Regulation (39-) 26-104.1(b)(I)(A).

When a trade-in of tangible personal property is received by a retailer upon the sale of tangible personal property, the tax imposed by C.R.S. 1973, 39-26-106 shall be based upon the purchase price of the tangible personal property sold, less trade-in allowance, provided the property taken in trade is to be resold in the usual course of the retailer's trade or business. This is not limited to exchanges in Colorado. Out of state trade-in's are an allowable adjustment to the purchase price. (Matthews v. State of Colorado, Dept. of Revenue, 193 Colo. 44, 562 P.2d 415 (1977).)

Regulation (39-) 26-104.1(b)(I)(B).

If such exchanged property is a vehicle as defined in C.R.S. 1973, 39-26-104(1)(b)(I)(B), the amount subject to taxation shall be the amount of money or other consideration paid over and above the value of the exchanged property. The tax will be paid by that person paying the amount of money or other consideration in excess of the property exchanged in accordance with C.R.S. 39-26-113.