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Letter ID

FEIN

Potential Business Use Tax Exposure

Why you are receiving this notice

If you have any questions regarding this notice, please contact the department using the information provided.

Bureau of Desk Review and Analysis
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Most businesses have use tax liabilities. Pennsylvania Department of Revenue records indicate that your company has not reported or remitted use tax within the past three years.

Pennsylvania residents or businesses that purchase taxable tangible personal property or services for use in Pennsylvania owe a 6% use tax on the purchase price, including shipping costs, if sales tax is not collected. Additional local tax applies to purchases for use in Allegheny County (1%) and Philadelphia County (2%).

What you need to do

Please review your purchase invoices for the current and previous three years to determine whether you have use tax liabilities. A guide is included on the reverse side of this notice to provide information on types of purchases that may subject your business to use tax obligations.

If you find that you owe use tax, visit www.mypath.pa.gov and select "File a Use Tax Return." Complete the use tax return, along with payment. Penalties will be waived if you respond within 45 days of the Date Issued on this letter.

If there is no use tax liability to report, there is nothing you need to do at this time. Please let this notice serve as an informational notice for future reference about Pennsylvania use tax.

This is not a substitute for your sales tax return. If you are currently registered with a Pennsylvania sales tax or business use tax account, all future use tax payments should be included on line 6 of your sales and use tax return. If you do not have a sales tax or business use tax account but anticipate future use tax liabilities, you can request an account at mypath.pa.gov.

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Use Tax Evaluation Guide

Many common business purchases are subject to use tax. Use tax follows the same rules as sales tax and therefore does not apply to items directly and predominantly used in exempt business activities. The items listed below are examples of items that may be subject to use tax. Please note, the examples provided are not an exhaustive list of eligible purchases.

Administrative Supplies

- Checks
- Envelopes
- Folders
- Paper
- Photocopies
- Staplers
- Tape

Cleaning Supplies

- Brooms
- Buckets
- Cleansers
- Disposable gloves
- Mops
- Paper towels
- Sponges

Office Equipment

- Air purifiers
- Calculators
- Fax machines
- File cabinets
- Humidifiers/dehumidifiers
- Phone systems
- Photocopiers
- Video equipment

Additional Services

- Adjustment and collections
- Building cleaning and maintenance
- Credit reporting
- Disinfecting or pest control
- Employment agencies
- Help supply
- Lawn care
- Lobbying
- Premium cable
- Secretarial and editing
- Self-storage
- Telecommunications

Computers

- Auxiliary equipment
- Cables
- Desktops
- Laptops
- Monitors
- Printers
- Scanners

Furniture

- CD/DVD Players
- Chairs
- Cords
- Desks
- Lamps
- Tables
- Televisions

Printed Materials

- Business cards
- Desk calendars
- Directories
- Manuals
- Posters
- Training materials