

Use Tax and Retailers



Retailers like all other taxpayers, owe use tax on their untaxed purchases of tangible personal property used in Ohio (see Table 1). Retailers also owe use tax on their untaxed purchases of certain taxable services provided to the retailer in Ohio (see Table 2). In addition, retailers have an added responsibility of paying tax on certain purchases used in their retail establishments (see Table 3).

Ohio law provides that a retailer is a consumer of the tangible personal property that it uses in its retail operation. As the consumer, the retailer is responsible for paying sales or use tax on the purchase of the tangible personal property. If a retailer does not pay Ohio sales tax to its supplier on the tangible personal property, then it generally owes use tax when it uses that tangible personal property in Ohio. The use tax will need to be remitted directly to Ohio by the retailer.

If a retailer resells tangible personal property to its customers, the purchase of that tangible personal property by the retailer is exempt from sales and use tax. In this situation, the retailer would be responsible for collecting sales tax on its sale of the tangible personal property to its customers (unless the customer is exempt).

What is subject to Use Tax?

The lists below are not all-inclusive and provide only a basic knowledge of what items are subject to use tax.

In general, the following are examples of tangible personal property subject to use tax:

Table 1

Office Equipment:	Computers, monitors, printers, scanners, fax machines, staplers
Office Supplies:	Paper, tape, business cards, calendars, envelopes, folders
Furniture:	Desks, chairs, tables, lamps, televisions, DVD players
Cleaning Supplies:	Mops, brooms, cleansers, paper towels, gloves, buckets

In general, the following are examples of services subject to use tax:

Table 2

Installation	Snow removal
Repair	Janitorial and maintenance
Employment (temporary labor)	Storage
Lawn care and landscaping	Maintenance contracts
Exterminating	Employment placement
Automatic data processing	Motor vehicle towing

In general, the following are examples of tangible personal property subject to use tax for specific retailers:

Table 3

Grocery:	Coolers, freezers, display cases, shelves, checkout counters, special lighting
Convenience/Gas:	Coolers, shelves, checkout counters, gas station canopies, gas tanks, gas dispensers
Restaurant:	Checkout counters, cash registers, buffet counters, storage racks
Hotel:	Carpeting, furniture, and pictures in common areas
Department store:	Shelves, checkout counters, display fixtures, special lighting

There are specific exemptions for retailers. Please see the Ohio Revised Code, Ohio Administrative Code and Information Releases for more detailed information on taxable and exempt items.



For more information on Use Tax
visit our website at tax.ohio.gov

To register to pay the Use Tax,
phone (888) 405-4089.

For general questions regarding Use Tax,
phone (888)-405-4039.