

# Individual Use Tax Return

You can file and pay use tax electronically on our website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us). Read the instructions before completing this form.

Print or type	Your name		Social Security number	
	Street address		Year items were purchased	
	City	State	Zip code	County in which you live

  

Determining total use tax due	<b>1</b> Amount paid for <i>all</i> taxable purchases on which the sellers did not charge and collect the appropriate amount of sales and/or local taxes .....		<b>1</b>	
	<b>2</b> Amount included in line 1 for items purchased for <i>personal</i> use from sellers that are not registered or required to be registered to collect Minnesota sales tax (e.g., out-of-state sellers) .....		<b>2</b>	
	<b>3</b> Purchases subject to use tax. If line 2 is \$770 or less, subtract line 2 from line 1. If line 2 is more than \$770, enter the amount from line 1 .....		<b>3</b>	
	<b>4</b> Minnesota general use tax. If line 3 includes purchases made:			
	<b>a</b> Prior to July 1, 2009 ..... Enter the purchase price _____ X .065 = ....		<b>4a</b>	
	<b>b</b> On or after July 1, 2009 ..... Enter the purchase price _____ X .06875 = ..		<b>4b</b>	
	<b>5</b> Liquor gross receipts use tax. If line 3 includes purchases of alcoholic beverages: ..... Enter the purchase price _____ X .025 = ....		<b>5</b>	
	<b>6</b> Local use taxes. If you live in one of the following areas and did not pay local tax on your purchases, you owe local use tax (see <i>instructions for more information</i> )			
	<b>a</b> Albert Lea ..... Purchase price _____ X .005 = ..		<b>6a</b>	
	<b>b</b> Austin ..... Purchase price _____ X .005 = ..		<b>6b</b>	
	<b>c</b> Baxter ..... Purchase price _____ X .005 = ..		<b>6c</b>	
	<b>d</b> Bemidji ..... Purchase price _____ X .005 = ..		<b>6d</b>	
	<b>e</b> Brainerd ..... Purchase price _____ X .005 = ..		<b>6e</b>	
	<b>f</b> Clearwater ..... Purchase price _____ X .005 = ..		<b>6f</b>	
	<b>g</b> Cook County ..... Purchase price _____ X .01 = ...		<b>6g</b>	
	<b>h</b> Duluth ..... Purchase price _____ X .01 = ...		<b>6h</b>	
	<b>i</b> Hennepin County ... Purchase price _____ X .0015 = ..		<b>6i</b>	
	<b>j</b> Hermantown ..... Purchase price _____ X .005 = ..		<b>6j</b>	
	<b>k</b> Mankato ..... Purchase price _____ X .005 = ..		<b>6k</b>	
	<b>l</b> Minneapolis ..... Purchase price _____ X .005 = ..		<b>6l</b>	
	<b>m</b> New Ulm ..... Purchase price _____ X .005 = ..		<b>6m</b>	
	<b>n</b> North Mankato ..... Purchase price _____ X .005 = ..		<b>6n</b>	
	<b>o</b> Owatonna ..... Purchase price _____ X .005 = ..		<b>6o</b>	
<b>p</b> Proctor ..... Purchase price _____ X .005 = ..		<b>6p</b>		
<b>q</b> Rochester ..... Purchase price _____ X .005 = ..		<b>6q</b>		
<b>r</b> St. Cloud area ..... Purchase price _____ X .005 = ..		<b>6r</b>		
<b>s</b> St. Paul ..... Purchase price _____ X .005 = ..		<b>6s</b>		
<b>t</b> Transit Improvement Purchase price _____ X .0025 = ..		<b>6t</b>		
<b>u</b> Two Harbors ..... Purchase price _____ X .005 = ..		<b>6u</b>		
<b>v</b> Willmar ..... Purchase price _____ X .005 = ..		<b>6v</b>		
<b>w</b> Worthington ..... Purchase price _____ X .005 = ..		<b>6w</b>		
Total local use taxes due ( <i>add lines 6a through 6w</i> ) .....		<b>6</b>		
<b>7</b> Add lines 4a, 4b, 5 and 6 .....		<b>7</b>		
<b>8</b> Credit for general sales and local taxes already paid to Minnesota or to another state ( <i>see instructions</i> ). If no sales or local taxes were paid, enter zero .....		<b>8</b>		
<b>9</b> Total use tax due ( <i>subtract line 8 from line 7</i> ). Also enter this result on line 10 .....		<b>9</b>		

Continue on page 2.

**Individual Use Tax Return (continued)**

Your name	Social Security number
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<b>Determining total due</b>	<b>10</b> Amount from line 9. If zero or less, enter zero .....	<b>10</b>	
	<b>11</b> Penalty (see instructions) .....	<b>11</b>	
	<b>12</b> Interest (see instructions) .....	<b>12</b>	
	<b>13</b> Add lines 10, 11 and 12. This is the <b>TOTAL AMOUNT DUE</b> . . . . . (Make check payable to Minnesota Revenue.)	<b>13</b>	

<b>Sign here</b>	<i>I declare that this return is correct and complete to the best of my knowledge and belief.</i>			<input type="checkbox"/> I authorize the Minnesota Department of Revenue to discuss this tax return with the preparer.
	Signature	Date	Daytime phone	
	Paid preparer's signature	Minnesota tax ID, SSN or PTIN	Date	

**If you choose to file a paper return, complete this form and mail it with your check to:**  
 Minnesota Revenue, Mail Station 1125, St. Paul, MN 55146-1125

# Instructions for Form UT1

## What is use tax?

Use tax is the counterpart of sales tax. You owe use tax when Minnesota sales tax is not charged on taxable items you buy, whether you buy them in Minnesota or outside the state.

For example, if you travel to another state or country and bring back items that are normally taxed in Minnesota, you owe use tax on those purchases. The same applies if you buy taxable items through mail-order catalogs or the Internet and Minnesota sales tax is not charged on the purchase.

Use tax does not apply to items currently tax exempt in Minnesota, such as clothing, prescription drugs for humans and most groceries.

If the items you're buying are for your personal use (as opposed to buying items to use in a business), you can buy up to \$770 worth of taxable goods during the calendar year without paying use tax. If, however, your purchases total more than \$770, you must pay use tax on the entire amount. This exemption does not apply to businesses.

Minnesota's use tax rate is the same as the state sales tax rate (6.5 percent prior to July 1, 2009; 6.875 percent beginning July 1, 2009). If you live in an area with one or more local use taxes, you owe local use tax on your purchases as well.

**Watercraft, snowmobiles, ATVs and aircraft.** Sales or use tax is due on all purchases of watercraft, snowmobiles, ATVs and aircraft, regardless if the item is registered with the Department of Public Safety or Transportation (Aeronautics). Tax is generally paid at the time the item is purchased. However, if tax was not paid at the time of purchase or when the item was registered, use Form UT1 to report use tax.

**Alcoholic beverages.** If you enter Minnesota with more than one liter of intoxicating liquor or more than 288 ounces of malt liquor — on which you did not pay Minnesota tax — you may also be required to file and pay alcoholic beverage excise tax. For details, see Form LB58, *Alcoholic Beverage Excise Tax Return*.

**Tobacco products.** When you buy tobacco products in Minnesota, the price you pay includes Minnesota tobacco tax and the health impact fee. If you buy tobacco products outside the state and are not charged these Minnesota taxes, you may need to file Form CT303, *Consumer's Tobacco Tax Return*, in addition to Form UT1.

## How to file and pay use tax

### Individuals and businesses not required to have a Minnesota tax ID number

If your purchases are for your personal use — or if you are not required to have a Minnesota tax ID number and your purchases were made for business use (i.e., your business doesn't make taxable sales, doesn't have employees and you file the business income under your Social Security number using federal Schedule C) — you must file and pay use tax using your Social Security number.

To file and pay use tax, you may:

- Complete Form UT1 and mail it with your check by the due date to the address provided at the bottom of the form, or
- File electronically. Go to our website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us) and click "Login to e-File Minnesota." Enter your Social Security number and follow the prompts to file and pay individual use tax.

### Businesses

If you are a business and have or are required to have a Minnesota tax ID number, you must report and pay use tax electronically using our e-File Minnesota system. **Do not file Form UT1.**

Before you can file or pay use tax, you must have a Minnesota tax ID number. To register, go to [www.taxes.state.mn.us](http://www.taxes.state.mn.us) and click "Register for a Minnesota tax ID number" on the e-Services menu. If you don't have Internet access, you can register by phone at 651-282-5225 or 1-800-657-3605.

## Due dates

### Individuals

If your purchases subject to use tax were for personal use, you must file an annual return by April 15 of the following year.

### Businesses not required to have a Minnesota tax ID number

If your purchases subject to use tax were for business use and total \$18,500 or less for the year, file a return and pay the tax due by April 15 of the following year.

If your total purchases subject to use tax exceeds \$18,500 before the end of the year, your return and payment are due by the 20th day following the end of the month in which your purchases exceeded \$18,500.

**If you do not file a use tax return voluntarily,** you may be billed for the use tax you owe as information about purchases subject to use tax becomes available to us. Your bill will include penalty and interest charges if applicable.

## Completing Form UT1

### Line 1

Enter the total amount paid for *all* taxable items you purchased on which the sellers did not charge and collect the appropriate amount of sales and/or local use taxes.

Do not include any state sales and/or local taxes that were collected at the time of sale in the total on line 1.

### Line 2

Of the amount on line 1, determine the amount you paid to purchase items *for personal use* from out-of-state sellers or other sellers that are not required to collect Minnesota sales tax.

For example, if you bought taxable items over the Internet, by mail order, or from a shopping channel, and the seller did not collect Minnesota sales tax, enter the purchase price on line 2. Also include any taxable purchases you made from an out-of-state seller that properly collected another state's sales tax at a rate lower than Minnesota's.

Do not include any state sales and/or local taxes that were collected at the time of sale.

### Line 3

If line 2 is \$770 or less for the year, your personal-use purchases are exempt from use tax. Subtract line 2 from line 1 and enter the result on line 3.

If line 2 is more than \$770, you must pay use tax on your total personal-use purchases. Enter the amount from line 1 on line 3.

### Lines 4a and 4b

Minnesota's general state sales tax rate increased from 6.5 percent to 6.875 percent on July 1, 2009. Of the amount on line 3, determine the amount purchased prior to and on or after July 1, 2009.

### Line 5

Purchases of alcoholic beverages are taxed at a rate 2.5 percent higher than the general sales tax rate. Multiply your total purchases of alcoholic beverages included in line 3 by 2.5 percent.

*Continued*

## Form UT1 instructions (continued)

### Line 6

If you live in one of the following areas, you also owe local use tax on your purchases.

City/County	Rate	Begin date
Albert Lea	0.5%	04/01/2006
Austin	0.5%	04/01/2007
Baxter	0.5%	10/01/2006
Bemidji	0.5%	01/01/2006
Brainerd	0.5%	04/01/2007
Clearwater	0.5%	10/01/2008
Cook County*	1.0%	01/01/1970
Duluth	1.0%	01/01/2006
Hennepin County	0.15%	01/01/2007
Hermantown	0.5%	01/01/2000
Mankato	0.5%	01/01/2000
Minneapolis	0.5%	02/01/1987
New Ulm	0.5%	04/01/2001
North Mankato	0.5%	10/01/2008
Owatonna	0.5%	04/01/2007
Proctor	0.5%	04/01/2000
Rochester	0.5%	01/01/1993
St. Cloud area	0.5%	01/01/2003
St. Paul	0.5%	01/01/2000
Transit improvement (includes Anoka, Dakota, Hennepin, Ramsey, Washington counties)	0.25%	07/01/2008
Two Harbors	0.5%	04/01/1999
Willmar	0.5%	01/01/2006
Worthington	0.5%	04/01/2009

\* Cook County's local sales and use tax ended 03/31/2008 and begins again on 4/01/2010.

**Note:** If you live in the Twin Cities metropolitan area, you may owe multiple local use taxes on your purchases. To correctly report your use taxes, you must enter the same purchase price for each applicable tax rate.

Commonly used combined local taxes include:

- Hennepin County (0.15%), Transit improvement (0.25%) and Minneapolis (0.5%)
- Hennepin County (0.15%) and Transit improvement (0.25%)
- St. Paul (0.5%) and Transit improvement (0.25%)

### Line 8

You are allowed a credit for any general sales and/or local taxes paid on the purchases to Minnesota or to another state. The credit is limited to the 6.875 percent (or 6.5 percent prior to July 1, 2009) general sales tax rate charged by Minnesota, plus any applicable local taxes.

Examples:

- If you paid the correct amount of Minnesota sales tax, but not the correct local tax, you may deduct the Minnesota sales tax paid when determining the use tax due on your purchases.
- If you paid sales tax to another state at a rate lower than Minnesota's rate, fill in the amount you paid on line 8. If the other state's rate is the same or higher, enter the amount equal to the 6.875 (or 6.5) percent rate.

You cannot claim a credit for more than the correct amount of sales and local taxes you would have paid had you made the purchases in the city or county in which you live.

**You are not allowed credit for customs duty charges or tax paid to other countries.**

### Lines 11 and 12

If you don't pay the use tax you owe on time, you must pay penalty and interest. If your payment is 1 to 30 days late, the penalty is 5 percent of the unpaid tax; 31 to 60 days late, 10 percent; more than 60 days late, 15 percent. If you also don't file your return on time, add an additional 5 percent to the above penalty.

Figure interest on the tax plus penalty from the due date until the date the total is paid. The interest rates for the following years are:

2010 – 3%	2008 – 8%	2006 – 6%
2009 – 5%	2007 – 8%	2005 – 4%

Use the following formula to figure interest:

**Interest =**

(tax + penalty) × # of days late × interest rate ÷ 365

#### Example:

#### How to figure penalty and interest

You owe \$130 in use tax for purchases made in 2008. The due date for filing a return and paying use tax is April 15, 2009.

You file Form UT1 and make your payment on March 15, 2010 (334 total days late).

Your unpaid tax = \$130.00

#### Penalties

Late-payment penalty for more than 60 days late (15%) = \$19.50

Late-filing penalty (5%) = \$6.50

**Enter on line 11** ..... **\$26.00**

#### Interest (using formula):

Number of days late in 2009 = 259

Interest rate for 2009 = 5% (.05)

Number of days late in 2010 = 75

Interest rate for 2010 = 3% (.03)

$(\$130 + \$26) \times 259 \times .05 \div 365 = \$5.53$

$(\$130 + \$26) \times 75 \times .03 \div 365 = \underline{\underline{.96}}$

**Enter on line 12** ..... **\$6.49**

## Information and forms

Website: [www.taxes.state.mn.us](http://www.taxes.state.mn.us)

Phone: 651-296-6181 or 1-800-657-3777  
TTY: Call 711 for Minnesota Relay

Email: [SalesUse.tax@state.mn.us](mailto:SalesUse.tax@state.mn.us)

We'll provide information in other formats upon request to persons with disabilities.

## Use of information

All information on your return is private by state law. It cannot be given to others without your consent, except to the Internal Revenue Service and to other states that guarantee the same privacy.

Your name, address and Social Security number are required for identification. Information about your taxable purchases is required to determine your correct tax. We ask for your phone number so we can call you if we have a question.