



Arizona Department of Transportation
Transportation Services Group

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NOTICE OF INCREASE FOR THE STATE USE TAX

On May 18, 2010, the voters of Arizona passed a 1% increase for the state "sales" tax. This tax is officially referred to as the Transaction Privilege and Use tax. The Use tax is similar to the Transaction Privilege (sales) tax. The tax rate increase took effect on June 1, 2010, and will be in effect for three years.

The state Use tax is imposed on fuel that is exempt from Use Fuel (diesel) and Motor Vehicle Fuel taxes and is remitted to the Arizona Department of Revenue. An example of exempt fuel would be fuel that is used off the highway system, such as in construction or farm equipment or in motors that power truck refrigeration units (reefers).

Entities or individuals that submit Off-Highway/Reefer Refund Requests will notice the Use tax increase from 5.6% to 6.6% on ADOT Form 96-0168, beginning with the June 2010 refund requests.