



# COLORADO

## **SALES AND USE TAX** **GENERAL INFORMATION AND REFERENCE GUIDE**

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The Department of Revenue's online tax system Revenue Online, offers convenient and secure access to conduct business with the department on a computer, laptop, smart phone or tablet. You may verify sales tax license or exemption certificate numbers, view local tax rates, find local taxes by address and more. Sign up for access to manage your tax account and file and pay online at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). To view the most up-to-date news and information from the department, visit the Taxation Web site at [www.TaxColorado.com](http://www.TaxColorado.com). Information referenced in this publication, Colorado tax forms (designated by a DR number) and FYI publications are available at [www.TaxColorado.com](http://www.TaxColorado.com).

If you plan to open a business in Colorado, prepare sales and use tax returns, or if you're interested in learning more about Colorado tax laws then this booklet is for you. If you are new to Colorado sales and use taxes, the Glossary on pages 10 and 11 may be helpful. See page 12 in this booklet for details on the benefits of using the department's online tax system, Revenue Online.

## Colorado Sales Tax

Colorado imposes a sales tax of 2.9% percent on retail sales transactions of 18 cents or more. A 3% tax may still be required on sales or leases originating prior to 1/1/2001. Although, many cities and counties impose their own local sales/use tax on purchases and transactions within their boundaries, the Colorado Department of Revenue (CDOR) collects sales tax for approximately 330 cities and counties, and special districts. These jurisdictions are referred to as "state-collected" or "statutory," and include all Colorado counties that impose sales tax, with the exception of Denver and Broomfield counties which are home-rule self-collected jurisdictions.

Cities and counties that have enacted a "home-rule" charter and have elected to administer and collect their own local sales and use taxes are referred to as "self-collected" or "home-rule." Home-rule jurisdictions **must be contacted directly** for information surrounding their requirements when doing business in their jurisdictions.

See publication Colorado Sales/Use Tax Rates (DR 1002) for a list of all cities, counties and special districts in Colorado.

### Goods

For state-collected jurisdictions, most goods are subject to sales tax. An example of goods exempt by law from state and state-collected local sales taxes include, prescription drugs, insulin and insulin supplies, and medical supplies prescribed by a doctor.

Some items such as food for home consumption and farm equipment may be exempt from state sales and use tax but may not be exempt from city, county and/or special district taxes.

### Services

Most services are not subject to Colorado sales tax. Exceptions to this guideline include: rooms and accommodations; catering; commercial gas and electric service; steam; and intrastate telephone and telegraph services. The transportation of tangible personal property between a retailer and purchaser is a service presumed to be not subject to sales or use tax. Transportation charges are not taxable if they are both (1) separable from the sales transaction, and (2) stated separately on a written invoice or contract. See publication FYI Sales 29, "Special Regulation: Transportation Charges" for more information. Dealer preparation and handling charges for motor vehicles are taxable.

If a service is provided after the sale of tangible property, the serviced charge must be itemized separately on the invoice/bill to become a nontaxable service. For example, if you order cabinets with an agreement to install, the installation charges must be separately stated on the invoice. If it is not separated, the entire invoice is taxable. In addition, fabrication labor used in preparing the tangible property is never exempt, such as the labor used to manufacture curtains, cabinets, tables, chairs, window coverings, etc. See publication FYI Sales 52, "Service Enterprises" for more details.

For local sales/use tax rates, visit Revenue Online at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). For more detailed information on

state-collected local taxes, see publication FYI Sales 62 "Guidelines for Determining When to Collect State-Collected Local Sales Tax."

## Colorado Consumer Use Tax

Consumer use tax is a complement to state sales tax. Consumer use tax is payable to the state by individuals and businesses when sales tax is due but has not been collected. Individuals and businesses have always been required to pay sales or use tax on taxable purchases from out-of-state vendors if the item is sold, leased, or delivered in Colorado for use, storage, distribution, or consumption in the state. An example would be when you purchase an item from an out-of-state retailer who does not collect Colorado sales tax, then the use tax is due. A second example would be for items purchased over the Internet and no sales tax is charged by the retailer.

Colorado state use tax is the same rate as the sales tax, 2.9%. With proof of payment, sales tax paid to another state may be credited against state use tax due in Colorado for a particular item. Use tax is also collected by some special districts.

The Colorado Department of Revenue collects state and Regional Transportation District/Scientific and Cultural Facilities District (RTD/CD) and Regional Transit Authority (RTA) use tax, but does not administer or collect county or city use tax. Local use tax is paid directly to the taxing authority to which it is owed or to county motor vehicle offices. At their option, state-collected cities and counties may charge use tax on motor vehicles, construction and building materials. Self-administered local jurisdictions make their own use tax regulations and must be contacted directly for information.

Both individuals and businesses can file and pay consumer use tax online at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). The online system has built-in tax rates for the jurisdictions applicable to the business or residence address. The system calculates the amount of tax owed based on the purchase total and will help you avoid errors and is easy to use.

Use tax payments may also be remitted to the Department of Revenue on a "Consumer Use Tax Return" (DR 0252). RTA use tax payments may be remitted through Revenue Online or on the "RTA Consumer Use Tax Return" (DR 0251). Individuals can file the "Individual Consumer Use Tax Return" (DR1306) if unable to file online. Contact local jurisdictions and home-rule cities directly about use taxes owed to counties and cities. For more detailed information on consumer use tax, see publication FYI General 10 "Consumer Use Tax."

## Who Must Have A License

### GENERAL GUIDELINES

A Colorado sales tax license is proof that a business is properly registered with the Department of Revenue and is authorized to make tax-free purchases of merchandise for resale and collect tax on the sale of the merchandise.

If your business sells tangible personal property, either retail or wholesale, you must obtain a Colorado sales tax license and maintain a sales tax account with the State of Colorado. Vendors of taxable services must obtain a Colorado sales tax license and must charge sales tax on these services. If you have more than one physical business location where sales are made, a separate license is required for **each location**. For example, if a company has a chain of stores, each store must have a license.

In addition, if a business makes sales at a location other than its regular business location, a “special event” license must be obtained. Examples of events are craft or collector’s shows. This special event license (see Types of Licenses) is required whether or not you have a permanent business location.

An individual who makes retail sales from a private residence that total \$1,000 or less in a calendar year is not required to have a sales tax license. However, taxes on these sales must be collected and paid by April 15 of the following year on the “Retail Sales Tax Return for Occasional Sales” (DR 0100A). For more information on this topic, see publication FYI Sales 8 “Sales Tax Requirements for Small Home Businesses.”

### TYPES OF LICENSES

Four types of sales tax licenses are available in Colorado:

- ✓ **Standard Retail Sales Tax License** — for businesses with a permanent location in Colorado where retail sales are conducted on a regular basis.
- ✓ **Wholesale License** — for businesses that make sales only to other licensed vendors for resale.
- ✓ **Single Event Sales Tax License** — required when an individual, organization or vendor plans to conduct retail sales at a location other than the regular business location (if any). The license is valid for **one event only**. Examples would be a craft or collector’s show. Organizers of an event may choose to obtain a single event license and collect and remit tax on behalf of the participating vendors.
- ✓ **Multiple Events Sales Tax License** — a two-year license for those engaged in retail sales at more than one special event in a two-year period. It is more cost-effective than the single event license for vendors who plan to sell at more than one event in a two-year period. All multiple event licenses expire on December 31st of odd-numbered years.  
As with the single event license, an organizer of more than one event in a two-year period, where retail sales are made by three or more vendors, may elect to obtain a multiple events license in lieu of having each individual participating vendor obtain separate licenses. Organizers obtaining this license will collect and remit tax on behalf of the vendors and will retain applicable vendor’s fees. Single or multiple event sales tax licenses are required, and sales tax must be collected, at charitable events as well as for-profit events.
- ✓ **Retailer’s Use License** — a two-year license for out-of-state companies without a business presence in Colorado. There is not a \$50 deposit nor a \$16 license fee for this license. See publication FYI Sales 5, “Sales Tax Information for Out-of-State Businesses” for additional information about this license.

### LICENSE FEES

The single event license costs \$8 for each event. The standard Colorado sales tax license, the wholesale license and the multiple events license each cost \$16. A business that has a standard Colorado sales tax license may obtain a single or multiple event license free of charge. All licenses, with

the exception of the single event license, are effective for a two-year period. Two-year licenses are renewed at the beginning of each even-numbered year, and expire at the end of each odd-numbered year, as follows:

- Jan. 1, 2012 – Dec. 31, 2013
- Jan. 1, 2014 – Dec. 31, 2015
- Jan. 1, 2016 – Dec. 31, 2017

Your cost for a license purchased after the start of an even-numbered year will be prorated in six-month increments, as follows:

Date purchased:	Fee:
Jan. 1, 2012 – June 30, 2012 .....	\$16
July 1, 2012 – Dec. 31, 2012 .....	\$12
Jan. 1, 2013 – June 30, 2013 .....	\$8
July 1, 2013 – Dec. 31, 2013 .....	\$4

For example, if you open your business July 15, 2012, the first six months of the license period have already elapsed. Therefore, you would pay \$12 for a license for the remaining 18 months of the 2012-13 license period.

### TAX DEPOSIT FOR NEW BUSINESSES

A new retail business is required to pay a one-time \$50 tax deposit to help ensure that only legitimate businesses acquire sales tax licenses. The deposit is automatically refunded to the retailer after remittance of \$50 in **state** sales tax on the sales tax return. If a business fails to remit any sales tax, no portion of the \$50 deposit will be refunded, regardless of the length of time the business account is open.

Applicants for the wholesale license, single event license, and the multiple events license **are not** required to pay this deposit.

### Obtaining A Sales Tax License

Three methods of obtaining a license are:

- use Colorado Business Express online, [www.Colorado.gov/ColoradoBusinessExpress](http://www.Colorado.gov/ColoradoBusinessExpress) The service will take you step-by-step through the application process and you will receive your license/account number immediately. A copy of the license will be sent in the mail, or
- at any CDOR service center, where you can get your account number and a temporary license immediately, or
- complete the “Colorado Sales Tax/Withholding Account Application” (CR 0100) and mail it in. See the “Instructions for the Colorado Tax Account Application” (CR 0101) on the Web site at [www.TaxColorado.com](http://www.TaxColorado.com) Allow four to six weeks for processing. You will receive your license and account number in the mail.

Pay the appropriate fee(s) when you submit your application. The fees explained on this page are noted in the Colorado Business Express system and on the back of the tax application form. If applying in-person, be sure to bring with you 2 copies of a completed CR 0100. No cash or credit cards are accepted as payment at the CDOR service centers. All applicants, other than individuals, are required to have a Federal Employer Identification Number (FEIN).

If you are applying for a Special Event License, you are required to complete the Sales Tax Special Event Application (DR 0589). You are required to have a special event license prior to the event.

### COLORADO SALES TAX LICENSE

Must be

- displayed in a conspicuous place at the business location.
- renewed every two years (except single event licenses).

- canceled by the business if the business closes.
- kept up to date by the business. You may make mailing address changes quickly in Revenue Online. However, changes to the site location must be made by completing and mailing form DR 1102, “Address Change or Business Closure Form” or, communicating with a department representative directly. There is no charge for name, owner name and address changes to a license when a business retains the current license. If there are changes in the type of ownership, such as changing from a sole owner to a partnership, a new license is required. A new tax account license should be obtained through any of the methods available and applicable fees will be due.
- used to purchase goods as a wholesaler or **for resale** by retailers.

May NOT be

- used to obtain personal goods or business assets tax-free. **Purchase for resale exemption applies only to purchases of goods for resale that are part of your regular business sales.**

For further information on sales tax licenses, see publication FYI Sales 9 “Sales Tax Licenses and Filing Requirements.”

## Related Information

### TRADE NAME INFORMATION

The Colorado Department of Revenue does not process the registration of trade names for any type of business. The filing of trade names, renewals, inquiries and collection of trade name fees is provided by the Colorado Secretary of State’s office at [www.sos.state.co.us](http://www.sos.state.co.us)

### BUYING OR SELLING A BUSINESS

If you are buying a business, you may

- request a “Tax Status Letter” about the business from the Department of Revenue. The letter indicates the department’s current information regarding the standing of the business, tax payments and tax delinquencies. Complete the “Request for Tax Status Letter” (DR 0096) and remit the completed form along with the appropriate fee. The fee is \$7 per tax. The seller of the business may request the letter for the buyer or the buyer may request the letter with a power of attorney from the seller.

As the buyer of a business that sells goods, you must

- obtain a sales tax license.
- pay sales tax on the tangible personal property, excluding inventory, included in the purchase of the business by the 20th day of the month following the sale. Submit the tax with a completed “*Retail Sales Tax Return for Occasional Sales*” (DR 0100A).

If you are selling a business, you must

- pay all business taxes due at the time of the sale.
- pay sales tax collected on the sale of tangible property.
- close the business’s sales tax account with CDOR.

You must not close an account until all required tax returns and taxes due are submitted. Returns, even if zero, may be filed through your Revenue Online account. For additional information about buying and selling businesses, see publication FYI Sales 74 “Sales Tax Filing and Changes in Account Status.”

## Information for Particular Types of Businesses

### VENDING MACHINE OPERATORS

**Fees:** Owners, operators, lessors and lessees of vending machines who have control of the receipts must obtain a Colorado sales tax license. To obtain this license, complete a “*Colorado Sales Tax/Withholding Account Application*” (CR 0100). You must also pay a \$50 deposit which will be refunded after you have remitted at least \$50 in state sales tax to the Department of Revenue.

**Vending Machine Stickers:** At the time you obtain your sales tax license, you must also purchase an identification decal or sticker for each machine. Each decal costs 10 cents. To obtain the stickers, complete a “*Request for Vending Machine Decals*” (DR 0235). The sticker should be placed on the front or side of the machine and should always be visible and accessible. The sticker allows Department of Revenue agents to identify the machine and its owner. Machines without stickers are subject to confiscation by the Department of Revenue.

For additional information about vending machines, taxability of items sold in the machines, and reporting and paying tax, see publication FYI Sales 59 “Vending Machines.” Also, see publication FYI Sales 58, “Requirements for Sales Tax Remittance for Multiple Location Companies” for additional information on adding new locations.

### RENTAL BUSINESSES

If you have a leasing company and collect sales tax on lease/rental agreements, you must secure a leasing permit in addition to your sales tax license. Complete and return to the CDOR a “*Permit to Collect Sales Tax on the Rental or Lease Basis*” (DR 0440). There is no fee for this permit. Leasing businesses with multiple locations must complete one DR 0440 for **each** business location.

This requirement is applicable to all businesses that rent or lease tangible personal property to customers on a short or long term basis. If the lease on rental is for a period of less than three years and the DR 0440 is not filed, you must pay sales tax up front on all rental equipment. Sales tax must not be shown on later charges or invoices during the term of a lease period that is less than three years. Examples include, but are not limited to, motor vehicles, construction equipment, formal wear, videos and digital equipment, computers and peripherals, lawn and garden equipment.

For information about motor vehicle leasing, see publication FYI Sales 56 “Sales Tax on Leases of Motor Vehicles and Other Tangible Personal Property.”

For information about the Motor Vehicle Daily Rental Fee, see publication FYI General 19, “Motor Vehicle Daily Rental Fee.”

### CONTRACTORS IMPROVING REAL PROPERTY

Contractors who build and construct real property improvement and who bid work under lump sum contracts are considered to be the users and consumers of materials used during the contract work and must pay sales tax to their vendors on all purchases.

**When is a license needed?** Contractors and subcontractors performing only lump-sum contracts **do not** need a Colorado sales tax license. However, they must pay all applicable Colorado sales and use taxes on all purchases of building supplies, construction materials and all other tangible personal property. The only nontaxable purchases of building materials contractors and subcontractors may make are those for construction work for tax-exempt organizations.

**Retailer-Contractors:** Retailer-contractors are contractors who are also retail merchants of building supplies or construction materials. Retailer-contractors must open and maintain Colorado sales tax accounts. Complete and submit an account application either through Colorado Business Express, [www.Colorado.gov/ColoradoBusinessExpress](http://www.Colorado.gov/ColoradoBusinessExpress) or with a “Colorado Sales Tax/Withholding Account Application” (CR 0100) to the Department of Revenue with the appropriate fees (see “License Fees” section on page 3 of this booklet). You will receive a sales tax license, which allows you to purchase items tax-free that are for resale to retail customers. Like all other retail vendors, you must collect and remit to the CDOR all state and state-administered local sales tax on retail sales. You will receive sales tax returns for this purpose.

See publication FYI Sales 6 “Contractors and Retailer-Contractors—Definitions and Sales Tax Requirements” for more information about purchasing materials, delivery to work locations and taxability.

## MOBILE BUSINESSES

Businesses that sell goods via a mobile vehicle must obtain a sales tax license for the business. These businesses will pay the \$16 license fee and \$50 deposit. Appropriate state and local taxes for the areas where sales are made must be collected and remitted to the department. See the publication “Colorado Sales/Use Tax Rates” (DR 1002) for local tax rates. A separate return must be filed for each jurisdiction where sales are made. Home-rule cities must be contacted directly when sales are made within their jurisdictions. If you sell food, contact your local health agency to determine local licensing requirements.

## AVIATION FUEL VENDORS

Vendors who sell aviation jet fuel at Colorado airports are required to collect state sales and local taxes, report gallons sold by location and pay such sales separately from other retail sales reported on form DR 0100. A separate aviation return reporting form is sent to taxpayers to facilitate such reporting.

The aeronautics division of the Colorado Department of Transportation distributes the funds to Colorado FAA-designated public use airports.

If a vendor sells aviation jet fuel in Colorado, it must contact the department to be set up to receive reporting forms. For further information, see publication FYI Sales 57 “Sales and Use Tax Applicable to Gasoline and Special Fuels.”

## OUT-OF-STATE BUSINESSES

A business located outside the State of Colorado must obtain a sales tax license if it maintains in Colorado – directly or indirectly, or by a subsidiary – an office, distributing house, salesroom, warehouse or other place of business, or if the business leases tangible personal property that will be used in Colorado. Other out-of-state businesses should obtain a Colorado retailer’s use tax license. For more details concerning out-of-state vendor responsibilities, see publication FYI Sales 5 “Sales Tax Information for Out-of-State Businesses.”

## Collecting Sales Tax

Generally, the vendor is responsible for collecting sales tax on any sale of tangible personal property made within the state that is not a wholesale sale. All such sales of 18 cents or more are subject to 2.9% Colorado state sales tax plus all applicable city, county and special district sales taxes. [§39-26-106(1)(a), C.R.S.]

## LOCAL SALES TAXES

City, county and special district sales taxes collected by the state are administered in the same manner as state sales tax. If the sale is subject to state sales tax, it is also subject to state-collected local sales tax. Examples of exceptions to this guideline are: food for home consumption; machinery and machine tools (as defined on form DR 1191); gas and electricity for residential use; occasional sales by charitable organizations; farm equipment; food sold through vending machines; low-emitting heavy vehicles (over 10,000 pounds); renewable energy components; beetle wood products; and school-related sales. These items are exempt from state sales tax, but cities and counties may elect to tax such items. The collection of city and county sales taxes are not required when the retail goods are delivered to a destination outside the boundaries of the vendor’s local taxing jurisdiction, if the vendor does not have a business presence there. However, special district use taxes may be due.

See the publication “Colorado Sales/Use Tax Rates” (DR 1002). The DR 1002 is updated every January and July and contains:

- explanations of state and regional sales/use taxes;
- a list of city, county and special district sales tax rates for which the state collects the tax; and
- phone numbers and tax rates for home-rule cities that collect and administer their own taxes.

It is important to check our Web site for changes to tax rates effective January and July every year. If you have multiple locations, you should determine if it is necessary to make changes to your branch/sites by adding, amending or closing branches to prevent filing errors on your return. See publication FYI Sales 58, “Requirements for Sales Tax Remittance for Multiple Location Filers” for additional information.

This publication also includes information about local use taxes and special exemptions in particular local tax jurisdictions. For further information, see publication FYI Sales 62 “Guidelines for Determining When to Collect State-Collected Local Sales Tax.”

## SPECIAL DISTRICT TAXES

### RTD/CD Sales and Use Tax

Most of the Denver metropolitan area lies within a special tax district. It is two separate tax districts with almost identical boundaries. The authorities and sales/use tax rates are: Regional Transportation District (RTD), 1.0 percent and Scientific and Cultural Facilities District (CD), 0.1 percent for a combined rate of 1.1 percent. Beginning January 1, 2012, the RTD/CD tax rate is 1.1%. If you are collecting tax on leases contracted prior to January 1, 2012, you will need to file a “Colorado Baseball/Football District Tax Return-Supplement” (DR 0200) to report the Football District Tax (FD) collected. More information on RTD/CD may be found in publication “Colorado Sales/Use Tax Rates” (DR 1002) located on the Web site at [www.TaxColorado.com](http://www.TaxColorado.com)

To find out whether an address you are delivering to is within RTD/CD boundaries, contact RTD at [www.rtd-Denver.com](http://www.rtd-Denver.com)

### Local Improvement District Tax (LID)

A sales tax is imposed on all transactions that are subject to state sales tax within certain designated areas in Jefferson, Boulder, Broomfield, Douglas, and Mesa Counties.

**Mass Transit District Tax**

A sales tax in Eagle, Pitkin and Summit Counties is imposed on all transactions that are subject to state sales tax. The tax is remitted when you file your return through your Revenue Online account or on the “*Colorado Retail Sales Tax Return*” (DR 0100).

**Multi-Jurisdiction Housing Authority (MHA)**

Summit County has a multi-jurisdictional housing authority sales tax.

**Public Safety Improvements (PSI)**

Montrose County has a Public Safety Improvements sales tax.

**Rural Transportation Authority (RTA)**

If your business is located in Eagle, El Paso, Garfield, Gunnison, Pitkin Counties or in the City of Sterling, a Rural Transportation Authority (RTA) may be imposed. The RTA sales tax is reported when you file your return through your Revenue Online account or on the “*Colorado Retail Sales Tax Return*” (DR 0100). The RTA consumer use tax is reported on “*RTA Consumer Use Tax Return*” (DR 0251). The RTA retailer’s use tax is reported when you file your return through Revenue Online or when you file the “*Retailer’s Use Tax Return*” (DR 0173). The areas that impose the RTA may be found in publication “*Colorado Sales/Use Tax Rates*,” (DR 1002).

**Metropolitan District Tax (MDT)**

Aspen Park Metropolitan District, located in Jefferson County, and Bachelor Gulch, located in Eagle County, levy a sales tax. See publication “*Colorado Sales/Use Tax Rates*” (DR 1002) for additional information.

**SELF-COLLECTED HOME-RULE CITIES**

Home-rule cities that collect their own local sales/use taxes may have different guidelines and must be contacted directly. These cities are listed in “*Colorado Sales/Use Tax Rates*” (DR 1002), along with their contact information.

**COUNTY LODGING TAX**

Counties may impose a tax on lodging services including hotels, motels, condominiums, and camping spaces. Tax is remitted quarterly on “*County Lodging Tax Return*” (DR 1485). County Lodging Tax applies to gross room rental income, no reductions for rentals that are exempt from state sales tax applies.

**LOCAL MARKETING DISTRICT TAX**

The town of Vail, the cities of Steamboat Springs and Estes Park, and Alamosa and Gunnison County levy a Local Marketing District tax on hotel and motel rooms. The tax is remitted quarterly to the Department of Revenue on the “*Local Marketing District Tax Return*” (DR 1490).

**MISCELLANEOUS FEES****Motor Vehicle Daily Rental Fee**

This fee is applicable to motor vehicle rentals by companies whose primary business is renting motor vehicles for less than 45 days. For such rentals, the fee applies for each day each vehicle is rented. The fee is paid by the customer and should be separately stated on the rental contract as the Colorado Road Safety Program Fee. This \$2 fee should not be included in the amounts subject to state and local sales tax. If a vehicle is separately rented to more than one customer in a given day, the \$2 fee should be charged to each customer. See publication FYI General 19, “Motor Vehicle Daily Rental Fee” for more information.

**Prepaid Wireless Service Fee**

Retailers of prepaid wireless service are required to collect a fee of 1.4% of the purchase price of the service. Prepaid wireless service includes retail purchase of prepaid service, purchases made on the Internet and recharge minutes.

The proceeds of this fee are distributed to local Colorado E911 authorities. The fee is remitted on the form “*Prepaid Wireless Fee*” (DR 0526) at the same time a retailer or wholesaler remits their sales tax return. For further information, see publication FYI General 21, “E911 Surcharge.”

**New Tire Recycling Development Fee**

Retailers of new tires are required to collect a fee of \$1.50 on every new motor vehicle tire sold by a tire retailer to a consumer. The fee applies to any passenger vehicle including motorcycle tires but not to tires of trucks that weigh more than 15,000 pounds that have been recapped or reprocessed.

The proceeds of this fee go towards recycling programs for tires. This fee is remitted on the “*New Tire Fee Return*” (DR 1772) at the same time a retailer remits their sales tax return. For further information, see publication FYI General 13 “Waste Tire Recycling Development New Tire Fee.”

**DELIVERIES TO CUSTOMERS**

When a purchaser, who has no intent of reselling, takes first possession of sold items (except motor vehicles) at your business location, you must collect all applicable sales taxes for the jurisdictions in which your business is located, regardless of where the purchaser resides (even out-of-state) or intends on using the item.

When conditions of the sale dictate that an item be delivered by regular mail, parcel post, common carrier or your business’s vehicle, the destination is regarded as the point of sale, and the sales taxes of only the jurisdictions which both seller and buyer share in common would be collected by the seller unless a “nexus” has been established.

For example, if the delivery site is within the same city in which your business is located, you would collect all appropriate taxes, such as city, county, RTD/CD and state. If you deliver outside the city, county and any special taxing districts in which your business is located, the only jurisdiction you would share would be the state; therefore, the state sales tax would be collected. However, use taxes are due for deliveries made into special districts that impose a use tax. The use tax should be reported on form DR 0173, Retailers Use Tax Return. If your company has a business location (sales office, warehouse, store, etc.) or has otherwise established a “nexus” within the destination city, you would collect all sales taxes applicable for that location (detailed information is provided in publication FYI Sales 62, “Guidelines for Determining When to Collect State-Collected Local Sales Tax”). Deliveries shipped outside Colorado are not subject to Colorado sales taxes.

If the purchased goods are turned over to an independent contractor/subcontractor for delivery to the customer it is the store location, not the delivery destination, that is considered the point of sale. An example of this would be a carpet purchase that the retailer turns over to an independent installer for delivery and installation.

While no sales taxes are collected for jurisdictions the buyer and seller do not share in common, special district use tax due by the seller and local use tax may be owed by the purchaser when those deliveries occur in special district areas and home-rule city jurisdictions. Vendors must maintain adequate records to prove where deliveries took place, and that deliveries occurred prior to any use by the buyers of items purchased.

Delivery charges could be taxable. See the Glossary on pages 10 and 11 of this booklet. See publication FYI Sales 62 “Guidelines for Determining When to Collect State-Collected Local Sales Tax” and publication

FYI Sales 29, “Special Regulation: Transportation Charges” for more detailed information on delivery taxability and motor vehicle taxability.

## Record Keeping

You must keep records of all of your business transactions to enable both you and the CDOR to determine the correct amount of sales and use taxes for which you are liable. These records must include:

- ✓ complete, accurate beginning and ending inventories
- ✓ purchase receipts
- ✓ sales receipts
- ✓ canceled checks/bank statements
- ✓ invoices
- ✓ dated delivery acceptance receipts showing location
- ✓ bills of lading
- ✓ all other account books and documents pertaining to the business.

If you make nontaxable sales to other retailers or wholesalers, remember to keep copies of their sales tax license exemption certificates and keep customer-signed statements that purchases are for resale. Vendors accept resale licenses in good faith. Vendors should verify whether a business that purchases items should be exempt at “Verify a Sales Tax License” service at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). You must have the business sales tax license or exemption certificate number to use the service. See publication FYI Sales 1, “How to Document Sales to Retailers, Tax-Exempt Organizations and Direct Pay Permit Holders.”

Vendors must keep and preserve all invoices of goods and merchandise purchased for resale for three years. These records must be available for review by the Department of Revenue. [Sales Tax Regulation (39-)26-116]

## BURDEN OF PROOF

When a vendor makes a tax-exempt sale, records must be kept that sufficiently demonstrate the purchaser’s tax exemption for each sale. [Sales Tax Regulation 39-26-105.1(c)] The retailer or vendor bears the burden of proving that the purchaser is entitled to exemption from sales tax. You may request the purchaser sign a verification affidavit for your records. For further information on verification of tax-exempt sales, see publication FYI Sales 1, “How to Document Sales to Retailers, Tax-Exempt Organizations and Direct Pay Permit Holders.” Verify a Sales Tax License at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)

## INVENTORY USAGE

If your business takes out of its inventory goods that were purchased tax-free for resale and uses the goods for personal or business purposes, you must pay **sales** tax on those items when they are taken out of inventory and used. The cost of the items must be entered on line 10 of the *Retail Sales Tax Return* (DR 0100). Tax is due for state, special districts, county or state-collected municipal tax.

## ACCOUNTING METHODS

For sales tax purposes, you may report your gross sales either on an accrual basis as sales are made or on a cash basis as payment is received. [Within the standard set by §39-26-111 C.R.S.] However, you may not alternate methods. You must keep records for at least three years.

## CLOSURE OF INACTIVE ACCOUNTS

Any licensed account, exclusive of wholesale accounts, that shows no sales tax remitted for any period of 12 consecutive months will be closed automatically by the CDOR. Such inactivity is considered evidence that the licensee is not in the business of selling at retail.

You should verify your account status on Revenue Online before you stop filing your returns. An estimated billing will be issued for any period open for one day or more where a return has not been filed.

## Filing Returns and Paying Taxes

### GENERAL FILING INFORMATION

The Department of Revenue encourages online filing through Revenue Online, [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). Sign up to access your account; file and pay online and manage your account, including address changes, viewing payment and filing histories and filing protests. The advantage of filing online is that all the appropriate tax rates for your business are accounted for and your return is calculated, which helps you avoid errors and billing notices. If you choose to file on paper, the chance of error is greater. Once you file online or apply for a license through Colorado Business Express (CBE) online, the department will not mail returns. Single location, seasonal, annual filers, and accounts with multiple locations that do not file online should receive preprinted forms approximately 10 days before the close of each filing period. Each form will be preprinted with the licensee’s name, address, account number, the taxing districts for which you normally collect tax, and the return’s due date. Enter the amounts of sales and taxes on the applicable lines. If no tax was collected, enter 0. **Failure to receive a return does not relieve you of your legal responsibility for filing a return on or before the due date.**

You may pay the department electronically or by check. See the Payment Options for additional information.

Colorado law requires that you file the required sales tax returns even when you have no retail sales activity. Filing a zero return on Revenue Online is convenient and secure. An estimated billing will be issued for any period that does not have a return filed.

### AMENDED RETURN

You may file an amended return through your Revenue Online sales tax account. Or, on the tax return, you are required to mark the amended return box. A separate amended return must be filed for each period. The amended return must show all tax columns as corrected, not merely the difference(s). The amended return will replace the original return in its entirety.

When filing an amended return by paper, be sure to use the correct vendor or service fee to prevent filing errors. If filing an amended return electronically, the vendor fee will be calculated for you automatically. See publication, “History of Local Sales/Use Tax Rates” (DR 1250) for tax rates and exemption history.

If you have submitted an amended return electronically or on paper and you anticipate a credit you must file a “*Claim for Refund*” (DR 0137). Proper documentation must be submitted with the DR 0137 to prove a refund is due. See publication FYI Sales 90, “Sales and Use Tax Refund Requirements” for additional information.

### ELECTRONIC FILING OPTIONS

Sales/use tax returns can be submitted through [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). To sign up for Revenue Online account access, you will need your Colorado Account Number (CAN) which is the same as your license number. Your license will also have a letter ID printed on it which will help you to set up your account access. You will be able to create your own Login ID and Password. Once you start using Revenue Online, in addition to filing your returns, you will be able to see all the returns you have filed and your payment history. Sales tax filers that do not have sales tax to report for a specific filing period may login to Revenue Online and file a “zero” return.

## PAYMENT OPTIONS

You may pay your tax electronically through Revenue Online by eCheck, credit card or Electronic Funds Transfer (EFT). There is a fee to pay by eCheck or by credit card. See the Taxation Web site at [www.TaxColorado.com](http://www.TaxColorado.com) for current fees. See Electronic Funds Transfer (EFT) below for additional information. For all online payments, whether made by EFT, credit card or eCheck, a confirmation number is displayed after the payment is made and the payment history will be displayed in the Revenue Online account by clicking on the ID type and the View Payments link.

To remit your payment by check, include a copy of the bill or letter received and note your account number and payment period on the check. Make check payable and mail to the Colorado Department of Revenue, Denver, CO 80261-0013.

## ELECTRONIC FUNDS TRANSFER (EFT)

Sales tax account holders are required to remit by Electronic Funds Transfer (EFT) all state and local sales taxes required to be remitted to the Department of Revenue **IF**: the liability for state sales tax for the previous calendar year was more than \$75,000.

Vendors who do not meet this requirement are encouraged to use EFT as it minimizes the potential of processing errors. Using Revenue Online to make payments meets this requirement or you may use one of the EFT payment options described below.

There is a fee for online tax payments by eCheck or credit card submitted through Revenue Online. Either of these methods is a good alternative to make immediate payments while registering for EFT is a good option for future recurring payments.

You can sign up for EFT through your Revenue Online account or by using the *Authorization for Electronic Funds Transfer (EFT) Payments* (DR 5785). Pre-registration is required for EFT. By signing up in Revenue Online, you can use your EFT Number and PIN Code within a few days. For more information on how to register, please visit [www.Colorado.gov/Revenue/EFT](http://www.Colorado.gov/Revenue/EFT)

Colorado's EFT program offers two methods of electronic payment, ACH Debit and ACH Credit. You may choose either or both. We offer an ACH debit service which is accessible through the Web or telephone, or you may choose to initiate ACH credit payments through the banking system using a standard format. Both options are free, but you must be registered with the department to use either service. You may incur fees or charges from your financial institution. It is important for you and your financial institution or representative to read and follow the requirements in publication "*Colorado Department of Revenue Electronic Funds Transferred (EFT) Program for Tax Payments*" (DR 5782).

If a vendor pays less than \$75,000 and cannot file by EFT or through Revenue Online, the tax return should be completed and mailed along with a check or money order to the department. Be sure to write your account number, tax type and period on all checks and correspondence. Please note that this process does increase the chances of an error or problem and the use of electronic payment options are strongly recommended. The forms are available on the Taxation Web site, [www.TaxColorado.com](http://www.TaxColorado.com)

**Note: Although payments for sales/use tax are made using EFT, a return through Revenue Online or on a paper form (DR 0100) is still required and must be received by the due date.**

## DETERMINING FILING FREQUENCY

Retailers are required to file returns each month except when:

- your total sales tax liability is under \$300 a month **AND** you have made a prior arrangement with the CDOR to file quarterly.
- your sales tax liability is under \$15 per month **AND** you have prior approval from the department to file annually.

- your business is wholesale. Wholesalers file annually.

If you make sales only during certain months of the year, you may indicate on the sales tax account application online at [www.Colorado.gov/ColoradoBusinessExpress](http://www.Colorado.gov/ColoradoBusinessExpress) or on the paper application (CR 0100) the months beginning and ending the season. Your account will then be listed as "seasonal" and monthly returns will be required only for those months that you indicate the business will be open.

## Completing the Sales Tax Return

- ✓ Vendors must keep and preserve all invoices of goods and merchandise purchased for resale for three years. These records must be available for review by the Department of Revenue. [Sales Tax Regulation (39-)26-116]
- ✓ All entries of state and local taxes on the sales tax return must be rounded to the nearest dollar. Round amounts under 50 cents down to 0 (zero) cents. Increase amount from 50 to 99 cents to the next dollar. Your sales tax remittance must not differ from the exact amount of tax collected by more than 50 cents.
- ✓ A return must be filed even if the tax is 0 (zero) cents. If there is no tax due in an applicable column, you **MUST ENTER A 0 (ZERO)** in that column. Failure to enter zeros will result in the issuance of an automatic estimated non-filer notice.
- ✓ A business will be billed an estimated billing for any period return not filed. It is the responsibility of the business owner to file a return for any period the account is open for one day or more.
- ✓ Reporting the deductions and exemptions correctly on the form "*Colorado Retail Sales Tax Return*" (DR 0100) is critical to make sure that the return is posted correctly. The department will check all the information you report on lines 1 through 4 to verify the form is being accurately filed. The information on the form is important to ensure proper allocation and distribution of monies to local governments and special districts.

As noted earlier in this publication, the department encourages use of the Revenue Online system at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) for filing and paying taxes, as well as managing tax accounts, including change of address and account closure.

Single copies of the "*Retail Sales Tax Return*" (DR 0100) are **not** mailed to Colorado businesses that have a single location, are seasonal filers, or annual filers that have registered or filed their return online. If your business has multiple locations, electronic filing is encouraged instead of filing a separate DR 0100 for each location. These forms are personalized for each business that is subject to state-administered local tax. The tax rates for county, city, special district and state are printed at the top of the form for each business location. If a type of tax does not apply to the business location, the words NOT APPLICABLE will appear in the column for that tax.

Companies that need to remit the baseball district and/or football district tax collected (such as leasing companies and credit sales companies) will receive "*Colorado Special District Sales Tax Return - Supplement*." (DR 0200). This return is only used to remit baseball and/or football district tax. Form DR 0200 can also be downloaded from our Taxation Web site at [www.TaxColorado.com](http://www.TaxColorado.com)

## MULTIPLE-LOCATION/JURISDICTION ELECTRONIC FILING

A multiple location/jurisdiction filer is any entity filing sales or use taxes with the Colorado Department of Revenue with more than a single location, either physical or nonphysical. It is important that a multiple location/jurisdiction sales tax filer read and be familiar with FYI Sales 58 "Requirements for Sales Tax Remittance for Multiple Location Filers".

Filing methods for sales tax include: XML (use a software/vendor that

is approved through the department for XML), Excel Spreadsheet (filed electronically that must be pre-approved by the department), Multiple Single/File-complete an online form through Revenue Online, and paper filing. To file by paper, a paper return must be submitted for each site/branch for each physical or non-physical location.

In order to prevent filing errors, it is important to verify your sites/branches on Revenue Online under Other Services prior to filing each period to ensure you are filing a return for every open site/branch and that you have the correct tax rates.

## PRACTICAL FILING TIPS

- ✓ Sign up to access your tax account through Revenue Online, [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) and file and pay your sales tax. Revenue Online is better than a paper return because it knows what your sales tax rates are for your specific account and business locations. You will avoid errors, which would result in billing notices. If you have a “zero” return, you may also file through Revenue Online. Additionally, you may view your return and payment history.
- ✓ The law requires that you list sales tax separately from the purchase price of the items you sell on all invoices, billings and business records. Exceptions to this are sales of liquor by drink and vending machine sales. It is also illegal to advertise that you will make sales tax-free or “absorb” the sales tax. Violation of these guidelines could subject you to penalties.
- ✓ If you cannot file online, follow the form instructions carefully. The instructions are on the back of the sales tax return.
- ✓ If you overpaid sales tax on a previous return, you may deduct the overpayment amount on line 3C **only** if there is not an existing credit on the account due to the overpayment. The calculation to figure the dollar amount of sales on line 3C would be to divide the tax overpayment by the same tax rate you used to calculate the tax due on the original return. The calculation must be done for each applicable tax for the site. If there is credit on a previous period or a question as to the calculation of the overpayment of tax, it is preferred that a *Claim for Refund* (DR 0137) be filed with an amendment for the applicable period(s) and site(s). You may view your account at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)
- ✓ Report on line 6 and remit to the department any excess tax collected. Tax reported on this line should be apportioned out to all types of taxes for which you are liable. It is illegal for you to keep excess tax.
- ✓ If you are liable for state-collected city, county or special district sales tax which may not be reflected on the form, contact the department to correct your location jurisdiction or to apply the new sites/branches. For additional information, see publication FYI Sales 58.

## DUE DATES

Returns must be **filed online** or **postmarked** on or before the 20th day of the month following the reporting period, as follows:

**Monthly Returns:** due the 20th day of the month following the reporting month. For example, a January return is due February 20.

### Quarterly Returns:

January – March due April 20

April – June due July 20

July – September due October 20

October – December due January 20

**Annual Returns:** due January 20.

**Multiple or Single Events:** due the 20th of the month following the **start** of the event. Use “*Special Event Retail Sales Tax Return*” (DR 0098). For example, if an event started on Friday, July 30 and ended Sunday, August 1, the return would be due August 20 because the event started in July.

**EFT FILERS:** payment and return are due the 20th day of month following the reporting period. You may submit payment through EFT and submit the return through Revenue Online.

If the due date falls on a weekend or holiday, the next business day is considered the due date.

## PENALTIES/INTEREST FOR LATE FILINGS

If your return is not postmarked on or before the due date for the period, you must pay a penalty of 10 percent of the tax due plus interest at the current statutory rate. Postal meter dates are not accepted as proof of timely filing; only the postmark itself is accepted. Failure to file by the due date will also result in revocation of your vendor’s fee. Current interest and penalty rates may be obtained from publication FYI General 11 “Colorado Civil Tax Penalties and Interest.”

To ensure the payment is properly applied to your account, send a copy of the letter or bill you received and note the account number, tax type (i.e. sales tax), and payment period on your check. If paying for more than one type of tax with the same check, note the amount of payment and payment period for each tax type on your check. Do not send cash. Make check payable and mail to the Colorado Department of Revenue, Denver, Colorado 80261-0013. You may also pay bills electronically using Revenue Online.

## FAILURE TO FILE

If you fail to file a return and pay the amount of tax by the date it is due, the CDOR will automatically send you a request for taxes due plus penalty, and interest. You will also be billed for the vendor’s fee if you had deducted it. Further delay in filing could result in a “Warrant for Distraint,” which allows the Department of Revenue to seize your business and sell your assets to satisfy your tax debt. The business may be seized and sold even where a creditor or lender has claims on the property (see §39-26-117 CRS.)

## No Taxes Due?

### HERE’S WHAT YOU MUST DO!

You must file a sales tax return every period, even if no tax has been collected or no tax is due. File your return through Revenue Online or complete the DR 0100 form by typing or writing the number 0 in all columns that apply to jurisdictions in which tax is applicable. If you use the online system, there is no need to send in copies of your DR 0100. Failure to file will result in estimated billings. If you do not file the required sales tax returns, the department will close your account and your license will no longer be valid.

## TAX COMPUTATION TABLES AVAILABLE

For the convenience of retailers, the Department of Revenue has developed tax tables for different sales tax percentages. Just enter the tax rate to see how much tax is due on a sales price. This service is available at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)

You can specify the tax percentage tables and view and print the tables.

**Be sure to write your Colorado account number  
on all checks and correspondence!**

## How to Get Help

If you have questions not covered in this booklet or if you have problems connected with sales and use taxes, you may obtain assistance by telephone, through the mail, over the Web, or in person.

### Colorado Tax Questions

#### By U.S. Postal Mail:

Colorado Department of Revenue  
Taxpayer Service Division  
Denver, CO 80261-0013

**You may send the department Secure Messages through your Revenue Online account.**

[www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)

#### By Phone:

(303) 238-SERV (7378)

The Taxpayer Service Division maintains five service centers. Walk-in hours: 8 a.m. - 4:30 p.m., Monday through Friday.

#### Colorado Springs Service Center

2447 North Union Blvd.

#### Denver Service Center

1375 Sherman St.

#### Fort Collins Service Center

3030 S. College Avenue

#### Grand Junction Service Center

222 S. Sixth St., Room 208

#### Pueblo Service Center

827 W. 4th St., Suite A

### To Obtain Sales Tax Information and Publications

Visit the Colorado Taxation Web site at [www.TaxColorado.com](http://www.TaxColorado.com)

### To Obtain a Colorado Sales or Withholding Tax Account

Visit the Colorado Business Express Web site at [www.Colorado.gov/ColoradoBusinessExpress](http://www.Colorado.gov/ColoradoBusinessExpress) and apply online.

### To Access Your Tax Account, File and Pay Online

Sign up through Revenue Online at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) then login any time

### Federal Tax Questions

Internal Revenue Service  
1999 Broadway  
Denver, CO 80202  
(303) 446-1675 or (800) 829-1040-Individual  
(800) 829-4933-Business  
[www.irs.gov](http://www.irs.gov)

### Colorado Secretary of State

To register corporation, limited liability company, or limited partnership trade names or to obtain Colorado trademark information, (303) 894-2200. Or see the Secretary of State's Web site at [www.sos.state.co.us](http://www.sos.state.co.us)

### U.S. Commissioner of Patents and Trademarks

(800) 786-9199

### REGIONAL TRANSPORTATION DISTRICT (RTD)

For boundaries, call (303) 299-6000.  
[www.RTD-Denver.com](http://www.RTD-Denver.com)

## HELPFUL INFORMATION

**FYIs:** Free information publications on income, sales, use, fuel, excise, withholding and estate taxes. FYIs may be obtained through our Web site at [www.TaxColorado.com](http://www.TaxColorado.com)

**Tax Forms:** Forms are available at [www.TaxColorado.com](http://www.TaxColorado.com)

**Colorado Income Tax Withholding Tables (DR 1098):** Current withholding tables and latest requirements for withholding Colorado income tax from your payroll, available at [www.TaxColorado.com](http://www.TaxColorado.com)

**Colorado Business Resource Guide:** Published by the Colorado Office of Economic Development and International Trade, call (303) 892-3840 or 1625 Broadway, Ste. 2700, Denver, CO 80202, or on the Web at [www.coloradosbdc.org](http://www.coloradosbdc.org)

**Colorado Sales/Use Tax Rates (DR 1002):** All state, special district and state-collected city and county sales tax rates. Also, rates and telephone numbers for all home-rule cities. Updated each January and July, available at [www.TaxColorado.com](http://www.TaxColorado.com)

**Site/branch:** A site/branch must be assigned to each physical or non-physical location. The Department of Revenue's tax system enters each location by the site/branch number. It is important to verify the site/branch locations each month before filing your return. You may verify your sites/branches at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) under Other Services.

**Location/Jurisdiction Codes for Sales Tax Filing (DR 0800):** The location/jurisdiction code is determined by the location address of the actual site location. When you file sales tax returns on Revenue Online at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) by single file, XML/Excel spreadsheet or by paper, you must use the six digit location/jurisdiction code(s). *History of Local Sales/Use Taxes* (DR 1250):

The DR 1250 can be viewed from the Taxation Web Site at [www.TaxColorado.com](http://www.TaxColorado.com). The form lists each locality and the history of tax rates and exemptions.

**Taxation Weblog and InfoEmail Subscription Services:** Businesses may subscribe to information, including law changes, filing methods and quick updates, from the Department of Revenue delivered to their email box. Visit [www.TaxColorado.com](http://www.TaxColorado.com) to "Get Connected."

## Sales/Use Tax Glossary

**Accrual Accounting** — reporting all sales in the month they were made, whether money was received or whether a credit sale (where the vendor has billed tax on a sale but the customer has not paid the entire sales price at the time the vendor's sales tax return is due). Only this method allows claim of "Bad Debt Deductions."

**Delivery Charges** — charge for transportation to the place where title is to pass, by agreement between vendor and purchaser. Title is deemed to have passed from the seller when the seller is no longer liable for any losses to the product in route. Unless it can be proven that the purchaser of tangible personal property assumes the risks of ownership during delivery.

**Exempt** — To free from a duty or obligation required of others; to excuse; release. (*The American Heritage Dictionary of the English Language*)

**License** — A Colorado sales tax license is a license to purchase tangible personal property items tax free for the purpose of selling that tangible personal property, and collecting and remitting to the Department of Revenue sales tax on those sales.

**Multiple Events** — multiple sales events that occur at irregular intervals away from an established place of regular retail business. Organizers of such events may obtain the sales tax license, in lieu of the vendors

obtaining separate licenses, if each event has a minimum of three vendors. If such events occur more than three times in the same location in any calendar year, a Standard Sales Tax License must be obtained rather than a Multiple Events Sales Tax License.

**Purchase Price** — the full charge to acquire the item, including labor and overhead, exclusive of any sales tax. In the case of retail sales involving the exchange of tangible personal property, the purchase price would exclude the fair market value of the property exchanged if such exchanged property is to be subsequently sold in the usual course of the retailer's business. Example: When a new automobile purchase transaction includes the trade-in of another automobile, the fair market value of the trade-in may be subtracted from the purchase price of the new car before sales tax on the new car is calculated if the car traded in is to be resold by a dealer holding a sales tax license.

**Retail Sale** — any sale of tangible personal property made within the state that is not a wholesale sale.

**Retailer** — a person doing retail business, known to the trade and public as such, and selling to the user or consumer, and not for resale.

**Revenue Online** -- a Web site where taxpayers can conveniently and securely conduct business with the Department of Revenue on their computers, laptops, smartphones and tablets. The information available in Revenue Online does not represent the entirety of your information with the Department of Revenue. But the service makes it possible for you to manage your accounts without the need to contact the department by phone, email or in person. You may also file returns and pay taxes through your Revenue Online account. [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)

**Sale** — any transaction whereby a person in exchange for any consideration (such as money or its equivalent, property, the rendering of a service or promise of any of these things) transfers or agrees to transfer tangible personal property or performs a taxable service.

**Service Fee** — Also known as the vendor's fee. Colorado allows sales tax licensees to keep a percentage of the state sales tax collected as a service fee for collecting the monies. The fee may be kept by the licensee only if the tax return is filed on time. Many local jurisdictions grant service or vendor's fees as well. See the publication "*Colorado Sales/Use Tax Rates*" (DR 1002) for local vendor's fee rates. The correct vendor's fee will automatically be deducted for a timely filed and paid return on Revenue Online.

**Single Event** — any sales event conducted away from an established place of regular retail business. The event occurs only once. Individual vendors may be relieved of obtaining Single Event Sales Tax Licenses if there are a minimum of three vendors and the license is obtained by the event organizer. It is the license holder who remits the sales taxes.

**Tangible Personal Property** — all goods, wares, merchandise, products and commodities, and all tangible or corporeal things and substances which are dealt in, capable of being possessed and exchanged; the term does not include real property, such as land and buildings nor does it include contracts, deeds, mortgages, stocks, bonds, certificates of deposit or membership and other items having no intrinsic value.

**Use Tax (Consumer)** — a complement to state and RTD/CD and RTA sales tax, it is imposed on the storage, use or consumption in Colorado of tangible personal property upon which sales tax has not been paid; the consumers use tax rate is the same as the state sales tax rate and RTD/CD tax where applicable. Businesses can file consumer use tax online at [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline). The online system has built-in tax rates for the jurisdictions applicable to the business address. The tax system is easy to use, calculates the amount of tax owed based on the purchase total, and will help you avoid filing errors. Consumers use tax can also be paid with a "*Consumer Use Tax Return*" (DR 0252) or "*RTA Consumer Use Tax Return*" (DR 0251).

**Use Tax (Local)** — consumer use tax that may be imposed by state-collected municipalities and counties on motor vehicles, building and construction materials; local use taxes are administered and collected by the local taxing jurisdictions. Contact them directly for information about rates and compliance requirements.

**Use Tax - Retailer's** — an equivalent to the state sales tax collected by out-of-state vendors who do not maintain business locations in this state but who are otherwise "doing business in this state" as defined by Colorado law. Such vendors should obtain a Colorado Retailer's Use Tax License by completing a tax account application (CR 0100) and should collect state use tax as well as RTD/CD, and RTA taxes where applicable. See the form *Colorado Sales/Use Tax Rates* (DR 1002). The Retailer's Use Tax Return (DR 0173) can be filed electronically on Revenue Online. Signing up for access will allow you to manage your tax account and file and pay online. There must be a separate return with the correct branch number on each RTA Tax remittance, either for Roaring Fork RTA, Pikes Peak RTA, Baptist Road RTA, or South Platte Valley RTA.

**Use Tax — Retailer's — Special Districts** — an equivalent to the special district sales tax collected by out-of-district vendors who do not maintain business locations in the district but who are otherwise "doing business in" the district as defined by §39-26-102(3) C.R.S.

**Vendor** — same as "retailer."

**Wholesale Sale** — a sale by wholesalers to retail merchants, jobbers, dealers or other wholesalers for resale, that is not subject to sales tax; it does not include a sale by wholesalers to users or consumers not for resale. These transactions are retail sales and subject to sales tax.

**Wholesaler** — a person doing a regularly organized wholesale or jobbing business, known to the trade as such and selling to retail merchants, jobbers, dealers or other wholesalers who intend to resell the merchandise.

## Tax Workshops and Education

The department offers live and online workshops on Colorado sales tax laws, Colorado sales tax returns, Revenue Online, and use tax laws. Most live workshops are held in the Denver Metro area, Colorado Springs, Fort Collins, Pueblo, and the Western Slope. CPE credit is available, unless otherwise stated. Due to limited seating, reservations are required for all live workshops. Visit the main Workshops and Education Web page [www.TaxSeminars.state.co.us](http://www.TaxSeminars.state.co.us) for details on topics, formats, locations, and information on how to make a reservation.



[www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline)



**Manage your account.  
File and pay online.  
Get started with Revenue Online today!**

You can now access your sales tax account information, file your sales tax return, see your payment history, make payments online, and much more – all on a one-stop, streamlined Web site called **Revenue Online**. The following services have been updated or are now available for the first time online.

- **Access Your Sales Tax Account (Sign Up/Login)**
- **File a Return (single locations and smaller multiple location businesses)**
- **Upload XML or department-approved Excel spreadsheet returns for larger, multiple location businesses**
- **File a Zero sales tax return**
- **File Special Events returns**
- **Make a Payment**
- **Send Secure Messages regarding your account**
- **View Payments**
- **Amend a Return**
- **View Letters from the department**
- **Change your mailing address**
- **Close your account**
- **File a Protest**
- **Sign up to pay by EFT**
- **View sales/use tax rates for you business**
- **Verify a sales tax license or exemption certificate**
- **View tax rates at a specific address**
- **View tax rate charts for items priced from \$0.01 to \$100**

Sign Up and begin using your account Login immediately. Visit [www.Colorado.gov/RevenueOnline](http://www.Colorado.gov/RevenueOnline) today!