

USE TAX

DESCRIPTION

The use tax is assessed on items purchased in other states and brought into Arizona for storage, use, or consumption, and for which no tax (or a lesser tax rate) has been paid in another state. It is levied at a rate of 5% (or the difference between 5% and the other state's tax rate).

TAX YIELD

<u>Fiscal Year</u>	<u>Total Collections</u>
1997-98	\$136,473,801
1998-99 Est.	\$147,642,017

DISTRIBUTION: State General Fund

1999 TAX LAWS

Does not include tax law changes that affected both the use tax and the transaction privilege tax.

Laws 1999, Chapter 144 extended a use tax exemption to any diesel fuel imported in the regular fuel tanks of a locomotive and consumed in this state. However, any *excess* diesel fuel brought into the state by a locomotive and consumed here is still subject to the use tax. (Effective January 1, 1993)

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