

MICHIGAN USE TAX

GENERAL INFORMATION

As you prepare to file your Michigan income tax return, please remember to remit tax on purchases you made by catalog, telephone or over the Internet. Every state that has a sales tax has a companion tax for purchases made outside that state by catalog, telephone, or Internet, if use tax was not paid at the time of purchase. In Michigan, that companion tax is called “use tax,” but might be described more accurately as a remote sales tax because it is a 6 percent tax owed on purchases made outside of Michigan.

Use tax is due on catalog, telephone, or Internet purchases made from out-of-state sellers, as well as purchases while traveling in foreign countries, when the items are to be brought into Michigan and no sales tax was paid. Use tax must be paid on the total price (including shipping and handling charges). If you paid 6 percent or more of sales tax to another state on your purchases, you do not owe use tax to Michigan.

Michigan makes it easy for taxpayers to pay use tax when they file their annual income tax return if use tax was not paid at the time of purchase. **Please see line 23 of the Form MI-1040 Michigan Individual Income Tax Return and the instruction booklet beginning on page 9 for more information on how to report use tax you may owe.**

COMMONLY ASKED QUESTION

QUESTION: Do I need to pay use tax on internet purchases of tangible products, such as wax and seal for vehicle maintenance as well as digital products from the iTunes store or kindle books? If so, how is the use tax to be paid when an MI-1040 is not required to be filed?

ANSWER: Use tax must be paid on tangible products, such as wax and seal for vehicle maintenance for example, when the product is used, stored, or consumed in Michigan. Use tax is not required on digital goods, such as purchases from the iTunes store or kindle books, unless a physical tangible product is received (example: book on disk). To properly report and pay use tax to Michigan when an MI-1040 is not filed, complete form 5087 Purchaser’s Use Tax Return. This form can be found on our Web site at www.michigan.gov/taxes and click on the box titled *Business Taxes*. Then click on *Business Forms and Instructions*. Then under *Sales & Use Tax Forms*, click on the link for *2022 Sales & Use Tax Forms*. Form 5087 will appear in the list of forms. Mailing instructions will be printed on the form.

HELPFUL LINKS

Use tax Web site is found under Sales and Use Tax from the Michigan Business Tax Web site at <http://www.michigan.gov/taxes/0,1607,7-238-43529-155460--,00.html>.

MI-1040 Instruction Booklet is under Tax Forms on the Michigan Individual Income Tax Web site at [Income Tax Forms \(michigan.gov\)](http://www.michigan.gov/taxes/0,1607,7-238-43529-155531--,00.html)

You can also learn more about the use tax by visiting <http://www.michigan.gov/taxes/0,1607,7-238-43529-155531--,00.html>.

If you need additional help, you can contact the Michigan Department of Treasury customer contact at 517-636-6925.