

## Consumer Use Tax

- **Do you make retail purchases when you are on vacation outside of Alabama?**
- **Do you buy any items from businesses on the Internet?**
- **Do you purchase any retail items over the telephone?**
- **Do you purchase any retail items from catalogs or mail order?**

**If you answered "Yes" to any of the above questions, you may be liable for Consumer Use Tax.**

### What is Consumer Use Tax?

When you shop at retail stores and many other business establishments in Alabama, the price you pay for the retail purchases you make usually includes Alabama sales taxes. This tax is calculated at the rate of 4% of the cost of the item(s) you purchased. When you make retail purchases for similar items from businesses located outside of Alabama (mail order, Internet, telephone, while on vacation, etc.), you are responsible, as the consumer, for ensuring that the Alabama sales tax (**which is called a "consumer use tax"**) is paid on these purchases if the business from which you made your purchase did not charge you Alabama sales tax for your purchase(s) and if the items you purchased are delivered to or brought back with you to Alabama.

### What Retail Purchases are Subject to Alabama Consumer Use Tax?

Examples of retail purchases subject to Alabama sales (or consumer use) tax:

- Clothing
- Books
- Computers
- Computer Software
- Furniture
- Magazine Subscriptions
- Sporting Goods
- Jewelry
- Electronic Equipment
- CDs, DVDs, Audio & Video Cassettes
- Photographic Equipment
- Musical Equipment
- Automotive Accessories and Parts
- All other retail purchases subject to Alabama sales taxes

### Is There A Credit for the Sales Taxes that are Paid to the Other States?

If you were charged a sales tax (other than Alabama sales tax) by the out-of-state business for the item(s) you purchased, you are allowed a credit against your Alabama consumer use tax due for the amount of the sales tax you paid with your purchase, not to exceed 4% of the purchase price.

Note: Do not use the worksheet to compute use tax on the following items:

- automobiles
- trailers, truck trailers, semi-trailers, travel trailers
- mobile homes
- motor boats which must be titled in Alabama