# STATE OF COLORADO

**DEPARTMENT OF REVENUE**
State Capitol Annex
1375 Sherman Street, Room 409
Denver, Colorado 80261
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Bill Ritter, Jr.
Governor

Roxanne Huber
Executive Director

GIL-2009-023

May 13, 2009

XXXXXXXXXXXX
Attn: XXXXXXXX
XXXXXXXXXXXX
XXXXXXXXXXXX

Re: zero tax returns

Dear XXXXXXXX,

You request guidance regarding XXXXXXXX obligation to file sales tax returns. The Department issues general information letters and private letter rulings. A general information letter provides a general overview of the applicable tax law, does not provide a specific determination, and is not binding on the department. A private letter ruling is a determination of the applicability of tax to a specific set of circumstances and is binding in the department. A party requesting a private letter ruling must provide certain information and remit a fee. For more information about general information letters and private letter rulings, please refer to the Department's regulation 24-35-103.5, C.R.S., which is available on our web site at: www.colorado.gov/revenue/tax. You have requested a general information letter.

**Issue**

Must the Company register and file sales tax returns even if it does not have any sales tax liability for the reporting period?

**Discussion.**

We assume from your letter that the Company has engaged in activities that created nexus with Colorado for sales and use taxes. You ask whether, given that the Company has nexus with Colorado, it must then register with the Department and file sales tax returns even if it has no sales tax liability for a reporting period. Colorado law requires that a retailer obtain a retailers business registration (i.e., sales tax license) from the Department if the retailer is liable for Colorado sales or use tax. The registration is valid for two years, but the retailer may cancel it at any time before its

expiration if it is no longer intends to make retail or wholesale sales in Colorado or is not liable for retailer's use tax. So long as the retailer has a retail sales tax license, it must file a sales tax return, even if it has no sales tax obligation for the reporting period. A company can file either on a monthly, quarterly, or annual basis, depending on the company's sales volume. The department has on-line applications specifically designed to make "zero sales tax" filings fast and convenient. See, www.TaxColorado.org and click on the "Sales Tax Zero File." For more information about sales and use taxes or to contact the Taxpayer Service Division regarding registration, visit our web site and view the various FYI's and other publications regarding sales and use taxes in Colorado, as well as contact information.

**Miscellaneous**

Enclosed is a redacted version of this ruling. Pursuant to statute and regulation, this redacted version of the ruling will be made public within 60 days of the date of this letter. Please let me know in writing within that 60 day period whether you have any suggestions or concerns about this redacted version of the ruling.

Sincerely,

Neil L. Tillquist
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