

## Use Tax

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RCW Chapter 82.12

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**Tax Base** Items that are used in the state, for which retail sales tax has not already been collected. Use tax is applied to the value of the item at the time of its first use, excluding delivery charges. Use tax also applies to tangible and digital property where retail sales tax was not charged at the time of purchase.

Examples include:

- Purchases by private individuals from out-of-state sellers or other sellers not required to collect Washington sales tax
- Manufacturers who use the products they produce
- Gifts and prizes won

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the [Tax Exemption Study](#).

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**Tax Rate** 6.5 percent.

An additional 0.3 percent state tax applies to sales of new or used motor vehicles.

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**Recent Collections (\$000)**

Fiscal Year	Collections	% Change	% of All State Taxes
2018	\$702,756	2.9%	3.3%
2017	\$682,737	6.0%	3.5%
2016	\$643,880	8.6%	3.6%
2015	\$592,857	4.9%	3.5%
2014	\$564,996	7.8%	3.5%
2013	\$524,101	7.8%	3.4%
2012	\$486,305	-9.9%	3.4%
2011	\$539,911	26.0%	3.8%
2010	\$428,576	-7.9%	3.2%
2009	\$465,418	-10.1%	3.0%

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**Distribution of Receipts** The majority of receipts from the state use tax are deposited into the State General Fund, with a few exceptions which are described in the [Retail Sales Tax](#) chapter.

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**Levied by** State

For information about local use taxes refer to the [Local Tax Reference Guide](#) or the [Association of Washington Cities \(AWC\)](#).

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**Administration** Department of Revenue.

Use tax is generally reported on the Combined Excise Tax Return.

Exceptions:

- County auditors and registered agents collect the use tax on private sales of registered vehicles when the title transfers between private individuals.
  - Individuals who acquire items where sales tax was not collected report the tax on the Consumer Use Tax Return.
  - Purchasers who purchase goods of at least \$10 million annually may report the tax directly by obtaining a direct pay permit from the Department.
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**History**

The use tax was established as a "compensating" tax, which coincides with the retail sales tax adopted in 1935. All of the subsequent rate changes and most of the tax base revisions have applied to both the retail sales and use taxes.

See the history section in the [Retail Sales Tax](#) chapter for more information.

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