

**Worksheet G – Use Tax Calculation**

Did you purchase any taxable items or services without paying New Jersey sales tax? This includes any Internet, phone, mail-order, or out-of-State purchases on which New Jersey sales tax was not collected, or purchases on which tax was collected at a rate less than 7%. If the answer is “Yes,” you owe use tax to New Jersey. If you have already paid all use tax due with Form ST-18, answer “No.”

- Yes. Complete Parts I, II, and III to calculate the amount of use tax due.
- No. Enter “0.00” on Line 45, Form NJ-1040.

**Do not leave Line 45 blank.**

**Part I – Use tax due on purchases of items or services costing less than \$1,000 each**

Complete lines 1a – 1d OR line 2.

*If you know the exact amount of your purchases...*

- 1a. Enter the exact amount of your taxable purchases on which no New Jersey sales tax was collected ..... 1a. \_\_\_\_\_
- 1b. Multiply line 1a by 7% (.07) ..... 1b. \_\_\_\_\_
- 1c. Enter the amount of sales tax collected by other states for purchases on line 1a, up to 7%. Do not include sales tax collected by foreign countries.. 1c. \_\_\_\_\_
- 1d. Subtract line 1c from line 1b. Continue with Part II ..... 1d. \_\_\_\_\_

**OR**

*If you do not know the exact amount of your purchases...*

- 2. Enter the amount of use tax from the Estimated Use Tax Chart below that corresponds to the income you reported on Line 28, Form NJ-1040. Continue with Part II..... 2. \_\_\_\_\_

**Part II – Use tax due on purchases of items or services costing \$1,000 or more each**

- 3a. Enter the exact amount of your taxable purchases on which no New Jersey sales tax was collected ..... 3a. \_\_\_\_\_
- 3b. Multiply line 3a by 7% (.07) ..... 3b. \_\_\_\_\_
- 3c. Enter the amount of sales tax collected by other states for purchases on line 3a, up to 7%. Do not include sales tax collected by foreign countries.. 3c. \_\_\_\_\_
- 3d. Subtract line 3c from line 3b. Continue with Part III..... 3d. \_\_\_\_\_

**Part III – Total Use Tax Due**

- 4. Add the amount from either line 1d or line 2 to the amount on line 3d. Enter here and on Line 45, Form NJ-1040..... 4. \_\_\_\_\_

**(Keep for your records)**

**Estimated Use Tax Chart**

(for Part I, line 2 only)

<b>If your New Jersey gross income is:</b>	<b>Use Tax</b>	<b>If your New Jersey gross income is:</b>	<b>Use Tax</b>
up to \$15,000.....	\$ 14	\$100,001 – \$150,000.....	134
\$15,001 – \$30,000.....	44	\$150,001 – \$200,000.....	170
\$30,001 – \$50,000.....	64	\$200,001 and over.....	.0852% (.000852)
\$50,001 – \$75,000.....	84		of income, or \$494,
\$75,001 – \$100,000.....	106		whichever is less.

- ♦ On a trip to Maine you purchased an antique desk for \$4,000 and paid Maine sales tax at the rate of 5%. The difference, \$80 (2% of the purchase price), is due to New Jersey as use tax.
- ♦ You sent a watch to a Pennsylvania jeweler to be repaired and the watch was returned to you via UPS. You paid \$45 for the repair plus \$5 for shipping and paid no sales tax. Your use tax liability to New Jersey on this service is \$3.50 (\$50 × .07 = \$3.50).

There are two ways for individual taxpayers to report and remit use tax:

1. By completing and filing a Use Tax Return (Form ST-18) within 20 days after property is brought into New Jersey, or
2. By reporting any use tax due on Line 45 of their resident income tax return, Form NJ-1040.

Form ST-18 is provided in this booklet for your convenience (in the center of the booklet with other tax forms).

**If you do not owe use tax, enter “0.00” on Line 45. Do not leave this line blank. You must enter an amount on Line 45.**

If you owe use tax and are remitting it with Form NJ-1040, use Worksheet G to calculate the amount you owe.

**NOTE:** Using the Estimated Use Tax Chart when calculating the amount of use tax to report on Line 45 does not preclude the Division of Taxation from auditing your account. New Jersey does have access to records maintained by out-of-State businesses, and if additional tax is due, you may receive an assessment for the amount of use tax owed, plus applicable penalties and interest.

For more information about which items and services are subject to New Jersey sales and use tax, see Tax Topic Bulletin S&U-4, *New Jersey Sales Tax Guide*. For more information about New Jersey use tax, see publication ANJ-7, *Use Tax in New Jersey*.