



# Colorado Sales and Use Tax

## General Information and Reference Guide

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The Colorado Department of Revenue, Taxation Division, offers many ways for businesses to learn more about their tax obligation.

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.

Learn more about taxes, download forms, take a sales tax class and sign up for tax news on our Taxation Information website [Colorado.gov/tax](http://Colorado.gov/tax)

Manage your account, file and pay online and view sales tax rates online at [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline)

Colorado imposes a sales and use tax of 2.9%. Many cities, counties and special districts impose their own local sales/use tax on purchases and transactions within their boundaries. The Colorado Department of Revenue, in addition to collecting state sales and use tax, collects sales tax on behalf of several cities, counties and special districts. These jurisdictions are referred to as "state collected." All Colorado counties that impose a sales tax are state collected, except Denver County and Broomfield County.

Cities which have enacted a "home-rule" charter, and which have elected to administer their own local sales and use taxes are referred to as "self-collected". Self-collected jurisdictions have the right to establish their own regulations regarding those goods and services upon which to impose their local sales and use taxes. Self-collected cities must be contacted directly for that information.

## Definitions

**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.

**Retail sale** – any sale of tangible personal property made within Colorado that is not a wholesale sale.

Retailer or Vendor - is a person doing business in this state, including a remote seller, known to the trade and public as such, and selling to the user or consumer, and not for resale.

**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, except newspapers excluded by law.

The term does not include real property, such as land and buildings, nor tangible personal property that loses its identity when it becomes an integral and inseparable part of the realty, and is removable only with substantial damage to the premises. Property severed from real estate becomes tangible personal property.

**Nexus** – In general, a seller has sales tax nexus in Colorado if it has employees or independent contractors in this state, even if their activities are completely unrelated to the sales transactions. A contract carrier, unlike a common carrier, can also create substantial nexus with Colorado (and the local jurisdictions into which it delivers goods) if Company regularly ships goods via a contract carrier into Colorado.

Colorado levies sales and use tax on the sale, use, storage, or consumption of tangible personal property in Colorado. A retailer has an obligation to collect sales and use taxes if the retailer is doing business (i.e., has nexus) in Colorado. "Doing business in this state" is defined to include the following activities:

**Doing business in this state** – means selling, leasing, or delivering in this state, or any activity in this state in connection with the selling, leasing, or delivering in this state, of tangible personal property by a retail sales as defined in this section, for use, storage, distribution, or consumption within this state.

**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.

**\*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.

**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 regularly organized wholesale or jobbing business, known to the trade as such and selling to retail merchants, jobbers, dealers or other wholesalers, for the purpose of resale.

## Goods and Services

For state-collected jurisdictions, most goods are subject to sales tax, but some goods are exempt from 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 and special district sales and use tax but may not be exempt from city, county and/or special district taxes.

For more information on allowed deductions and exemptions, refer to form DR 1002: Colorado Sales/Use Tax Rates. Additional information about some of the more common exemptions can be found in our FYI Publications for Sales Tax on our website, [Colorado.gov/Tax](http://Colorado.gov/Tax).

Most services are not subject to 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 sale transaction and (2) stated separately on a written invoice or contract.

If a service is provided after the sale of tangible property, the service 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, then 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.

## Sales Tax Information

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 sales that are 18 cents or more are subject to Colorado state sales tax plus all applicable RTD, CD, special district, city and county sales taxes.

## Sales Taxes and Rates

### State Sales Tax

Colorado imposes a sales tax of 2.9% on retail sales transactions of 18 cents or more. State sales taxes are reported in the state column of the form DR 0100: Colorado Retail Sales Tax Return.

### RTD and CD Taxes

Most of the Denver metropolitan area lies within two special tax districts, the Regional Transportation District (RTD) and the Scientific and Cultural Facilities District (CD). RTD and CD taxes are administered in the same manner as the state sales tax and are reported on the form DR 0100 in the RTD/CD column.

The RTD sales tax rate is 1.0% and the CD sales tax rate is 0.1%. For specific boundary information refer to the form DR 1002: Colorado Sales/Use Tax Rates or contact the districts directly:

- RTD [www.rtd-denver.com](http://www.rtd-denver.com) or 303-299-6000
- CD [www.scfd.org](http://www.scfd.org) or 303-860-0588

### Special District Taxes

Special district taxes are administered in the same manner as the state sales tax. Special district taxes are imposed on all transactions that are subject to state sales tax, unless a specific exemption exists. The special districts and their general boundaries are listed below. For more specific boundary information, refer to the form DR 1002: Colorado Sales/Use Tax Rates.

#### **Local Improvement District Tax (LID)**

Districts: Boulder County, Douglas County, Southeast Jefferson County, Broomfield City and County and Mesa County. LID tax is reported in the City/LID column of the form DR 0100, except Broomfield. Broomfield LID is collected by the City and County of Broomfield.

#### **Mass Transportation System Tax (MTS)**

Districts: Eagle County, Pitkin County and Summit County. MTS tax is reported in the County/MTS column of the form DR 0100.

#### **Regional Transportation Authority (RTA)**

Districts: Gunnison Valley, Pikes Peak, Roaring Fork, South Platte Valley and San Miguel (SMART). RTA tax is reported in the special district column of the form DR 0100.

#### **Multi-Jurisdictional Housing Authority (MHA)**

District: Summit Combined Housing Authority  
MHA tax is reported in the special district column of the form DR 0100.

#### **Public Safety Improvement (PSI)**

District: Montrose County  
PSI tax is reported in the special district column of the form DR 0100.

#### **Metropolitan District Tax (MDT)**

Districts: Aspen Park, Bachelor Gulch, Southwest Plaza, Two Rivers and Edwards. The MDT tax is reported in the special district column of the form DR 0100.

#### **Health Services District (HSD)**

District: Montezuma Hospital District  
The HSD tax is reported in the special district column of the form DR 0100.

#### **Baptist Road RTA (BRRTA) and Football District Tax (FD)**

The BRRTA and FD taxes have both expired and any sales tax collected on periodic lease or credit payments must be remitted on the form DR 0200: Colorado Special District Sales Tax Return.

### State Collected County and City Taxes

County and city 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. Exceptions to this guideline as well as local sales tax rates are listed in the form DR 1002: Colorado Sales/Use Tax Rates. For more information on guidelines for local sales tax, refer to FYI Sales 62: Guidelines for Determining When to Collect State-Collected Local Sales Tax.

### Self-Collected Home-Rule Cities

Home-rule cities that collect their own local use tax may have different guidelines and must be contacted directly. A list of home-rule cities and contact information can be found in form DR 1002.

### Verify Sales Tax Rates

Use Revenue Online [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline) to view current sales tax rates. Through Revenue Online you can also:

- View sales tax rates by specific city or county.
- View sales tax rates applicable to your specific business location(s).
- View amount of tax calculated by purchase amounts from \$0.01 through \$100 and
- search local sales tax rates by a specific address.

Sales tax rates are also available in the form DR 1002: Colorado Sales/Use Tax Rates. This publication is updated January 1 and July 1 every year.

## Sales Tax Licensing

A Colorado sales tax license is used to purchase tangible personal property items tax-free for the purpose of selling that tangible personal property, and collecting and remitting to the department sales tax on those sales.

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 license and must charge sales tax on the services.

If your business has more than one physical 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.

If your business makes sales at a location other than its regular business location, a special event license may be required. Examples of events are craft or collector's shows. This special event license is required whether or not you have a permanent business location.

Note: Farmers Markets and the Renaissance Festival are not considered special events and a standard sales tax license is required.

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

### Types of Sales Tax Licenses

There are four types of sales tax licenses available in Colorado. Each license type is described below. For more information, refer to FYI Sales 9: Sales Tax Licenses and Filing Requirements.

#### Standard Retail Sales Tax License

A standard sales tax license is for a person or business with a permanent location in Colorado where retail sales are conducted on a regular basis.

A sales tax license is required for each physical site/location. See Multi-Location filers under the Related Sales Tax Information section in this booklet for more information.

#### Wholesale License

For a person or business that makes sales to other licensed retailers, jobbers, dealers or other wholesalers for the purpose of resale.

#### Single Event Sales Tax License

Required when an individual, organization or vendor plans to conduct or participate in a retail sales event at a location other than the regular business location (if any) at which there are three or more vendors. The license is valid for one event only.

#### 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.

\* Organizers of an event may choose to obtain a special event license and collect and remit tax on behalf of the participating vendors in lieu of having each individual participating vendor obtain separate licenses. Organizers obtaining the license

will collect and remit tax on behalf of the vendors and will retain applicable vendor's fees. A single or multiple event sales tax license is required and sales tax must be collected at charitable events as well as for-profit events.

### Obtaining a Sales Tax License

#### Standard Sales Tax License or Wholesale License

There are three ways to obtain a sales tax license:

1. Apply online through the Colorado Business Express service. Visit [Colorado.gov/cbe](http://Colorado.gov/cbe) to use the step-by-step application. You will receive your Colorado Account Number immediately and you will be able to print a temporary license. The official license will be sent by mail.
2. Visit a Taxpayer Service Center to apply in person and receive information related to your business. You will receive a temporary license and your Colorado Account Number immediately. The official license will be sent by mail. Taxpayer Service Center locations are listed at the end of this publication and on our website.
3. Complete the form CR 0100AP: Colorado Sales Tax Withholding Account Application and mail it to the department. Allow 4-6 weeks for processing; you will receive your license and Colorado Account Number by mail.

**Note:** You must complete the form CR 0100AP for each physical site/location.

Pay the appropriate fee(s) when you submit your application. See license fees section for more information.

For additional information, refer to FYI General 14: Opening a Tax Account in Colorado.

#### Single Event License or Multiple Event License

To apply for a single or a multiple event license, complete and send in the form DR 0589: Sales Tax Special Event Application or apply in person at one of our service centers.

### Sales Tax License Fees

#### Sales Tax Deposit

A new retail business is required to pay a one-time \$50 deposit. The deposit is automatically refunded to the retailers after remittance of \$50 in state sales tax on the sales tax return. If a business does not remit any sales tax, no portion of the \$50 will be refunded, regardless of the length of time the business account is open.

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

#### Sales Tax License and Wholesale License

If first day of sales is:

January to June (even years: 2016, 2018)	\$16
July to December (even years: 2016, 2018)	\$12
January to June (odd years: 2017, 2019)	\$8
July to December (odd years: 2017, 2019)	\$4

**Single Event License** \$8 per event

## Multiple Event License

If first day of sales is:

January to June (even years) 2016, 2018	\$16
July to December (even years) 2016, 2018	\$12
January to June (odd years) 2017, 2019	\$8
July to December (odd years) 2017, 2019	\$4

**Note:** There is no fee for a special events license for vendors who already have a standard sales tax license.

### Important Colorado Sales Tax License Notes:

- A sales tax license must be displayed in a conspicuous place at the physical business location.
- The sales tax license must be renewed every two years (except single event licenses).
- An expired or inactive sales tax license is not valid.
- A sales tax license with an old address or outdated business information is not valid.
- Changes to a site location must be made on the form DR 1102 or through direct communication with the department.
- Changes in type of ownership must be updated through direct communication with the department.
- Renewal notices are sent out by the department, but it is the responsibility of the business to renew.

## Sales Tax Filing and Payment Information

### Sales Tax

#### Filing Sales Tax Returns

Sales tax returns can be filed online through Revenue Online. Before you can file, you must first get access. Use [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline) and sign up to get access, file, pay and manage your sales tax account.

If you cannot file online, you will need to complete and send in the form DR 0100: Colorado Retail Sales Tax Return. Refer to the form instructions for assistance with filing.

Effective January 1, 2018 all filing methods will require reporting and payment rounded to the penny.

#### No Taxes Due?

You must file a sales tax return every period, even if no tax has been collected or no tax is due. Failure to file will result in estimated tax bills. If you do not file the required returns, the department will close your account and your sales tax license will no longer be valid. Zero returns can be filed online.

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

#### XML and Spreadsheet Filing

Sales tax filers with two or more sites (locations) may file by Extensible Markup Language (XML) or Excel spreadsheet. A list of XML approved software vendors is available on the web site [Colorado.gov/Tax](http://Colorado.gov/Tax) under Software Developers-Sales Tax XML. Use of the department's pre-approved XML software does not require individual approval. For the Excel spreadsheet, there is a template and handbook on the website. Use of the Excel spreadsheet requires individual

approval by the department before it can be used. For more information on spreadsheet filing, refer to the Spreadsheet Upload Handbook available at the Taxation website. Search for Sales Tax Spreadsheet Filing.

### Sales Tax Filing Frequencies

How often you are required to file a sales tax return depends on your sales volume.

If sales tax collected is:

- \$15 or less/month – file annually
- Less than \$300/month – file quarterly
- \$300/month or more – file monthly
- Wholesalers file annually.

### Sales Tax Return Due Dates

Returns must be filed online or postmarked on or before the 20th day of the month following the reporting period.

**Monthly returns** are due the 20th day of the month following the reporting month.

#### Quarterly Returns:

January - March due April 20  
April - June due July 20  
July - September due October 20  
October - December due January 20

**Annual returns** are due January 20.

**Note:** If the 20th is a weekend or holiday, the return is due the next business day. -

For more information, refer to FYI General 15: Colorado Department of Revenue Tax Due Dates.

### Sales Tax Payments

Payments can be made electronically through Revenue Online by eCheck, credit card or by Electronic Funds Transfer (EFT). If you cannot pay electronically, you can mail your check with your return.

- There is a fee for online tax payments by eCheck or credit card.
- There is no fee to pay by EFT, however, you must pre-register. You can sign up for EFT through your Revenue Online account or by completing and sending in the form DR 5785: Authorization for Electronic Funds Transfer (EFT) Payments.

For more information on EFT, refer to the form DR 5782: Colorado Department of Revenue Electronic Funds Transferred (EFT) Program for Tax Payments.

#### EFT Filing Requirement

If the liability for state sales tax for the previous calendar year was more than \$75,000, sales tax account holders are required to remit payment by EFT for all state and state collected local taxes.

### Special Events

#### Filing Special Event Sales Tax Returns

Special event sales tax returns can be filed online. You do not need to have a Revenue Online account to file your special event sales tax return online.

If you cannot file online, you will need to complete and send in the form DR 0098: Special Sales Event Sales Tax Return. Refer to the form instructions for assistance with filing.

### **Special Event Return Due Dates**

Returns are due by the 20th of the month following the month the event began. For more information, refer to FYI General 15: Colorado Department of Revenue Tax Due Dates.

### **Special Event Payments**

Payments can be made electronically through Revenue Online by eCheck, credit card or by Electronic Funds Transfer (EFT). If you cannot pay electronically, you can mail your check with your return.

- There is a fee for online tax payments by eCheck or credit card.
- There is no fee to pay by EFT, however, you must be registered. You can sign up for EFT through your Revenue Online account or by completing and sending in the form DR 5785: Authorization for Electronic Funds Transfer (EFT) Payments.

For more information on EFT, refer to the publication Colorado Department of Revenue Electronic Funds Transferred (EFT) Program for Tax Payments, DR 5782.

### **Related Sales Tax Information**

#### **Multi-Location Filers**

A multi-location filer is any business entity selling, renting or leasing tangible personal property within multiple jurisdictions throughout Colorado with the requirement to remit sales or use tax to the department. Refer to FYI Sales 58: Sales Tax Remittance for Multiple Location Companies for information regarding:

- Licensing Requirements
- Registering Non-Physical Sites
- Instructions for Closing a Site
- Approved Filing Methods

#### **Physical vs. Nonphysical Site/Locations**

**Physical:** A sales tax license will be required for each physical site/location.

- Brick and mortar business presence
- Warehouses and inventory
- Property Management
- Farmers Markets
- Special Events that are participated in more than three times in a calendar year at the same address.
- Site/Location for employee nexus in lieu of an office.

**Non-physical:** a non-physical site is required when:

1. A business makes sales into a local taxing jurisdiction, but the business does not have a physical presence within that jurisdiction.
  2. A business engages in delivery and installation and/or solicitation by representatives who carry inventory for sale/rental/lease (mobile vendors).
- Telecommunications
  - Public utilities
  - Leasing companies
  - Direct selling locations for distributors

- Deliveries and installation
- Mobile Businesses
- Caterer

To apply for a non-physical site/location, email dor\_multilocations@state.co.us and provide the following information:

- Colorado Account Number
- City name
- County name
- Location Jurisdiction Code (DR 0800)
- Zip Code
- Period Open Date

Refer to FYI Sales 58: Sales Tax Remittance for Multiple Site Businesses.

#### **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. Refer to FYI Sales 5: Sales Tax Information for Out-of-State Businesses for more information.

#### **Deliveries to Customers**

When a purchaser who has no intention 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 how the item is intended for use.

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; the sales taxes of only the jurisdictions shared by both the buyer and the seller are collected by the seller unless a nexus has been established. Nexus means a level of business activity that requires collection of all local taxes.

If the delivery site is within the same city, county and any special taxing districts in which your business is located, you would collect all appropriate taxes, such as city, county, special districts and state.

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.

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, the store location, not the delivery destination, is considered the point of sale.

Vendors must maintain adequate records to prove where deliveries took place and those deliveries occurred prior to any use of the items purchased by the buyers. Delivery charges could be taxable.

**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.

For more information, refer to FYI Sales 62: Guidelines for Determining When to Collect State-Collected Local Sales Tax.

### **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. You must not close an account until all required tax returns and taxes due are submitted.

For more information, refer to FYI Sales 74: Sales Tax Filing and Changes in Account Status.

## **Consumer Use Tax Information**

Consumer use tax is a complement to sales tax. It is payable to the state when sales tax is due but has not been collected on purchases that did not include sales tax, such as those made over the internet, by mail order or by telephone or from out-of-state vendors if the item is sold, leased or delivered in Colorado for use, storage, distribution or consumption in the state.

For more information, refer to FYI General 10: Consumer Use Tax.

## **Consumer Use Taxes and Rates**

### **State Use Tax**

Colorado state use tax is the same rate as the state sales tax, 2.9%. State consumer use taxes are reported in the state column of the form DR 0252: Consumer Use Tax Return.

### **RTD and CD Taxes**

Most of the Denver metropolitan area lies within two special tax districts; the Regional Transportation District (RTD) and the Scientific Cultural Facilities District (CD). These taxes are administered in the same manner as the state use tax and are reported on the DR 0252 in the RTD and CD columns.

The RTD use tax rate is 1.0% and the CD use tax rate is 0.1%. For specific boundary information refer to the form DR 1002: Colorado Sales/Use Tax Rates or contact the districts directly:

- RTD [www.rtd-denver.com](http://www.rtd-denver.com) or 303-299-6000
- CD [www.scfcd.org](http://www.scfcd.org) or 303-860-0588

### **Special District Taxes**

Special district taxes are administered in the same manner as state use tax. Special district taxes are imposed on all transaction that are subject to state use tax. The special districts and their boundaries are listed below. For more specific boundary information, refer to the form DR 1002: Colorado Sales/Use Tax Rates.

#### **Regional Transportation Authority (RTA)**

Boundaries: Pikes Peak, Roaring Fork and South Platte Valley. RTA tax is reported on the form DR 0251: RTA Consumer Use Tax Return.

### **County and City Use Taxes**

The department 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.

### **Self-Collected Home-Rule Cities**

Home-rule cities that collect their own local use tax should be contacted directly. These cities are listed in the form DR 1002 along with their contact information.

### **Use Tax Rates**

Use tax rates are published in the form DR 1002: Colorado Sales/Use Tax Rates. This publication is updated January 1 and July 1 every year.

## **Consumer Use Tax Filing and Payment Information**

### **Filing Consumer Use Tax Returns**

Consumer use tax returns can be filed online through Revenue Online. If you cannot file online, you will need to complete and send in the form DR 0252: Consumer Use Tax Return and if applicable the form DR 0251: RTA Consumer Use Tax Return. Refer to the form instructions for assistance with filing.

### **Consumer Use Tax Filing Frequency**

Business consumer use tax can be paid annually if your total use tax owed is less than \$300 per year. If total use tax owed exceeds \$300 at the end of any month, the return is due monthly.

### **Consumer Use Tax Due Dates**

**Monthly returns** are due the 20th day of the month following the reporting month.

**Annual returns** are due January 20. For more information, refer to FYI General 15: Colorado Department of Revenue Tax Due Dates.

## **Consumer Use Tax Payments**

Payments can be made electronically through Revenue Online by eCheck, credit card or by Electronic Funds Transfer (EFT). If you cannot pay electronically, you can mail your check with your return.

- There is a fee for online tax payments by eCheck or credit card.
- There is no fee to pay by EFT; however, you must be registered. You can sign up for EFT through your Revenue Online account or by completing and sending in the Authorization for Electronic Funds Transfer (EFT) Payments, DR 5785.

For more information on EFT, refer to the form DR 5782: Colorado Department of Revenue Electronic Funds Transferred (EFT) Program for Tax Payments.

## **Retailer's Use Tax Information**

Retailer's use tax is an equivalent to state sales tax collected by out-of-state vendors who do not maintain business locations in this state as defined by Colorado law. Such vendors should obtain a retailer's use tax license.

For more information, refer to FYI Sales 5: Sales Tax Information for Out-of-State Businesses.

## **Retailer's Use Taxes and Rates**

### **State Use Tax**

Colorado state use tax is the same as the state sales tax, 2.9%. State retailer's use taxes are reported in the state column of the form DR 0173: Retailer's Use Tax Return.

### **RTD and CD Taxes**

Most of the Denver metropolitan area lies within two special tax districts; the Regional Transportation District (RTD) and the Scientific Cultural Facilities District (CD). These taxes are administered in the same manner as the state use tax and are reported on the form DR 0173 in the RTD and CD columns.

The RTD use tax rate is 1.0% and the CD use tax rate is 0.1%. For specific boundary information refer to the form DR 1002: Colorado Sales/Use Tax Rates or contact the districts directly:

- RTD [www.rtd-denver.com](http://www.rtd-denver.com) or 303-299-6000
- CD [www.scfcd.org](http://www.scfcd.org) or 303-860-0588

### **Special District Taxes**

Special district taxes are administered in the same manner as state use tax. Special district taxes are imposed on all transactions that are subject to state use tax. The special districts and their boundaries are listed below. For more specific boundary information, refer to the form DR 1002: Colorado Sales/Use Tax Rates.

#### **Regional Transportation Authority (RTA)**

Boundaries: Pikes Peak, Roaring Fork and South Platte Valley. RTA tax is reported on the form DR 0173.

### **County and City Use Taxes**

The department 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.

## **Self-Collected Home-Rule Cities**

Home-rule cities that collect their own local use tax should be contacted directly. These cities are listed in the form DR 1002 along with their contact information.

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Use tax rates are published in the form DR 1002: Colorado Sales/Use Tax Rates. This publication is updated January 1 and July 1 every year.

## **Retailer's Use Tax Licensing**

### **Obtaining a Retailer's Use Tax License**

There are two ways to obtain a retailer's use tax license:

1. Visit a Taxpayer Service Center to apply in person. You will receive a temporary license and your account number immediately. The official license will be sent by mail.
2. Complete the form CR 0100AP: Colorado Sales Tax Withholding Account Application and mail it to the department. Allow 4-6 weeks for processing; you will receive your license and account number by mail.

There is no fee to obtain a retailer's use tax license.

## **Retailer's Use Tax Filing and Payment Information**

### **Filing Retailer's Use Tax Returns**

Retailer's Use Tax Returns can be filed online through Revenue Online. Before you can file, you must first get access. Use [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline) and sign up to get access, file, pay and manage your tax account.

If you cannot file online, you will need to complete and send in the form DR 0173: Retailer's Use Tax Return. Refer to the form instructions for assistance with filing.

You must file a retailer's use tax return every period, even if no tax has been collected or no tax is due. Zero returns can be filed online.

### **Retailer's Use Tax Filing Frequency**

How often you are required to file a tax return depends on your sales volume.

If tax collected is:

- \$15 or less/month – file annually
- Less than \$300/month – file quarterly
- \$300/month or more – file monthly

### **Retailer's Use Tax Due Dates**

Returns must be filed online or postmarked on or before the 20th day of the month following the reporting period.

**Monthly returns** are due the 20th day of the month following the reporting month.

#### **Quarterly Returns:**

January - March due April 20

April - June due July 20

July - September due October 20

October - December due January 20

**Annual returns** are due January 20.

For more information, refer to FYI General 15: Colorado Department of Revenue Due Dates.

*Colorado Sales and Use Tax Guide: [Colorado.gov/Tax](http://Colorado.gov/Tax)*



## **Retailer's Use Tax Payments**

Payments can be made electronically through Revenue Online by eCheck, credit card or by Electronic Funds Transfer (EFT). If you cannot pay electronically, you can mail your check with your return.

- There is a fee for online tax payments by eCheck or credit card.
- There is no fee to pay by EFT; however, you must be registered. You can sign up for EFT through your Revenue Online account or by completing and sending in the form DR 5785: Authorization for Electronic Funds Transfer (EFT) Payments.

For more information on EFT, refer to the form DR 5782: Colorado Department of Revenue Electronic Funds Transferred (EFT) Program for Tax Payments.

## **Information For Particular Types of Businesses**

### **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 sales taxes for the areas where sales are made must be collected and remitted to the department. For local tax rates, refer to form DR 1002. A separate return must be filed for each jurisdiction where sales are made.

### **Small Home Businesses**

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 form DR 0100A: Retail Sales Tax Return for Occasional Sales. For more information, refer to FYI Sales 8: Sales Tax Requirements for Small Home Businesses.

### **Vendor's at Farmers Markets**

People engaged exclusively in the business of selling commodities exempt from state sales tax (such as vegetables, fruit or rice for home consumption) are not required to get a Colorado sales tax license.

If the farmer or retailer at a farmer's market sells prepared (ready-to-eat) food or other tangible property, that business should have its own sales tax license.

If the location of the farmer's market is in a jurisdiction that taxes food for home consumption, farmers or retailers should collect and pay the local tax either on their own sales tax license account or through the account of the market organizer if the farmer/retailer is not required to have a sales tax license.

If the farmer's market organizer is only collecting applicable local sales tax (because state sales tax is not required), the organizer can request to not pay the \$50 sales tax deposit normally required for a standard sales tax license.

**Note:** This information pertains only to state-collected tax jurisdictions. Vendors should contact home-rule cities and counties directly for their tax registration, collection and filing requirements.

## **Independent Distributors of Housewares, Cosmetics and Other Products**

These companies may elect and agree to remit the sales tax to the Department of Revenue. In this case, individual distributors are not required to have sales tax licenses. However, you are still required to collect sales tax on items you sell. Check with your company to determine whether or not arrangements have been made to remit the sales tax to the Colorado Department of Revenue. If the company has not elected to collect and remit sales taxes, each individual distributor must obtain a sales tax license.

### **Rental Businesses**

**Equipment** – 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 the form DR 0440: Permit to Collect Sales Tax on the Rental or Lease Basis. Leasing businesses with multiple locations must complete one form DR 0440 for each location. There is no fee for the leasing permit.

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 a rental is for a period of less than three years and the form DR 0440 is not filed, you must pay sales tax up front on all rental equipment. Sales tax must not be shown on late 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.

**Motor Vehicles** – If your business rents motor vehicles for less than 30 days; you must collect and remit \$2.00 for each rental per day. Motor vehicle means vehicles designed for travel on public highways and used to transport people or property. This includes motorcycles, low speed electric vehicles, cars, trucks, trailers, semitrailers and recreational vehicles (RVs), but does not include low power scooters, vehicles that operate only upon rail or tracks laid in place on the ground or that travels through the air or that derives its motive power from overhead electric lines. Rentals made to the federal government for official use are not subject to this fee. Collections of this fee are reported and paid by the 20th of the month following the reporting period on the form DR 1777: Vehicle Daily Rental Fee Return.

**Note:** This fee should be stated separately on the rental contract as the Colorado Road Safety Program Fee.

### **Seasonal Businesses**

If your business is seasonal and you make retail sales during only part of each year, you must obtain a standard sales tax license. Examples of seasonal businesses are ski rental shops, fireworks and Christmas tree stands, the Renaissance Festival and other businesses which are in operation during only certain months of the year.

When you apply for your license, you'll indicate which months of the year your retail business will be active. The department will send you returns only for those months during which you do business. The return is due on the 20th of the month following the reporting month. If your seasonal business is conducted in several locations, you must have a separate license for each location.

## **Charitable Organizations**

Charitable organizations which hold IRS section 501(c) (3) qualification letters and have a Colorado exemption certificate may be exempt from collecting sales tax during fund raising events. If the charitable organization conducts sales for a total of 12 days or less during a calendar year and the net proceeds from all these events do not exceed \$25,000 in that calendar year, the sales are not subject to sales tax. Net proceeds are the total gross events receipt(s) less expenses attributable to the event(s).

However, if sales are conducted more than 12 days in a calendar year, all sales are subject to state, RTD, CD, RTA and state administered local taxes. For example, if the charitable organization chooses to conduct sales on a 13th day during the calendar year, the entire amount of gross sales from all 13 days is subject to sales tax. If, however, a charitable organization makes more than \$25,000 in net proceeds during a calendar year, it may make the sales that generate the first \$25,000 in net proceeds without registering with the department or collecting sales tax. As soon as the organization reaches \$25,000 in net proceeds, it must obtain a sales tax license from the department and begin collecting sales tax.

## **Vending Machine Operators**

Owners, operators, lessors and lessees of vending machines who have control of the receipts must obtain a Colorado sales tax license. 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 the form DR 0235: Request for Vending Machine Decals. The sticker allows department agents to identify the machine and its owner. Machines without stickers are subject to confiscation by the department. For more information, refer to FYI Sales 59: Vending Machines.

## **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 end users and consumers of materials used during the contract work and must pay sales tax to their vendors on all purchases.

Contractors and subcontractors performing only lump-sum contracts do not need a 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 non-taxable purchases of building materials contractors and subcontractors may make are those for construction work for tax-exempt organizations.

**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.

For more information, refer to FYI Sales 6: Contractors and Retailer Contractors- Definitions and Sales Tax Requirements and the publication Components of Contractor Compliance.

## **Aviation Fuel Vendors**

Vendors who sell aviation jet fuel at Colorado airports are required to collect state sales, RTD and local taxes, report gallons sold by location and pay such sales separately from other retail sales reported on the form DR 0100: Retail Sales

Tax Return. 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 more information, refer to FYI Sales 57: Sales and Use Tax Applicable to Gasoline and Special Fuels.

## **Lodging Businesses**

Lodging owners or their management companies who rent rooms and accommodations for less than 30 days must collect and remit sales tax. This includes lodging services, such as hotels, motels, condominiums, space rentals, camping facilities and services, auto camps and trailer parks.

### **County Lodging Tax (CLD)**

The county lodging tax is a tax levied only in certain counties within Colorado and is applied specifically to lodging services, such as hotels, motels, space rentals, condominiums, camping facilities and services, auto camps and trailer parks. Lodging owners or their management companies are liable for the county lodging tax on all receipts from lodging when the stay was less than 30 consecutive days.

County lodging tax rates vary depending upon the county where this tax is applicable. Refer to the form DR 1002: Colorado Sales/Use Tax Rates.

County lodging tax is remitted quarterly to the department on the form DR 1485: County Lodging Tax Return.

### **Local Marketing District Tax (LMD)**

A local marketing district tax is a tax on lodging services leased or rented for less than 30 days. This includes hotels, motels, condominiums and camping spaces, and in some areas houses, guest ranches and mobile homes. Lodging owners or their management companies are liable for the local marketing district tax on all receipts from lodging when the stay was less than 30 consecutive days.

Local marketing tax rates vary depending upon the county/city where this tax is applicable. Refer to the Form DR 1002: Colorado Sales/Use Tax Rates for rates. Local marketing tax is remitted on the form DR 1490: Local Marketing District Tax Return with the same filing frequency and due date as the form DR 0100: Colorado Retail Sales Tax Return.

For more information, refer to FYI Sales 11: Sales Taxes Due on Unit Rentals of Hotels, Motels, Bed-and-Breakfasts, Condominiums and Time Shares.

## **Record-Keeping**

You must keep records of all of your business transactions to enable both you and the department 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, 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 on Revenue Online.

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.

### **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. The retailer or vendor bears the burden of proving that the purchaser signs a verification affidavit for your records.

### **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. However, you may not alternate between methods. Keep records for three years.

**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.

For more information, refer to FYI Sales 1: How to Document Sales to Retailers, Tax Exempt Organizations and Direct Pay Permit Holders.

## **Assistance and Education**

### **How to Get Help**

If you have questions not covered in this booklet, you may obtain assistance by phone, online or in person.

### **Call Us With Your Tax Matters**

Tax Information: 303-238-7378

EFT/Electronic Payment Help: 303-205-8333

### **Help Yourself Online**

Send a secure message through your Revenue Online account. [Colorado.gov/RevenueOnline](http://Colorado.gov/RevenueOnline)

### **Assistance in Person at our Taxpayer Service Centers:**

#### **Denver**

1375 Sherman Street  
Denver, CO 80261

#### **Colorado Springs**

2447 N. Union Boulevard.  
Colorado Springs, CO 80909

#### **Fort Collins**

3030 S. College Avenue.  
Fort Collins, CO 80525

### **Grand Junction**

222 S. 6th St. Room 208  
Grand Junction, CO 81501

### **Pueblo**

827 W. 4th Street, Suite A  
Pueblo, CO 81003

\*Visit our website for days and hours of operation.

### **Tax Education**

Free sales tax classes are offered by the Colorado Department of Revenue in live and online formats. Please visit [www.DORTaxTraining.com](http://www.DORTaxTraining.com) to view available classes.

## **Additional Resources for Businesses**

- Taxation Web Pages, FYI Publications and Sales and Use Tax Instructions and Forms at [Colorado.gov/Tax](http://Colorado.gov/Tax)
- Colorado Income Tax Withholding Tables, DR 1098
- Colorado Business Resource Guide through the Colorado Small Business Development Office
- History of Local Sales/Use Taxes, DR 1250
- Taxation Weblog and InfoEmail Subscription Services. Sign up for weblog at [www.cotaxinfo.wordpress.com](http://www.cotaxinfo.wordpress.com) Sign up for specific tax type information emails at [www.tinyurl.com/CDORTaxinfoemail](http://www.tinyurl.com/CDORTaxinfoemail)



*Colorado.gov/RevenueOnline*



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

You can 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 website called Revenue Online. The following services are available through Revenue Online.

- **Access Your Sales Tax Account**
- **File a Return**
- **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**

Visit *Colorado.gov/RevenueOnline* to get started.