

Individual Use Tax Return

This form may be filed electronically on our website at www.taxes.state.mn.us. Read the instructions on the back.

Print or type	Your name	Social Security number	
	Street address	Year items were purchased	
	City	State	Zip code

Use tax due	1 Amount paid for items purchased 1 _____ If your purchases for personal use total \$770 or less for the calendar year, you do not owe use tax. Do not complete this form.
	2 Minnesota use tax (multiply line 1 by 6.5% [.065]) 2 _____
	3 If you live in one of the following areas, you owe a local use tax. Check the appropriate box and multiply line 1 by the applicable rate (see instructions) 3 _____
	<input type="checkbox"/> Albert Lea = 0.5% <input type="checkbox"/> Cook County = 1.0% <input type="checkbox"/> Minneapolis = 0.5% <input type="checkbox"/> St. Cloud area = 0.5% <input type="checkbox"/> Austin = 0.5% <input type="checkbox"/> Duluth = 1.0% <input type="checkbox"/> New Ulm = 0.5% <input type="checkbox"/> St. Paul = 0.5% <input type="checkbox"/> Baxter - 0.5% <input type="checkbox"/> Hennepin County = 0.15% <input type="checkbox"/> Owatonna = 0.5% <input type="checkbox"/> Two Harbors = 0.5% <input type="checkbox"/> Bemidji = 0.5% <input type="checkbox"/> Hermantown = 0.5% <input type="checkbox"/> Proctor = 0.5% <input type="checkbox"/> Willmar = 0.5% <input type="checkbox"/> Brainerd = 0.5% <input type="checkbox"/> Mankato = 0.5% <input type="checkbox"/> Rochester = 0.5% <input type="checkbox"/> Other _____
	4 Add lines 2 and 3 4 _____
	5 Credit for sales tax paid to another state (<i>see instructions</i>). Attach a copy of your receipt. If no sales tax was paid, enter zero 5 _____
	6 Use tax (<i>subtract line 5 from line 4</i>). 6 _____
	7 Penalty (<i>see instructions</i>) 7 _____
	8 Interest (<i>see instructions</i>) 8 _____
9 Add lines 6, 7 and 8. This is the TOTAL AMOUNT DUE 9 _____ Make check payable to Minnesota Revenue.	

I declare that this return is correct and complete to the best of my knowledge and belief.

Sign here	Signature	Date	Daytime phone

Mail this return and your check to:
Minnesota Revenue, Mail Station 1125, St. Paul, MN 55146-1125

Instructions for Form UT1

What is use tax?

Use tax is the counterpart of sales tax. You owe use tax when Minnesota sales tax is not charged on taxable items you buy, whether you buy them in Minnesota or outside the state.

For example, if you travel to another state or country and bring back items that are normally taxed in Minnesota, you would owe use tax on them. The same applies if you buy taxable items through mail order catalogs or the Internet if Minnesota sales tax is not charged on the purchase.

Use tax does not apply to items currently tax-exempt in Minnesota, such as clothing, prescription drugs and most groceries.

If the items you're buying are for your personal use (as opposed to buying items to use in a business), you can buy up to \$770 worth of taxable goods during the calendar year without paying use tax. If, however, your purchases total more than \$770, you must pay use tax on the entire amount.

How to pay use tax

Electronically. Go to our website at www.taxes.state.mn.us and click "Login to e-File Minnesota" on the e-Services menu; then follow these simple steps. (1) Enter your Social Security number and click "Continue"; (2) Select "Individual use tax" and click "Continue"; (3) Complete the information requested and click "Continue"; and (4) Enter your payment and banking information, and click "Authorize." If you need help at any time, click "Help" at the top of the screen.

By paper. Complete this form (Form UT1) and mail it with your check.

For watercraft and snowmobiles, use tax is paid at the time the item is registered. Do not report it on Form UT1.

To report use tax for a business (including farming), you must have a Minnesota tax ID number and report the tax electronically using e-File Minnesota.

To register for an ID number, go to our website at www.taxes.state.mn.us and click "Register for a Minnesota tax ID number" or call 651-282-5225 or 1-800-657-3594. To access e-File Minnesota, go to our website or call 1-800-570-3329.

Due dates

If your purchases were more than \$770 during a calendar year, you must file an annual return by April 15 of the following year.

If you do not file a use tax return

voluntarily, you may be billed for the use tax you owe as information about purchases subject to use tax becomes available to us. Your bill will include penalty and interest charges if applicable.

Completing Form UT1

Line 3

If you live in the following areas, you also owe local use tax on your purchases.

City/County	Rate	Beginning
Albert Lea	0.5%	4/1/2006
Austin	0.5%	4/1/2007
Baxter	0.5%	10/1/2006
Bemidji	0.5%	1/1/2006
Brainerd	0.5%	4/1/2007
Cook County	1.0%	1/1/2000
Duluth	1.0%	1/1/2006
Hennepin Co.	0.15%	1/1/2007
Hermantown	0.5%	1/1/2000
Mankato	0.5%	1/1/2000
Minneapolis	0.5%	2/1/1987
New Ulm	0.5%	4/1/2001
Owatonna	0.5%	4/1/2007
Proctor	0.5%	4/1/2000
Rochester	0.5%	1/1/1993
St. Cloud Area	0.5%	1/1/2003
St. Paul	0.5%	1/1/2000
Two Harbors	0.5%	4/1/1999
Willmar	0.5%	1/1/2006

Line 5

Minnesota allows a credit for sales tax paid to another state up to the 6.5 percent charged by Minnesota. If you paid sales tax to another state at a rate lower than Minnesota's rate, fill in the amount you paid on line 5.

If the other state's rate is the same or higher, enter the amount equal to the 6.5 percent rate. Attach a copy of the receipt showing the tax paid to the other state. **You are not allowed credit for customs duty charges or tax paid to other countries.**

Lines 7 and 8

If you don't pay the use tax you owe on time, you must pay penalty and interest. If your payment is 1 to 30 days late, the penalty is 5 percent of the unpaid tax; 31 to 60 days late, 10 percent; more than 60 days late, 15 percent. If you also don't file your return on time, add an additional 5 percent to the above penalty.

Figure interest on the tax plus penalty from the due date until the date the total is paid.

Example:

How to figure penalty and interest

You owe \$130 in use tax for 2006, which is due April 16, 2007. You file Form UT1 and make your payment on March 15, 2008 (334 total days late).

Your unpaid tax = \$130.00

Penalties

Late-payment penalty for more than 60 days late (15%) = \$19.50

Late-filing penalty (5%) = \$6.50

Enter on line 7 \$26.00

Interest (using formula):

Number of days late in 2007 = 259

Interest rate for 2007 = 8% (.08)

Number of days late in 2008 = 75

Interest rate for 2008 = 8% (.08)

$(\$130 + \$26) \times 259 \times .08 \div 365 = \8.86

$(\$130 + \$26) \times 75 \times .08 \div 365 = \2.56

Enter on line 8 \$11.42

The interest rates for the following years are:

2008 – 8% 2006 – 6% 2004 – 4%
2007 – 8% 2005 – 4% 2003 – 5%

Use this formula to figure interest:

Interest =

$(\text{tax} + \text{penalty}) \times \# \text{ of days late} \times \text{interest rate} \div 365$

Information and forms

If you have questions or need additional forms, call 651-296-6181 or 1-800-657-3777. Forms are also available on our website at www.taxes.state.mn.us. TTY: Call 711 for Minnesota Relay. We'll provide information in other formats upon request to persons with disabilities.

Use of information

All information on your return is private by state law. It cannot be given to others without your consent, except to the Internal Revenue Service and to other states that guarantee the same privacy.

Your name, address and Social Security number are required for identification. Information about your taxable purchases is required to determine your correct tax. We ask for your phone number so we can call you if we have a question.