

## State-Collected Sales Tax Compliance Checklist

### General Responsibilities

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- Do you know which Agencies to contact/research for essential Colorado tax information?
  - Do you understand that the tax dollars you collect are never to be used as earned income?
  - Do you know what it means to have “business presence” in another taxing jurisdiction?
  - Do you respond to ALL correspondence and communication from the Colorado Department of Revenue?
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### Sales Tax License Compliance

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- Do you know the dates on which you are required to file tax?
  - Do you file regularly and on time?
  - What is the difference between a standard retail sales license and an event sales license?
  - Do you know when and how to renew a Colorado Sales Tax License?
  - Do you purchase ONLY tangible personal property that becomes part of the product(s) you sell with your Colorado Sales Tax License?
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### Calculating Correctly for All Jurisdictions

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- Can you identify all your tax collection jurisdictions?
  - Can you verify the accurate rates for each jurisdiction?
  - Do you know how to look up tax rates and what to collect on deliveries into another taxing jurisdiction?
  - Are you aware in what months state-collected tax rates change and are republished?
  - Do you know how to distinguish a state-collected city from a home rule city?
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### Verifying Exempt Purchasers

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- What types of organizations are eligible to hold an Exemption Certificate?
  - What documentation and/or information you are asked to collect for those exempt purchases from your business?
  - What is the DR 5002 Standard Colorado Affidavit of Exempt Sale, and how it is used?
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### Collecting, Filing, Remitting Sales/Use Tax on Time

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- What does “taxation follows possession” mean?
  - Do you collect sales tax for all tangible personal property taken out of inventory?
  - Do you pay consumer use tax on every retail purchase for which tax is not collected from you?
  - Do you know that you must contact a home rule city directly about their taxes?
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### Utilizing Colorado Department of Revenue Resources

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- Are you able to access and use the Taxation Web site?
- Do you know the location and hours of the nearest Taxpayer Service Center?
- Do you use Revenue Online to file and remit state-collected tax due?
- Do you know how to send a secure message in Revenue Online?
- Have you attended a Sales Tax Law Fundamentals or Sales Tax Filing class?