

Do I need to pay this?

# Consumer's Use Tax

Tax information for individuals  
from the

IOWA  Department of **REVENUE**

# What is Consumer's Use Tax?

**Consumer's Use Tax**  
is a tax on the use of  
taxable goods or services in Iowa  
**when sales tax has not been paid.**

The rate is **6%**.

# Is this the same as Sales Tax?

No.

Taxable goods or services  
used in Iowa  
are subject to either sales or use tax,  
but not both.

# What Types of Purchases are Subject to Consumer's Use Tax?

Typically,  
consumer's use tax is due  
when purchases  
are made from  
**an out-of-state seller.**

# This includes purchases made by:

- Internet
- mail order catalogs
- 1- 800 numbers
- magazine subscriptions
- untaxed purchases made in another state and shipped or brought into Iowa.

# Who Owes Consumer's Use Tax?

Individuals that make these types of purchases are required to pay consumer's use tax to the Iowa Department of Revenue.

# What if I Paid Tax in Another State?

If sales tax on the purchase  
has already been paid to another state,  
**no additional tax is due to Iowa**  
**if the tax paid is the same or more than 6%.**

If the other state's tax is less than 6%,  
**the buyer owes Iowa the difference.**

# Example: When Consumer's Use Tax is Due on Taxable Goods

An Iowa individual purchases clothing, stereo equipment, or jewelry through a mail order catalog and does not pay tax to the mail order company.

This person owes consumer's use tax to Iowa.

# Example: When Consumer's Use Tax is Due on Taxable Services

An Iowa resident  
sends jewelry or watches out of Iowa for repair.

He or she  
owes consumer's use tax  
on the repair costs  
– both materials and labor –  
if the out-of-state vendor  
is not registered to collect Iowa tax  
and if no tax is paid to the other state.

(jewelry and watch repair are subject to Iowa tax)

# How Do Individuals Pay Consumer's Use Tax?

- An individual who **regularly makes purchases** subject to Iowa consumer's use tax should **apply for a consumer's use tax permit**.
- Individuals without a permit who **rarely make purchases** subject to consumer's use tax should **pay their tax in one of the following ways**:
  - Electronically through [eFile & Pay](#)
  - Complete the worksheet [available on the Department's Web site](#) and send to:

Iowa Department of Revenue  
P.O. Box 10412  
Des Moines, IA 50306-0412

Make check payable to: "Treasurer State of Iowa"

# How Do I Apply for a Permit?

- Complete the online [Business Tax Registration](#).
- There is no fee.

# Once I Have a Permit How Do I File Returns?

- Iowa sales and use tax returns are filed electronically through [eFile & Pay](#).
- Consumer's use tax is filed either quarterly or annually.
- See [Filing Frequencies and Return Due Dates](#) for more details.

# Are Purchases Subject to Consumer's Use Tax also Subject to Local Option Tax?

No.

Local option tax is *not* due  
in addition to consumer's use tax.

# Questions?

- More information can be found in [Iowa Consumer's Use Tax](#)
- Call us: 8 a.m. - 4:15 p.m. CT  
515-281-3114 or  
1-800-367-3388 (Iowa, Omaha, Rock Island, Moline)
- E-mail us at [idr@iowa.gov](mailto:idr@iowa.gov)