



CITY OF LONE TREE

## Use Tax Class:

Navigating the web of use tax accrual including City requirements for regular or occasional use tax remittance.

# Doing Business in Lone Tree: The Quick Facts

- All businesses are required to obtain a business license (no renewal or expiration) or combined retail business/sales tax license (2 year license, renewal in even number years).
- License type is determined by your business activity.
- All locations in the City of Lone Tree are taxed at the same cumulative tax rate.

City of Lone Tree  
Sales/Use Tax Division  
9220 Kimmer Drive, Suite 100  
Lone Tree, CO 80124



CITY OF LONE TREE

Phone: 303.708.1818

Fax: 303.225.4949

www.cityoflonetree.com/salestax

## BUSINESS LICENSE AND SALES/USE TAX APPLICATION

**Business License Only Fee - \$10.00**  
**Combined Retail License Fee - \$15.00**

**PLEASE PRINT LEGIBLY**

REGISTERED NAME OF COMPANY		DOING BUSINESS AS (DBA) NAME	
BUSINESS START DATE IN LONE TREE	FED OR SSN	STATE ID#	BUSINESS PHONE
BUSINESS LOCATION PHYSICAL ADDRESS (No P.O. Box)			CITY, STATE
CORRESPONDENCE CONTACT NAME			ZIP
CORRESPONDENCE PHONE		CORRESPONDENCE FAX	CORRESPONDENCE EMAIL
CORRESPONDENCE MAILING ADDRESS			CITY, STATE
MANAGER or REGISTERED AGENT NAME			ZIP
MANAGER / AGENT PHONE		MANAGER / AGENT FAX	MANAGER / AGENT EMAIL
MANAGER or REGISTERED AGENT MAILING ADDRESS			CITY, STATE
			ZIP

**TYPE OF REGISTRATION REQUESTED**

BUSINESS LICENSE ONLY (No taxable sales) \$10.00 License Fee     COMBINED BUSINESS/RETAIL SALES TAX LICENSE \$15.00 License Fee

**WILL YOU BE MAKING RETAIL SALES OF TANGIBLE PERSONAL PROPERTY?**

YES     NO

**TYPE OF BUSINESS (PLEASE SELECT ONE):**

<b>GENERAL SERVICES:</b> <input type="checkbox"/> ACCOUNTING FIRM <input type="checkbox"/> CHILD CARE <input type="checkbox"/> CONSULTING SERVICES <input type="checkbox"/> ENGINEERING SERVICES <input type="checkbox"/> FINANCIAL INSTITUTION <input type="checkbox"/> INSURANCE COMPANY <input type="checkbox"/> LAW FIRM <input type="checkbox"/> MANAGEMENT COMPANY <input type="checkbox"/> MARKETING <input type="checkbox"/> REAL ESTATE <input type="checkbox"/> OTHER	<b>OTHER BUSINESS ACTIVITIES</b> <input type="checkbox"/> AUTO SALES <input type="checkbox"/> BEAUTY SALON <input type="checkbox"/> CONTRACTOR - GENERAL <input type="checkbox"/> CONTRACTOR - SUB <input type="checkbox"/> DISTRIBUTOR <input type="checkbox"/> DRY CLEANER <input type="checkbox"/> ENTERTAINMENT <input type="checkbox"/> FOOD SERVICES <input type="checkbox"/> GOVERNMENT <input type="checkbox"/> HEALTH CLUB <input type="checkbox"/> INTERIOR DESIGN <input type="checkbox"/> LEASING COMPANY	<input type="checkbox"/> LIQUOR SALES <input type="checkbox"/> LODGING <input type="checkbox"/> MAINTENANCE <input type="checkbox"/> MASSAGE THERAPIST <input type="checkbox"/> MEDICAL SERVICES <input type="checkbox"/> OFFICE SALES <input type="checkbox"/> PHOTOGRAPHY <input type="checkbox"/> RELIGIOUS, NON-PROFIT <input type="checkbox"/> RESIDENTIAL BUSINESS <input type="checkbox"/> RESTAURANT <input type="checkbox"/> RETAIL SALES <input type="checkbox"/> SELF STORAGE	<input type="checkbox"/> SALON/SPR <input type="checkbox"/> TELECOMMUNICATIONS <input type="checkbox"/> TELEVISION: CABLE OR SAT <input type="checkbox"/> UTILITIES <input type="checkbox"/> WELDING MACHINE <input type="checkbox"/> WHOLESALE <input type="checkbox"/> OTHER
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**ESTIMATED ANNUAL TAXABLE SALES (IF ANY)** \_\_\_\_\_

**REQUESTED TAX REPORTING FREQUENCY**

MONTHLY (TAX LIABILITY \$100/MONTH OR GREATER)  
 QUARTERLY (TAX LIABILITY \$11 - \$99/MONTH)  
 ANNUALLY (TAX LIABILITY \$01/MONTH OR LESS)  
 OCCASIONAL (BUSINESS LICENSE ONLY - NO TAXABLE SALES)

**NEW BUSINESS OR PURCHASE OF AN EXISTING BUSINESS?**

NEW BUSINESS  
 BUSINESS ASSET PURCHASE  
 OTHER (EX: STOCK PURCHASE)

**REQUEST FOR PRE-PRINTED TAX RETURN FORMS**

YES     NO

**RETURNS PROVIDED ONLY IF MARKED YES**

**TYPE OF BUSINESS OWNERSHIP**

CORPORATION     LLC     OTHER  
 PARTNERSHIP     S-B      
 SOLE PROPRIETOR     TRUST

**DO POSTAGE AT LONE TREE LOCATION** \_\_\_\_\_

**# OF EMPLOYEES AT LONE TREE LOCATION** \_\_\_\_\_

I declare, under penalty of perjury, that the statements made herein are, to the best of my knowledge, true and correct.

SIGNATURE (Applicant or Authorized Agent) \_\_\_\_\_    PRINT NAME (Applicant or Authorized Agent) \_\_\_\_\_    Title \_\_\_\_\_    Date \_\_\_\_\_

CITY USE ONLY	FILE REGISTRATION & TAX RETURN FORMS TO: City of Lone Tree PO Box 17967 Denver, CO 80217-0987	CITY TAX RATES AND LICENSE FEES: SALES/USE TAX RATE: 1.8125%    LODGING TAX RATE: 6%    ADMISSION TAX RATE: 4% BUSINESS LICENSE ONLY FEE: \$10.00 (One Time Fee, No Renewal) COMBINED RETAIL LICENSE FEE: \$15.00 (Biennial License Subject to Renewal)
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Revised 4/10

# Effective September 28, 2015: Changes to Business Registration Requirements

- Prior to September 28, 2015, every business was issued either a business license or a combined business/sales tax license. The license fee was the same for both, \$10.00.
- New registration requirements allow a business to obtain either a business license only (service only business), one-time license fee of \$10.00, no renewal or expiration or a combined business/sales tax license, now a two year license (business making taxable sales). License fee of \$15.00 with renewal in even years for \$15.00.
- This change will make significant cuts in the amount of administrative time it takes to process license renewals.

# Changes to Business Registration Requirements (Continued)

- Service only businesses, those making no taxable sales of tangible personal property (TPP) or taxable services (i.e. telephone services) obtain a business license only. No renewal or expiration.
- Business license only accounts cannot make tax-free purchases for resale because they are not vendors of taxable TPP. All items purchased by a business license only account must be tax-paid at the time of purchase or consumer use tax must be accrued and paid.
- Business license only accounts are required to file Consumer Use Tax returns on an as-needed basis.
- Businesses selling taxable tangible personal property, or taxable services such as telephone service, will receive a combined business/sales tax license. A 2 year license with renewal in even years.
- The combined business/sales tax license will still allow these businesses to make tax-free purchases for resale.
- Combined business/sales tax license holders are still required to file regular sales tax return forms (monthly, quarterly, or annual basis).

# Cumulative Use Tax Rate Effective January 1, 2012

<u>All City Locations:</u>	
State of Colorado	2.9%
Douglas County*	-----
RTD	1.0%
SCFD	0.1%
<u>City of Lone Tree</u>	<u>1.8125%</u>
Cumulative Rate	5.8125%

\*Douglas County does not have a consumer use tax; they have a construction use tax only.

## License Applications and Renewals Can Now Be Made Online

- License applications and renewals can now be submitted online at [www.XpressBillPay.com](http://www.XpressBillPay.com).
- Make payment from your checking account or with a credit card (Visa, MasterCard or Discover).
- A 2.3% service fee will apply to all credit card transactions.
- No fee will be collected for payments made with an electronic check.

# How do I know which rate to charge at MY business location?

1. Check the city website:  
[www.cityoflonetree.com/salestax](http://www.cityoflonetree.com/salestax).
2. All locations in the City of Lone Tree are taxed at the same cumulative 6.8125% sales tax rate.

# City of Lone Tree Business Taxes



Sales Tax



Admission Tax

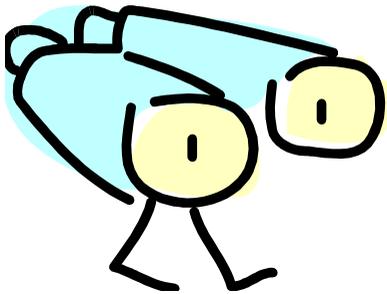


Lodging  
Tax

Consumer  
Use Tax



# CONSUMER USE TAX



Track...



Record...



Remit!

- Implemented per City Ordinance 06-06. Effective July 15, 2006.
- Consumer use tax is currently levied at a rate of 1.8125% for the “taxable privilege of using, storing, distribution or consuming in the City any article of tangible personal property or taxable service, purchased at retail.

# What is use tax and why do I have to pay?

## HISTORY:

Consumer use tax is a complement to sales tax. Many local jurisdictions, including the State of Colorado, have implemented consumer use tax ordinances in an effort to offset the loss of sales tax revenue to purchases made outside of the State/City.

Taxpayers prefer to purchase business-use items, such as office supplies, from out-of-state vendors in order to save money on the amount of sales tax paid. With the implementation of consumer use tax ordinances, taxpayers are now required to file returns on these non-taxed items. Keep in mind, consumer use tax applies only to items used, stored, distributed, or consumed by the business or individual and NOT to items purchased for taxable resale.

# What are some examples of business-use items?

- Office supplies.
- Fixed assets, such as furniture, leasehold improvements, and equipment.
- Magazine subscriptions.
- Food purchased for the business.
- Items pulled from inventory and used by the business, such as pens from an office supply store being pulled from inventory for use at the cash registers.
- Complimentary meals, including meals provided free of charge to customers and employees.
- Promotional items; Items given away free to promote the business, such as calendars, magnets, and pens.
- Repair and maintenance items; Invoices that separately state labor and materials are subject to tax on the materials.
- These are just a few common business use items. In general, any item of tangible personal property not purchased for resale is subject to sales tax that is to be paid by the business. If the business has not paid sales tax at the time of purchase, then the item is subject to use tax.

# How do I track what I owe?



There are several options to tracking your use tax liability. You must decide which option best fits your business. The following are two helpful hints for tracking use tax:

1. If you use accounting software, several current software programs allow you to flag an invoice as it is entered into the system. This flagged invoice will then be printed on a report, and you can use this report to determine your company's total use tax liability.
2. If you do not have accounting software, the best way to track use tax due is by creating an Excel spreadsheet or written ledger that tracks the date of purchase, invoice number, vendor name & address, description of purchase, and amount of purchase.

# Sample use tax accrual worksheet:

## CONSUMER USE TAX ACCRUAL - JANUARY 2012

Business: ABC Salon & Spa  
 State Acct: 16-78912  
 City Acct: 99999  
 Date: 2/20/2012

Invoice Date	Invoice Number	Vendor Name	Vendor Address	Item Description	Invoice Amount	State Use Taxable	RTD Use Taxable	SCFD Use Taxable	City Use Taxable
1/16/12	14778	Pueblo Faucets & Sinks	Pueblo, CO	Salon Sinks & Faucets	1,966.28	0.00	1,815.00	1,815.00	1,913.64
1/3/12	60523-1	Denver Hardwood	Denver, CO	Bamboo Flooring/Adhesive	1,217.60	0.00	0.00	0.00	1,173.00
1/31/12	28839465	California Supply Co.	San Clemente, CA	Inventory & Salon Use Products	1,098.00	752.00	752.00	752.00	812.69
1/10/12	Receipt	Baker's Office Supply	Parker, CO	HP Printer/Copier/Scanner	519.10	0.00	0.00	0.00	0.00
1/22/12	43655	Oriental Trading	Philadelphia, PA	Balloons/Helium	155.07	155.07	155.07	155.07	155.07
<b>January 2012 Taxable Totals</b>						907.07	2,722.07	2,722.07	4,054.40
<b>Consumer Use Tax Rate</b>						2.90%	1.00%	0.10%	1.8125%
<b>Consumer Use Tax Due</b>						26.31	27.22	2.72	73.49

Filed with the: State DR 0252 State DR 0252 State DR 0252 City Tax Return

Delivery charges are not subject to State, RTD, and SCFD consumer use tax.  
 Deliver charges ARE subject to City of Lone Tree consumer use tax.

# Sample Invoice 1

## Accrual Notes:

- Fixed assets purchased for leasehold improvements.
- Shipped from Pueblo to Lone Tree.
- State sales tax paid on invoice.

## Pueblo Faucets & Sinks

201 1st Street Pueblo, CO 81008 (719) 547-2663

Customer: ABC Spa & Salon  
123 Z Street  
Suite 700  
Lone Tree, CO 80124

Ship To: Same

Ship Date: 1/15/2012  
Invoice Date: 1/16/2012

Invoice #: 14778  
Customer#: 229050

Item #	Description	Amount
56-452FG-2	American Standard Salon Sinks (5)	1,115.00
22-8826Z-1	American Standard Salon Faucets (5)	475.00
422-813	Sink/Faucet Installation Kits (5)	225.00

Subtotal	1,815.00
Sales Tax	52.64
Shipping	98.64
Total	1,966.28

# Example Use Tax Accrual Spreadsheet

CONSUMER USE TAX ACCRUAL - JANUARY 2012									
Business:	ABC Salon & Spa								
State Acct:	16-78912								
City Acct:	99999								
Date:	2/20/2012								
Invoice Date	Invoice Number	Vendor Name	Vendor Address	Item Description	Invoice Amount	State Use Taxable	RTD Use Taxable	SCFD Use Taxable	City Use Taxable
1/16/12	14778	Pueblo Faucets & Sinks	Pueblo, CO	Salon Sinks & Faucets	1,966.28	0.00	1,815.00	1,815.00	1,913.64
1/3/12	60523-1	Denver Hardwood	Denver, CO	Bamboo Flooring/Adhesive	1,217.60	0.00	0.00	0.00	1,173.00
1/31/12	28839465	California Supply Co.	San Clemente, CA	Inventory & Salon Use Products	1,098.00	752.00	752.00	752.00	812.69
1/10/12	Receipt	Baker's Office Supply	Parker, CO	HP Printer/Copier/Scanner	519.10	0.00	0.00	0.00	0.00
1/22/12	43655	Oriental Trading	Philadelphia, PA	Balloons/Helium	155.07	155.07	155.07	155.07	155.07
<b>January 2012 Taxable Totals</b>						907.07	2,722.07	2,722.07	4,054.40
<b>Consumer Use Tax Rate</b>						2.90%	1.00%	0.10%	1.8125%
<b>Consumer Use Tax Due</b>						26.31	27.22	2.72	73.49
Filed with the:						State DR 0252	State DR 0252	State DR 0252	City Tax Return
<p><b>Delivery charges are not subject to State, RTD, and SCFD consumer use tax.</b></p> <p><b>Deliver charges ARE subject to City of Lone Tree consumer use tax.</b></p>									

# Sample Invoice 2

## Accrual Notes:

- Shipped from Denver to Lone Tree.
- State, RTD, and SCFD sales taxes paid on invoice.

## Denver Hardwood

1425 Champa  
Denver, CO 80216  
(303) 683-4797

Customer: ABC Spa & Salon  
123 Z Street  
Suite 700  
Lone Tree, CO 80124

Ship To: Same

Ship Date: 1/3/2012  
Invoice Date: 1/3/2012

Invoice #: 60523-1  
Customer#: 546623

Item #	Description	Amount
988243-223-1	Bamboo Flooring - 8 boxes	989.00
1566413	Flooring Adhesive	126.00

Subtotal	1,115.00
Sales Tax	44.60
Shipping	58.00
Total	1,217.60

# Example Use Tax Accrual Spreadsheet

## CONSUMER USE TAX ACCRUAL - JANUARY 2012

Business: ABC Salon & Spa  
 State Acct: 16-78912  
 City Acct: 99999  
 Date: 2/20/2012

Invoice Date	Invoice Number	Vendor Name	Vendor Address	Item Description	Invoice Amount	State Use Taxable	RTD Use Taxable	SCFD Use Taxable	City Use Taxable
1/16/12	14778	Pueblo Faucets & Sinks	Pueblo, CO	Salon Sinks & Faucets	1,966.28	0.00	1,815.00	1,815.00	1,913.64
1/3/12	60523-1	Denver Hardwood	Denver, CO	Bamboo Flooring/Adhesive	1,217.60	0.00	0.00	0.00	1,173.00
1/31/12	28839465	California Supply Co.	San Clemente, CA	Inventory & Salon Use Products	1,098.00	752.00	752.00	752.00	812.69
1/10/12	Receipt	Baker's Office Supply	Parker, CO	HP Printer/Copier/Scanner	519.10	0.00	0.00	0.00	0.00
1/22/12	43655	Oriental Trading	Philadelphia, PA	Balloons/Helium	155.07	155.07	155.07	155.07	155.07
<b>January 2012 Taxable Totals</b>						907.07	2,722.07	2,722.07	4,054.40
<b>Consumer Use Tax Rate</b>						2.90%	1.00%	0.10%	1.8125%
<b>Consumer Use Tax Due</b>						26.31	27.22	2.72	73.49

Filed with the: State DR 0252 State DR 0252 State DR 0252 City Tax Return

Delivery charges are not subject to State, RTD, and SCFD consumer use tax.  
 Deliver charges ARE subject to City of Lone Tree consumer use tax.

# Sample Invoice 3

## Accrual Notes:

- Shipped from California to Lone Tree.
- Part exempt, part taxable.
- No sales tax paid.

## California Supply Co.

18479 Hill Boulevard  
San Clemente, CA 90556  
(323) 995-5592

Customer: ABC Spa & Salon  
123 Z Street  
Suite 700  
Lone Tree, CO 80124

Ship To: Same

Ship Date: 1/30/2012  
Invoice Date: 1/31/2012

Invoice #: 28839465  
Customer#: 4377-2563

Item #	Description	Amount
478-9559-256	Redken Soft Shampoo - Quantity 12	120.00
478-8113-820	Redken Soft Conditioner - Quantity 12	144.00
981-546 W	Hi-Heat Wax - Quantity 1 Container	52.00
225-49485	Professional Use Facial Package - Quantity 2	700.00

Subtotal	1,016.00
Sales Tax	0.00
Shipping	82.00
Total	1,098.00



# Sample Invoice 4

## Accrual Notes:

- Store Receipt
- Picked up at the store in Parker
- Legally imposed Parker City sales tax paid at the time of purchase.

## Baker's Office Supply

7669 Frontage Road  
Parker, CO 80116  
(303) 775-9077

Customer: ABC Spa & Salon  
123 Z Street  
Suite 700  
Lone Tree, CO 80124

Ship To: Pick-Up

Ship Date:  
Invoice Date: 1/10/2012

Receipt #: 69341-2  
Customer#:

Item #	Description	Amount
41552-P	HP Deskjet Printer/Copier/Scanner Unit	480.65

Subtotal	480.65
Sales Tax	38.45
Shipping	0.00
<b>Total</b>	<b>519.10</b>

# Example Use Tax Accrual Spreadsheet

## CONSUMER USE TAX ACCRUAL - JANUARY 2012

Business: ABC Salon & Spa  
 State Acct: 16-78912  
 City Acct: 99999  
 Date: 2/20/2012

Invoice Date	Invoice Number	Vendor Name	Vendor Address	Item Description	Invoice Amount	State Use Taxable	RTD Use Taxable	SCFD Use Taxable	City Use Taxable
1/16/12	14778	Pueblo Faucets & Sinks	Pueblo, CO	Salon Sinks & Faucets	1,966.28	0.00	1,815.00	1,815.00	1,913.64
1/3/12	60523-1	Denver Hardwood	Denver, CO	Bamboo Flooring/Adhesive	1,217.60	0.00	0.00	0.00	1,173.00
1/31/12	28839465	California Supply Co.	San Clemente, CA	Inventory & Salon Use Products	1,098.00	752.00	752.00	752.00	812.69
1/10/12	Receipt	Baker's Office Supply	Parker, CO	HP Printer/Copier/Scanner	519.10	0.00	0.00	0.00	0.00
1/22/12	43655	Oriental Trading	Philadelphia, PA	Balloons/Helium	155.07	155.07	155.07	155.07	155.07
<b>January 2012 Taxable Totals</b>						907.07	2,722.07	2,722.07	4,054.40
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<b>Consumer Use Tax Due</b>						26.31	27.22	2.72	73.49

Filed with the: State DR 0252 State DR 0252 State DR 0252 City Tax Return

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Deliver charges ARE subject to City of Lone Tree consumer use tax.

# Sample Invoice 5

## Oriental Trading Company

158 S. Park Drive  
Philadelphia, PA 02638  
(800) 555-2935

Customer: ABC Spa & Salon  
123 Z Street  
Suite 700  
Lone Tree, CO 80124

Ship To: Same

Ship Date: 1/22/2012  
Invoice Date: 1/22/2012

Invoice #: 43655  
Customer#: 10882935

### Accrual Notes:

- Promotional office items.
- Shipped from Pennsylvania to Lone Tree.
- No sales tax paid.

Item #	Description	Amount
1587489	Balloons - 10" Assorted	53.65
2879442	Helium	101.42

Subtotal	155.07
Sales Tax	0.00
Shipping	Free
<b>Total</b>	<b>155.07</b>

# Example Use Tax Accrual Spreadsheet

## CONSUMER USE TAX ACCRUAL - JANUARY 2012

Business: ABC Salon & Spa  
 State Acct: 16-78912  
 City Acct: 99999  
 Date: 2/20/2012

Invoice Date	Invoice Number	Vendor Name	Vendor Address	Item Description	Invoice Amount	State Use Taxable	RTD Use Taxable	SCFD Use Taxable	City Use Taxable
1/16/12	14778	Pueblo Faucets & Sinks	Pueblo, CO	Salon Sinks & Faucets	1,966.28	0.00	1,815.00	1,815.00	1,913.64
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1/22/12	43655	Oriental Trading	Philadelphia, PA	Balloons/Helium	155.07	155.07	155.07	155.07	155.07
<b>January 2012 Taxable Totals</b>						907.07	2,722.07	2,722.07	4,054.40
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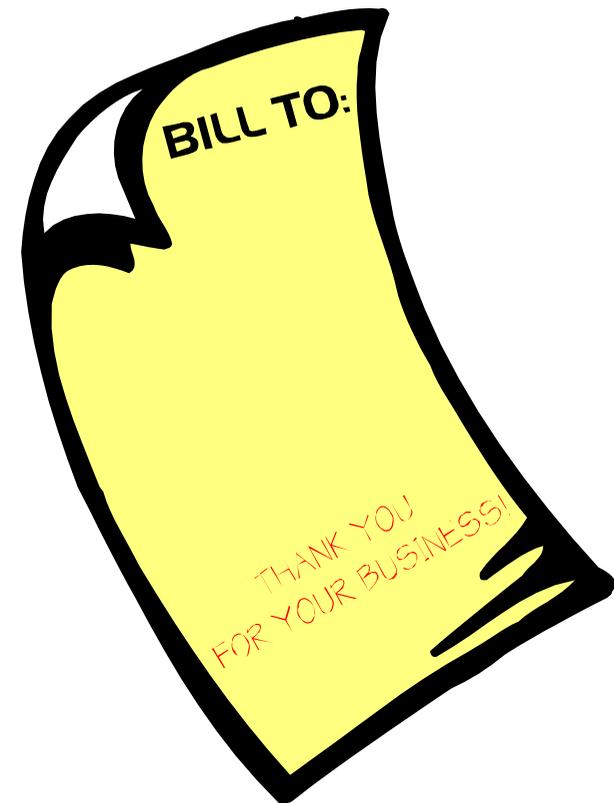
# How will I know when I owe use tax?

Use tax requires the business to be diligent in tracking the accounts payable invoices that are paid monthly. The invoices can fall under one of the following categories:

- **NO SALES TAX:** The invoice shows no sales tax paid, and the item purchased is not for resale. You are then required to accrue and remit use tax on the total price of items purchased.
- **SOME SALES TAX:** The invoice shows an amount for sales tax. You must then calculate what percentage of sales tax was paid to confirm that the sales tax remitted included Lone Tree sales tax OR sales tax paid to another municipality. If the amount of sales tax falls short of paying City sales taxes, then you must accrue and remit use tax on the total price of items purchased.
- **FULL SALES TAX:** The invoice shows an amount for sales tax. If you recalculate the percentage of sales tax paid and it matches the amount of sales tax due to the City of Lone Tree then you are NOT required to accrue and remit any additional use tax. Also, if the amount you remitted on the invoice has correctly included sales tax for a different municipality, such as Denver, then City use tax is not due.

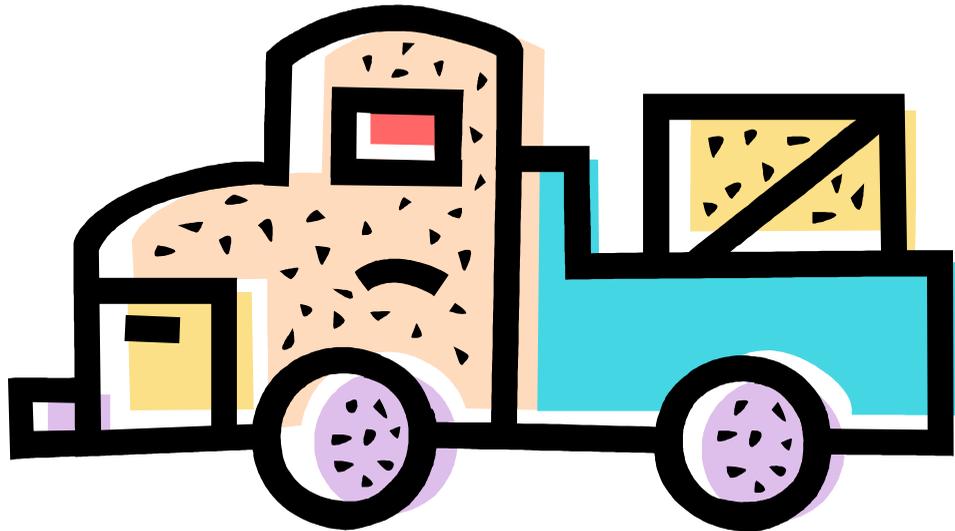
# Reminders: How do I determine how much of the invoice is taxable?

1. Determine if the invoice is for inventory or expense items. Generally, if the invoice is an expense, then it may be subject to use tax. If the invoice contains both inventory and expense items, then highlight the expense items only.
2. Calculate the total of all expense items prior to shipping & handling charges. If the items have been discounted, then include the discounted price only. Use tax is based on your cost of items purchased that are not for resale.
3. Add all shipping and handling (delivery) charges, or additional fees, such as a fuel surcharge. The City of Lone Tree does not exempt shipping charges. Shipping charges are exempt from State, RTD, and SCFD, sales and use tax effective August 2004.
4. The price of items purchased, including all additional fees and delivery charges, is your total cost of items obtained for use within the City. This is the amount that should be reported on Line 8 of the City sales & use tax return form.



# Price or Purchase Price Defined

- Price or purchase price means the aggregate value measured in currency of the United States paid, delivered or promised to be paid or delivered in consummation of a sale or purchase, without any discount on account of the cost of the property sold, cost of materials, labor or service used, profit margin, **transportation and delivery charges or any other expense whatsoever...**
- For full text of this Section, please see City Municipal Code Section 4-3-20.



# Common Confusions...

## Internet Sales & Purchases



There is a common misunderstanding regarding the taxation of items purchased over the Internet. The Internet Tax Freedom Act (ITFA) does not exempt sales or use tax on items purchased over the Internet. It merely exempts Internet access from taxation IF the tax was not imposed prior to May 1, 1998.

So although you may have made a purchase via the Internet, it does not exempt you from the sales or use tax due. If the company you are purchasing from has “nexus” within the City, then you would owe sales tax. If the company does not have “nexus” within the City, then you would be required to accrue and remit use tax on that purchase.

# Common Confusions...Food.



- Food purchased for domestic home consumption is exempted from City sales tax. Food purchased for immediate consumption and food purchased for business use are taxable. Why, you might ask? Per State statute, exempt food has to be available for purchase with food stamps. If the food/drink is food-stamp eligible, then it is exempt. Since businesses aren't eligible for food stamps the food they purchase isn't exempt.
- Items exempted through purchase by food stamps but taxable if purchased with cash are: carbonated water marketed in containers, chewing gum, seeds & plants to produce food for human consumption, prepared salads & salad bar items, cold sandwiches, and deli trays.
- Food items purchased through vending machines are not taxable.

# Common Confusions...Employee, Comp, and Discounted Meals.



- Meals provided to employees at a discounted price (i.e. 50% of menu price) are subject to sales tax on the discounted price.
- Meals provided free to employees are subject to use tax, not sales tax, on the business's cost of the meal provided to the employee, unless that meal is part of the employee's income.
- Meals provided complimentary or free-of charge to a customer is not subject to sales tax, however it is subject to use tax on the business's cost of the meal.
- Meals discounted by coupons, such as buy one get one free, are subject to sales tax (not use tax) on the final cost of the meal if the coupon is issued by the restaurant. If the coupon is issued by someone other than the restaurant then the full cost of meals are subject to sales tax.

# Common Confusions...Medical Supplies.



- The City of Lone Tree Municipal Code has very specific medical supplies and prosthetic device exemptions. The State of Colorado has a different, expanded definition of medical supplies and prosthetic devices which exempts more items.
- Items exempted from State collected sales and use tax are not necessarily exempt from City sales and use tax.
- The City offers a Medical Services tax class which goes into more detail regarding the differences between City and State medical exemptions. Class schedules and materials are available on the City's website, [www.cityoflonetree.com/salestax](http://www.cityoflonetree.com/salestax).

# Once I figure out how much I owe...how do I remit it to the City?

## CITY OF LONE TREE



PO Box 17987 • Denver, CO 80217-0987

303-708-1818 • www.cityoflonetree.com

- Combined business/sales tax license accounts:

City use tax is remitted on Lines 8 and 9 of the sales tax return. Items subject to use tax are itemized on Schedule B of the return, although a separate sheet can be attached.

- Business license only accounts:

Use tax is filed as needed on the City's Consumer Use Tax Return Form.



5A. SALES TAX	1.8125% OF LINE 4		
5B. LODGING TAX – GROSS	_____ X 6%		
5C. ADMISSIONS – GROSS	_____ X 4%		
6. ADD: EXCESS TAX COLLECTED			
7. TOTAL CITY SALES TAX (ADD LINES 5 & 6)			

8. PURCHASES SUBJECT TO USE TAX		
9. USE TAX 1.8125% OF LINE 8		

10. TOTAL TAX DUE: (ADD 7 AND 9)			
11. LATE FILING IF RETURN IS FILED AFTER DUE DATE THEN, ADD:	PENALTY 10%		ENTER TOTAL
	INTEREST PER MONTH 1%		
12. TOTAL TAX, PENALTY & INTEREST DUE (ADD LINES 10 & 11)			

13. PRIOR PERIOD ADJUSTMENT - ATTACH COPY OF NOTICE		
14. TOTAL DUE (ADD LINES 12 & 13)	MAKE CHECK PAYABLE TO CITY OF LONE TREE	

Please Sign

I HEREBY CERTIFY, UNDER PENALTY OF PERJURY, THAT THE STATEMENTS MADE HEREIN ARE TO THE BEST OF MY KNOWLEDGE TRUE AND CORRECT.

BY \_\_\_\_\_

COMPANY \_\_\_\_\_

PHONE \_\_\_\_\_

\_\_\_\_\_ TITLE \_\_\_\_\_ DATE



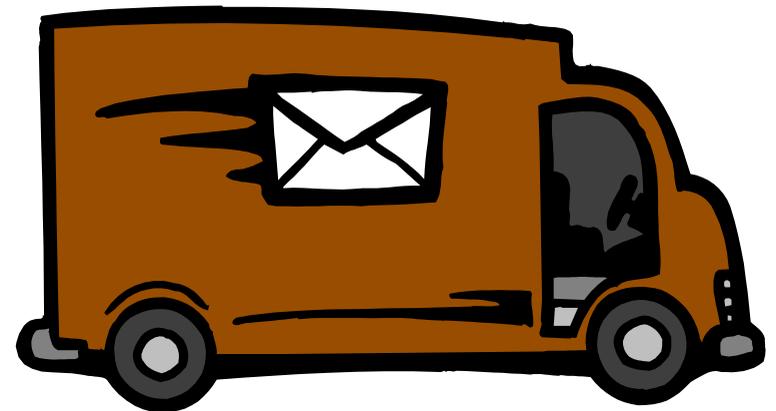
# And when do I remit it to the City?

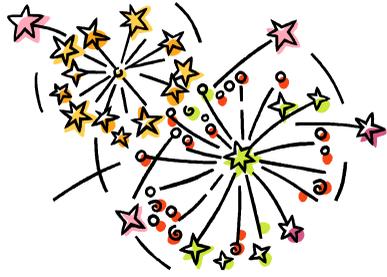
Use tax is due on the 20<sup>th</sup> of the month following the date of purchase. If you are a monthly filer for sales tax purposes, then you will submit use tax on a monthly basis as well. If you are a quarterly or yearly sales tax filer, but you have monthly items that are subject to use tax, then you will be required to file a monthly return for use tax (lines 8 and 9) only.

If you are a service-based company, and do not file regular sales tax returns, you are still required to file a consumer use tax return based on purchase date and the amount of use tax that may be due.

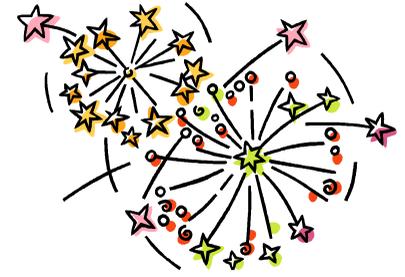
*Express Delivery:*

*Guaranteed on Time!*





# In conclusion... a few reminders!



- You must obtain & retain a valid business license to operate in the City.
- The City of Lone Tree is a “home-rule” city, meaning that all City imposed taxes are remitted directly to the City and not to the State.
- As a “home-rule” city, Lone Tree has chosen to tax and exempt specific items. Please reference City Ordinance 06-06 for a listing of these specifications.
- City sales, admission, lodging and use taxes are filed on the same City return.
- Returns are due by the 20<sup>th</sup> of the month following the period of sales tax collection or date of purchase (use tax).
- All locations in the City of Lone Tree are taxed at the same cumulative tax rate.
- The City’s website is [www.cityoflonetree.com](http://www.cityoflonetree.com). To quickly access sales/use tax information, please go to [www.cityoflonetree.com/salestax](http://www.cityoflonetree.com/salestax).
- Visit [www.XpressBillPay.com](http://www.XpressBillPay.com) to submit and make payments for license applications, license renewals and sales/use taxes.
- We are here to assist you, please feel free to call the City for assistance with your return. We can be reached at (303) 708-1818.



# QUESTIONS?



This presentation is available online at [www.cityoflonetree.com/salestax](http://www.cityoflonetree.com/salestax).