

Re: Missouri Use Tax – Are You at Risk?

Dear Client,

The State of Missouri imposes a use tax on Missouri businesses and individuals for the privilege of storing, using, or consuming tangible personal property in Missouri. While Missouri has imposed the use tax since the late 1950s, many purchasers are not aware of their responsibilities to report transactions and remit the appropriate tax. The purpose of this letter is to make you aware of your responsibilities and help you avoid noncompliance penalties.

If an out-of-state seller does not collect Missouri sales or use tax on a sale to a Missouri purchaser, the purchaser has a responsibility to file a Missouri Consumer's Use Tax Return and remit any tax due directly to the Missouri Department of Revenue. The amount of use tax due to Missouri is reduced by any sales or use tax paid to another state on the items purchased.

Therefore, if you have purchased any tangible personal property from out-of-state and no sales or use tax was paid on the purchase, you may be liable for Missouri use tax. Common examples of purchases on which use tax may be due include:

- Purchases from Internet sellers or catalogs
- Purchases from out-of-state suppliers that were shipped directly to you from outside Missouri
- Items you purchased from outside Missouri that you brought into the state
- Goods imported from other countries

Missouri law provides an exception from filing a Consumer's Use Tax Return if your total untaxed purchases are less than \$2,000 during the calendar year. Once your annual purchases on which tax has not been paid equals or exceeds \$2,000, you must file a Consumer's Use Tax Return and remit tax on your total taxable purchases, including the first \$2,000 in taxable purchases.

The Missouri Department of Revenue has implemented new tools to help identify businesses and individuals that are not complying with Missouri's use tax laws. This can be complicated and confusing so if you believe you may have a Missouri use tax filing responsibility for 2012, please let us know. We can help you determine whether your purchases qualify for any exemptions (such as manufacturing machinery and equipment) and prepare and file the return if necessary.

Sincerely,

JENKINS CPA, LLC