

Mesa Use Tax

(Mesa City Tax Code 5-10-600 through 5-10-660)

Use Tax is a tax on items stored or used in the City which have been purchased or rented without a privilege or sales tax equal to the Mesa Use Tax rate. Sales tax is paid by the seller on items sold, but Use Tax is usually paid by the purchaser. Purchases or rentals which would have been taxable sales, but have so far escaped the tax, may be subject to Use Tax. Common reasons for this are purchases from “out-of-state” and usage of inventory items by a business that originally purchased the items for resale. Any business or individual may be required to pay use tax. This tax is imposed on the cost of tangible personal property purchased, leased, or rented, if a privilege or sales tax was not paid. The Mesa Use Tax Rate is 1.75% of the cost of the item purchased or leased. Businesses who purchase, lease, or rent any tangible personal property where the equivalent tax has not been charged must self-report use tax on those purchases. Individuals who are not in business are exempt from the use tax on purchases of \$1,000.00 or less per item on items bought outside of the City. Individuals are required to report Use Tax on each “per item” purchase exceeding \$1,000.00 when no equivalent tax was charged. Use Tax is reported by businesses on their Transaction Privilege Tax returns or they should complete the online form for past periods. Those businesses and individuals who are not required to be licensed, but are subject to Use Tax, may complete the on-line form (download it from <http://www.mesaaz.gov/salestax>) and mail it with the tax payment to the Tax Audit & Collections office or call to make arrangements to complete the one-time report. Please refer to our online City of Mesa Use Tax brochure (http://www.mesaaz.gov/salestax/pdf/use_tax.pdf) for examples of Use Tax transactions. For any other questions you may have, call our office at (480) 644-2316 or e-mail us at salestaxinfo@mesaaz.gov.