Use Tax Regulations

In recent months, the state of Missouri has increased efforts to collect revenue from sources such as use tax. Here are a few items to keep in mind when purchasing products from another state or on-line:

- Unlike sales tax, use tax is imposed on the storage, use, or consumption of tangible personal property shipped into Missouri from out-of-state.
- Use tax does not apply if the purchase is from a Missouri retailer and subject to Missouri sales tax.
- Taxpayer's are required to file a use tax return if the cumulative purchases subject to use tax exceed two thousand dollars in a calendar year. Purchases include, but are not limited to:
 - ✓ Catalog purchases
 - ✓ Magazine subscriptions
 - ✓ Computer software (unless downloaded) and hardware
 - ✓ Furniture and equipment purchases from out-of-state sellers
 - ✓ Purchases of goods bought over the internet and/or phone
 - ✓ Purchases of goods from outside the United States

In the event of an audit, the statute of limitations is unlimited if use tax returns have not been filed. Filing the annual report will decrease the statute of limitations to 3 years. Therefore, we are recommending the filing of annual use tax returns for all of our business clients. Please let us know if you have any questions about use tax or the filing requirements.