SALES TAXES HELD IN TRUST

39-26-118.1

The use of recognized accounting procedures to segregate and account for the funds will be considered proper trusteeship of the funds. No statute of limitations applies to funds of the state of Colorado in the possession of the retailer and such moneys are collectible at any time after their due date upon demand of the executive director.

A retailer who collects sales taxes from another shall hold such funds in trust on behalf of the State of Colorado. The Department presumes that a retailer who uses recognized accounting practices to account for such trust funds has meet its fiduciary obligations as a trustee of such funds.

Cross References:

- 1. Officers of a corporation and members of a partnership or limited liability company may be liable for penalties for willfully failing to collect, account for, or remit sales and retailer's use taxes, or for willfully attempting to evade the payment of or defeat such taxes.
- 2. See Department Rule 39-26-105.1(a) regarding accounting for over and under-collected trust fund taxes.