



CITY OF LONE TREE

## General Tax Class:

An introduction to doing business in Lone Tree and the taxes you may be required to collect & remit.

# 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			CORRESPONDENCE PHONE
CORRESPONDENCE MAILING ADDRESS			CITY, STATE
MANAGER or REGISTERED AGENT NAME	MANAGER / AGENT PHONE	MANAGER / AGENT FAX	MANAGER / AGENT EMAIL
MANAGER or REGISTERED AGENT MAILING ADDRESS			CITY, STATE

**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"/> LOBBING <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"/> SUIZOR <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
--	---	--	---

**ESTIMATED ANNUAL TAXABLE SALES (IF ANY)**

**REQUESTED TAX REPORTING FREQUENCY**

MONTHLY (TAX LIABILITY \$300/MONTH OR GREATER)  
 QUARTERLY (TAX LIABILITY \$11 - \$99/MONTH)  
 ANNUALLY (TAX LIABILITY \$10/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

**TYPE OF BUSINESS OWNERSHIP**

CORPORATION  LLC  OTHER  
 PARTNERSHIP  S-B   
 SOLE PROPRIETOR  TRUST

**50' FOOTAGE 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 17987 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)	

Revised 4/18

# 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).

## 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.

# Cumulative Sales Tax Rate Effective January 1, 2012

## All City Locations:

State of Colorado	2.9%
-------------------	------

Douglas County	1.0%
----------------	------

RTD	1.0%
-----	------

SCFD	0.1%
------	------

<u>City of Lone Tree</u>	<u>1.8125%</u>
--------------------------	----------------

Cumulative Rate	6.8125%
-----------------	---------

# 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.

# 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



# Sales Tax:

## So many forms...

- Effective 7/1/2008 the City sales and use tax rates became 1.8125%.
- Lone Tree is a **home-rule city**, meaning that the City sales tax collected is remitted directly to the City and NOT on the State sales tax return.
- City tax returns are filed as required and sent to a City PO box number as stated on the top of the return. Checks are made out to the City of Lone Tree.
- State sales tax returns are sent to the Colorado Department of Revenue and will not include City sales tax.
- State, Douglas County, RTD, and SCFD, sales taxes are remitted on the State sales tax return.
- This means you will file a minimum of TWO returns.

# So little time!

- The amount of sales tax you collect monthly determines how frequently you file a City sales tax return.
- Monthly filer: \$100 or more/month in tax collected.
- Monthly returns are due by the 20<sup>th</sup> of the month following the collection period. For example, February's return is due March 20<sup>th</sup>.
- Quarterly filer: \$11 - \$99/month in tax collected.
- Quarterly returns are also due on the 20<sup>th</sup> of the month following the quarter of collection. A return for April – June is due on or by July 20<sup>th</sup>.
- Annual filer: \$10 or less/month in tax collected.
- Annual returns are due on January 20<sup>th</sup> of the following year. That means an annual return for January – December 2011 will be filed by January 20, 2012.

# The Sales Tax Return

The City sales tax return has three parts:

- Schedule A:

In this section you will report gross sales, deductions, net taxable sales, tax due, and any penalty or interest that may be due.

- Schedule B:

This section is used to report any items purchased for business use that would be subject to consumer use tax.

- Schedule C:

Use this section if you are filing a consolidated return for more than one business location within the City.

# Schedule A of the Sales Tax Return

## SCHEDULE - A

PERIOD COVERED DUE DATE		LONE TREE TAX NUMBER	
TAXPAYER'S NAME & ADDRESS			
1. GROSS SALES AND SERVICE	TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN INCL. ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.		
2A. ADD: BAD DEBTS COLLECTED			
2B. TOTAL OF LINES 1 & 2A			
D E D U C T I O N S	3. A. NON-TAXABLE SERVICE SALES (INCLUDED IN ITEM 1 ABOVE)		
	B. SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE		
	C. SALES SHIPPED OUT OF CITY AND/OR STATE (INCLUDED IN ITEM 1 ABOVE)		
	D. BAD DEBTS CHARGED OFF (ON WHICH CITY SALES TAX HAS BEEN PAID)		
	E. TRADE-INS FOR TAXABLE RESALE		
	F. SALES OF GASOLINE AND CIGARETTES		
	G. SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS		
	H. RETURNED GOODS		
	I. PRESCRIPTION DRUGS / PROSTHETIC DEVICES		
	J. OTHER DEDUCTIONS (LIST)		
	K.		
L.			
M.			
3. TOTAL DEDUCTIONS	TOTAL OF LINES 3A THRU 3M		
4. TOTAL NET TAXABLE SALES & SERVICE	LINE 2B MINUS TOTAL LINE 3		

## CITY OF LONE TREE



PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com

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

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 \_\_\_\_\_

# Schedule A – Left Side

- Period covered will be the month, quarter or year in which the sales were made.
- Due date is the 20<sup>th</sup> of the month following the close of the period.
- DON'T FORGET TO INCLUDE YOUR LONE TREE TAX NUMBER!
- Include your full business name, DBA name, street address, and city/state/zip code.

## SCHEDULE - A

Period Covered Date Due	LONE TREE TAX NUMBER		
<b>TAXPAYER'S NAME &amp; ADDRESS</b>			
TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.			
1. GROSS SALES AND SERVICE			
2A. ADD: BAD DEBTS COLLECTED			
2B. DD: TOTAL LINES 1 & 2A			
3. DEDUCTIONS	A NON-TAXABLE SERVICE SALES (INCLUDED IN ITEM 1 ABOVE)		
	B SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE		
	C SALES SHIPPED OUT OF CITY AND/OR STATE (INCLUDED IN ITEM 1 ABOVE)		
	D BAD DEBTS CHARGED OFF (ON WHICH CITY SALES TAX HAS BEEN PAID)		
	E TRADE-INS FOR TAXABLE RESALE		
	F SALES OF GASOLINE AND CIGARETTES		
	G SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS		
	H RETURNED GOODS		
	I PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES		
	J OTHER DEDUCTIONS (LIST)		
	K		
	L		
	M		
3. TOTAL DEDUCTIONS (TOTAL OF LINES 3A THRU M)			
4. TOTAL CITY NET TAXABLE SALES & SERVICE		(LINE 28 MINUS TOTAL LINE 3)	

# Schedule A – Left Side

## LINE 1: GROSS SALES

Include the total of ALL sales, including exempt sales, out-of-area sales, services sales and sales to other licensed dealers.

## LINE 2A–BAD DEBTS COLLECTED

This line is used to record any bad-debts written-off on a prior return that have now been collected.

## LINE 2B–TOTAL OF LINES 1 & 2A

Add together line 1, gross sales, and line 2A, bad debts collected, to arrive at total gross taxable for the period.

### SCHEDULE - A

Period Covered Date Due	LONE TREE TAX NUMBER		
<b>TAXPAYER'S NAME &amp; ADDRESS</b>			
TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.			
1. GROSS SALES AND SERVICE			
2A. ADD: BAD DEBTS COLLECTED			
2B. DD: TOTAL LINES 1 & 2A			
3.	A NON-TAXABLE SERVICE SALES (INCLUDED IN ITEM 1 ABOVE)		
	B SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE		
	C SALES SHIPPED OUT OF CITY AND/OR STATE (INCLUDED IN ITEM 1 ABOVE)		
	D BAD DEBTS CHARGED OFF (ON WHICH CITY SALES TAX HAS BEEN PAID)		
	E TRADE-INS FOR TAXABLE RESALE		
	F SALES OF GASOLINE AND CIGARETTES		
	G SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS		
	H RETURNED GOODS		
	I PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES		
	J OTHER DEDUCTIONS (LIST)		
	K		
L			
M			
3. TOTAL DEDUCTIONS (TOTAL OF LINES 3A THRU M)			
4. TOTAL CITY NET TAXABLE SALES & SERVICE		(LINE 2B MINUS TOTAL LINE 3)	

# Schedule A – Left Side

## LINE 3 - DEDUCTIONS:

- A. Deduct non-taxable service sales.
- B. Deduct sales to other licensed dealers for purposes of taxable resale.

**REMINDER:** You are required to obtain and retain the resale license number of your customer. This number supports your tax-free sale.

- C. Deduct sales shipped out of city and/or state, which have been included in the gross sales figure on Line 1.

**REMINDER:** You are required to retain shipping receipts for items shipped to out-of-area customers.

## SCHEDULE - A

Period Covered Date Due	LONE TREE TAX NUMBER	
<b>TAXPAYER'S NAME &amp; ADDRESS</b>		
1. GROSS SALES AND SERVICE		
<small>TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.</small>		
2A. ADD: BAD DEBTS COLLECTED		
2B. DD: TOTAL LINES 1 & 2A		
<b>3.</b> <b>D</b> <b>E</b> <b>D</b> <b>U</b> <b>C</b> <b>T</b> <b>I</b> <b>O</b> <b>N</b> <b>S</b>	A	NON-TAXABLE SERVICE SALES <small>(INCLUDED IN ITEM 1 ABOVE)</small>
	B	SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE
	C	SALES SHIPPED OUT OF CITY AND/OR STATE <small>(INCLUDED IN ITEM 1 ABOVE)</small>
	D	BAD DEBTS CHARGED OFF <small>(ON WHICH CITY SALES TAX HAS BEEN PAID)</small>
	E	TRADE-INS FOR TAXABLE RESALE
	F	SALES OF GASOLINE AND CIGARETTES
	G	SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS
	H	RETURNED GOODS
	I	PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES
	J	OTHER DEDUCTIONS (LIST)
	K	
L		
M		
3. TOTAL DEDUCTIONS <small>(TOTAL OF LINES 3A THRU M)</small>		
4. TOTAL CITY NET TAXABLE SALES & SERVICE		<small>(LINE 2B MINUS TOTAL LINE 3)</small>

# Schedule A – Left Side

## LINE 3 - DEDUCTIONS:

D. Deduct bad-debts charged off as not collectible on which City sales tax was previously paid.

**REMINDER:** Bad-debts can only be written off if this portion of bad-debt has also been written off as part of the Federal & State income tax returns.

E. Deduct trade-ins for taxable resale. This would apply specifically to automobile dealers, but may also apply to other trade-ins and exchanges of property that will be resold.

F. Deduct sales of gasoline and cigarettes, which are not subject to sales tax.

## SCHEDULE - A

Period Covered	LONE TREE TAX NUMBER		
Date Due			
<b>TAXPAYER'S NAME &amp; ADDRESS</b>			
1. GROSS SALES AND SERVICE	TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.		
2A. ADD: BAD DEBTS COLLECTED			
2B. DD: TOTAL LINES 1 & 2A			
3. DEDUCTIONS	A NON-TAXABLE SERVICE SALES (INCLUDED IN ITEM 1 ABOVE)		
	B SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE		
	C SALES SHIPPED OUT OF CITY AND/OR STATE (INCLUDED IN ITEM 1 ABOVE)		
	D BAD DEBTS CHARGED OFF (ON WHICH CITY SALES TAX HAS BEEN PAID)		
	E TRADE-INS FOR TAXABLE RESALE		
	F SALES OF GASOLINE AND CIGARETTES		
	G SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS		
	H RETURNED GOODS		
	I PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES		
	J OTHER DEDUCTIONS (LIST)		
	K		
L			
M			
3. TOTAL DEDUCTIONS (TOTAL OF LINES 3A THRU M)			
4. TOTAL CITY NET TAXABLE SALES & SERVICE		(LINE 2B MINUS TOTAL LINE 3)	

# Schedule A – Left Side

## LINE 3 - DEDUCTIONS:

G. Deduct sales to governmental, religious and charitable organizations.

**REMINDER:** The vendor is required to obtain and retain the exempt number of the organization as support for the non-taxable transaction.

H. Deduct receipt of returned goods for which City sales tax was refunded to the customer. The total of these returned goods must be included in Line 1 **OR** City sales tax was paid for these goods on a prior return.

I. Deduct sales of prescription drugs or prosthetic devices.

## SCHEDULE - A

Period Covered Date Due	LONE TREE TAX NUMBER		
<b>TAXPAYER'S NAME &amp; ADDRESS</b>			
1. GROSS SALES AND SERVICE	<small>TOTAL RECEIPTS FOR CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.</small>		
2A. ADD: BAD DEBTS COLLECTED			
2B. DD: TOTAL LINES 1 & 2A			
3. DEDUCTIONS	A	NON-TAXABLE SERVICE SALES <small>(INCLUDED IN ITEM 1 ABOVE)</small>	
	B	SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE	
	C	SALES SHIPPED OUT OF CITY AND/OR STATE <small>(INCLUDED IN ITEM 1 ABOVE)</small>	
	D	BAD DEBTS CHARGED OFF <small>(ON WHICH CITY SALES TAX HAS BEEN PAID)</small>	
	E	TRADE-INS FOR TAXABLE RESALE	
	F	SALES OF GASOLINE AND CIGARETTES	
	G	SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS	
	H	RETURNED GOODS	
	I	PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES	
	J	OTHER DEDUCTIONS (LIST)	
	K		
L			
M			
3. TOTAL DEDUCTIONS <small>(TOTAL OF LINES 3A THRU M)</small>			
4. TOTAL CITY NET TAXABLE SALES & SERVICE			<small>(LINE 2B MINUS TOTAL LINE 3)</small>

# Schedule A – Left Side

## LINE 3 - DEDUCTIONS:

J-M. Deduct other deductions as necessary, and list specific deductions under lines K thru M. Other City deductions may include sales of food for domestic home consumption, sales or leases of motor vehicles to residents of Lone Tree which are subject to specific ownership taxes, sales of security system services, and sales of sound system services.

NOTE: Please call the City if you have any questions regarding what is or isn't a qualified deduction on the sales tax return.

Phone: 303-708-1818

## SCHEDULE - A

Period Covered Date Due	LONE TREE TAX NUMBER	
<b>TAXPAYER'S NAME &amp; ADDRESS</b>		
1. GROSS SALES AND SERVICE	TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.	
2A. ADD: BAD DEBTS COLLECTED		
2B. DD: TOTAL LINES 1 & 2A		
3. DEDUCTIONS	A NON-TAXABLE SERVICE SALES (INCLUDED IN ITEM 1 ABOVE)	
	B SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE	
	C SALES SHIPPED OUT OF CITY AND/OR STATE (INCLUDED IN ITEM 1 ABOVE)	
	D BAD DEBTS CHARGED OFF (ON WHICH CITY SALES TAX HAS BEEN PAID)	
	E TRADE-INS FOR TAXABLE RESALE	
	F SALES OF GASOLINE AND CIGARETTES	
	G SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS	
	H RETURNED GOODS	
	I PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES	
	J OTHER DEDUCTIONS (LIST)	
	K	
L		
M		
3. TOTAL DEDUCTIONS (TOTAL OF LINES 3A THRU M)		
4. TOTAL CITY NET TAXABLE SALES & SERVICE		(LINE 28 MINUS TOTAL LINE 3)

# Schedule A – Left Side

## LINE 3 – TOTAL DEDUCTIONS:

Add lines 3A thru 3M. The total of all deductions should be placed on Line 3 – Total Deductions.

## LINE 4 – TOTAL CITY NET TAXABLE SALES & SERVICE:

Line 2B minus

Line 3 (Total Deductions)

Equals: Line 4 -Total City Net Taxable

### SCHEDULE - A

Period Covered Date Due	LONE TREE TAX NUMBER	
<b>TAXPAYER'S NAME &amp; ADDRESS</b>		
1. GROSS SALES AND SERVICE		
<small>TOTAL RECEIPTS FROM CITY ACTIVITY MUST BE REPORTED AND ACCOUNTED FOR IN EVERY RETURN. INCLUDE ALL SALES, RENTALS AND LEASES AND ALL SERVICES BOTH TAXABLE AND NON-TAXABLE.</small>		
2A. ADD: BAD DEBTS COLLECTED		
2B. DD: TOTAL LINES 1 & 2A		
3. D E D U C T I O N S	A	NON-TAXABLE SERVICE SALES (INCLUDED IN ITEM 1 ABOVE)
	B	SALES TO OTHER LICENSED DEALERS FOR PURPOSES OF TAXABLE RESALE
	C	SALES SHIPPED OUT OF CITY AND/OR STATE (INCLUDED IN ITEM 1 ABOVE)
	D	BAD DEBTS CHARGED OFF (ON WHICH CITY SALES TAX HAS BEEN PAID)
	E	TRADE-INS FOR TAXABLE RESALE
	F	SALES OF GASOLINE AND CIGARETTES
	G	SALES TO GOVERNMENTAL, RELIGIOUS AND CHARITABLE ORGANIZATIONS
	H	RETURNED GOODS
	I	PRESCRIPTIONS DRUGS / PROSTHETIC DEVICES
	J	OTHER DEDUCTIONS (LIST)
	K	
L		
M		
3. TOTAL DEDUCTIONS (TOTAL OF LINES 3A THRU M)		
4. TOTAL CITY NET TAXABLE SALES & SERVICE		<small>(LINE 2B MINUS TOTAL LINE 3)</small>

# CITY OF LONE TREE

PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com



## Schedule A – Right Side

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

### LINE 5A – SALES TAX:

Multiply the net taxable sales figure from Line 4 by the City’s current sales tax rate of 1.8125%. This calculated sales tax due figure is recorded on Line 5A.

### LINE 5B – LODGING TAX:

Multiply gross sales, less rentals to government, charitable or religious organizations, by the City’s lodging tax rate of 6%. This lodging tax figure is recorded on Line 5B.

### LINE 5C – ADMISSION TAX:

Multiply gross sales, less ticket prices charged to government, charitable or religious organizations, by the City’s admission tax rate of 4%. The admission tax figure is recorded on Line 5C.

# CITY OF LONE TREE

PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com



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

## Schedule A – Right Side

### LINE 6-EXCESS TAX COLLECTED:

Excess tax collected is tax collected in excess of the amount of tax due on lines 5A, 5B, or 5C. For example, if your register is incorrectly set to collect 7.0% sales tax instead of the correct 6.8125%, then the additional 0.1875% would still be owed. This additional sales tax collected is considered excess sales tax and must be remitted on line 6 of the return.

### LINE 7 - TOTAL CITY TAX DUE:

Add Lines 5A thru Line 6, and place the total of all taxes due on Line 7.

# CITY OF LONE TREE

PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com



## Schedule A – Right Side

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

### LINE 8 - PURCHASES

#### SUBJECT TO USE TAX:

Use tax, as referred to in this section, is tax due on purchases for business use, not for resale, on which no City sales tax was paid. The city's use tax, also referred to as consumer use tax, will be described in depth further on in this presentation. Items subject to use tax are listed on Schedule B of the sales tax return.

### LINE 9 - USE TAX DUE:

The total amount of purchases placed on Line 8 are subject to the City's current use tax. Multiply Line 8 by the current rate and place that total tax due on Line 9.

# CITY OF LONE TREE

PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com



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

## Schedule A – Right Side

**LINE 10 – TOTAL TAX DUE:**  
Add Lines 7, Total City Sales Tax, and Line 9, Use Tax, together and place this total amount of tax due on Line 10.

**LINE 11 – LATE FILING PENALTY & INTEREST:**  
If the return is being filed after the due date, then penalty and interest are due. Penalty is 10% of the total tax due. The 10% penalty figure should be shown next to “Penalty” on Line 11. Interest is due at a rate of 1% of tax due per month for each month that the return is late. Even if the return is filed one day late, a total interest of 1% is due, and so on for each month thereafter until paid in full. Interest due is shown next to “Interest per Month” on Line 11. The total penalty and interest is then added and placed in the lower-right box on Line 11.

# CITY OF LONE TREE

PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com



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	

## Schedule A – Right Side

### LINE 12 – TOTAL TAX, PENALTY & INTEREST DUE:

Add Lines 10 & 11 together, placing the total due on Line 12.

### LINE 13 – ADJUSTMENT FOR PRIOR PERIOD:

If you had received a Notice of Deficiency or Refund from a prior period, you can pay that assessment or claim that refund on Line 13 of the return.

### LINE 14 – TOTAL DUE:

Add Lines 12 and 13, and place the total due on Line 14 of the return. This is the amount that must be remitted to the City, with a check or money order made out to the 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

# CITY OF LONE TREE

PO Box 17987 • Denver, CO 80217-0987  
303-708-1818 • www.cityoflonetree.com



## Schedule A – Right Side

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

DON'T FORGET TO SIGN AND DATE THE RETURN. PLEASE INCLUDE THE COMPANY NAME, PHONE NUMBER, AND YOUR TITLE WHEN COMPLETING THIS INFORMATION. IF WE HAVE QUESTIONS, WE WANT TO BE ABLE TO CONTACT THE PERSON WHO COMPLETED THE RETURN!



# Schedule B – City Use Tax

- Schedule B is a listing of all items that were purchased for business use, not for resale, on which no local sales tax was paid.
- A full list of those items should accompany the return. If there are too many items to fit on this schedule, please attach a separate paper listing all items subject to use tax. This additional sheet should be formatted in the same manner as Schedule B.
- The total amount of purchases subject to use tax should be placed on Line 8 of the City sales tax return.
- Total use tax due is calculated on Line 9.

SCHDEULE B - CITY USE TAX			
THE USE TAX ORDINANCE IMPOSES A TAX UPON THE PRIVILEGE OF USING, STORING, DISTRIBUTING OR OTHERWISE CONSUMING TANGIBLE PERSONAL PROPERTY PURCHASED, RENTED OR LEASED.			
DATE OF PURCHASE	NAME OF VENDOR & ADDRESS	TYPE OF COMMODITY PURCHASED	PURCHASE PRICE
(A) LIST OF PURCHASES (IF ADDITIONAL SPACE NEEDED - ATTACH SCHEDULE IN SAME FORMAT)			
			\$
(B) TOTAL PURCHASE PRICE OF PROPERTY SUBJECT TO CITY USE TAX			\$
ENTER TOTAL LINE (B) ON LINE 8			

# Schedule C – Consolidated Accounts Report

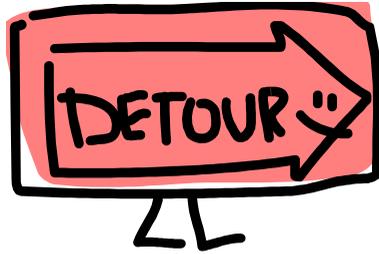
## SCHEDULE C - CONSOLIDATED ACCOUNTS REPORT

THIS SCHEDULE IS REQUIRED IN ALL CASES IN WHICH THE TAXPAER MAKES A CONSOLIDATED RETURN WHICH INCLUDES SALES MADE AT MORE THAN ONE LOCATION. IT MUST BE COMPLETELY FILLED OUT AND COVEY ALL INFORMATION REQUIRED IN ACCORDANCE WITH THE COLUMN HEADINGS. IF ADDITIONAL SPACE IS NEEDED, ATTACH A SCHEDULE IN THE SAME FORMAT.

BUSINESS ADDRESSES OF CONSOLIDATED ACCOUNTS	PERIOD'S TOTAL GROSS SALES (AGGREGATE TO LINE 1 FRONT OF RETURN)	PERIOD'S NET TAXABLE SALES (AGGREGATE TO LINE 4 AT TOP OF RETURN)
(A) LIST OF PURCHASES (IF ADDITIONAL SPACE NEEDED - ATTACH SCHEDULE IN SAME FORMAT)		
	\$	\$
ENTER CONSOLIDATED SALES TOTALS HERE	\$	\$

- Schedule C is required to be completed in all cases in which the company has more than one location within the City.
- Instead of filing more than one return, the City wants the taxpayer to consolidate all locations and only file ONE return.
- Total Gross Sales for all locations will be place on Line 1 of Schedule A, and will match the second column of Schedule C.
- Calculate deductions as usual for ALL locations.
- Total Net Taxable Sales will be placed on Line 4 of Schedule A, and should match the third column of Schedule C.

# All City Taxes are Filed on One Return



To recap:

ALL City of Lone Tree taxes (sales, admission, lodging, and consumer use) for combined business/sales tax license holders are filed on the same return. Taxes can also be filed and paid online at [www.XpressBillPay.com](http://www.XpressBillPay.com). Make payments from a 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.

Please note:

The sales tax return can also be used to alert the City of any business changes, such as change in ownership or closure of the business. These changes can be noted at the bottom of the return.

# SALES TAX

THE BASICS OF WHAT IS TAXABLE AND WHAT ISN'T...  
AND A FEW OF THE ISSUES THAT CAN CONFUSE EVEN THE  
MOST SEASONED VETERAN.

Before tax class...



during...



and AFTER!



# Please explain what is taxable...

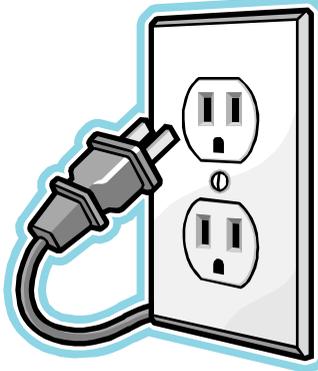
## TAXABLE TRANSACTIONS:

- All items of tangible personal property (TPP) sold at retail.
- Telephone/telecommunication services that originate from a location within the City limits.
- Commercial gas and electric services.
- Entertainment services transmitted via electromagnetic waves, specifically paid cable (whether supplied via cable or satellite dish) and internet service.

## WHEN IN DOUBT...

The burden of proving that an item isn't taxable is upon the vendor, so when in doubt, collect and remit the tax.

...and what isn't taxable.



## NON-TAXABLE TRANSACTIONS:

- Food for domestic home consumption. This does not include food purchased for consumption at a place of business.
- Residential gas and electric services.
- Occasional sales by charitable organizations.

# There are also other deductions that can be taken on the sales tax return:

- Service sales
- Sales to other license dealers for purposes of taxable resale
- Sales shipped out of City and/or State
- Bad debts charged off (on which City sales tax has been paid)
- Trade-ins for taxable resale (i.e. automobiles)
- Sales of gasoline and cigarettes
- Sales to governmental, religious and charitable organizations
- Returned goods (included on Line 1 OR on prior return)
- Prescription drugs and prosthetic devices
- Other potential deductions:
  - 1) All sales or leases of automotive vehicles to residents of Lone Tree upon which a specific ownership tax is paid or is required to be paid.
  - 2) Sales of security system/sound system services.

# Common Confusion...Coupons



- Manufacturer issued coupons discount the cost of an item to the customer, but are reimbursed to the store at which the coupon is used. Items purchased with a manufacturer's coupon is subject to sales tax on the full selling price before discount. Examples of manufacturer coupons are most coupons clipped from the Sunday paper, such as a \$0.50 coupon on Energizer batteries or \$1.00 off the purchase of four cans of Campbell's soup.
- Store issued coupons discount the cost of an item to the customer but are not reimbursed to the store by an outside party. Store issued coupons are subject to sales tax on the final cost of the item to the customer. Examples of store issued coupons would be Macy's 15% discount on all sale items or Target's store coupon for \$2.00 off Pedigree dog food.

# Admission Tax

Admission tax was imposed by the City on February 1, 2001, at a rate of 4%.

Admission tax is imposed at a rate of 4% “on every person, whether owner, lessee or operator, who charges or causes to be charged admission to any such place or event open to the public to collect such admissions tax for the City.”



# Admission tax applies to...

Paid admission to/for the following:

- Motion picture, stage show, play, concert, festival, carnival, circus, or other manifestation of the performing arts.
- Sporting or athletic contest, exhibition or event, whether amateur or professional and whether the person is acting as a spectator or participant.
- Rental of sporting or gaming equipment, including but not limited to pool tables, bowling balls and shoes, darts or dart boards, ski equipment, bikes, in-line skates and pads, fishing equipment, boats or boating equipment, and backpacking equipment.
- Lecture, rally, speech or dissertation.
- Showing, display or exhibition of any type, such as an art exhibit.
- Restaurant, tavern, lounge, bar or club, whether the admission charge is termed a cover charge, door charge or any other such term.

## But not to...

- The providing of free passes, complimentary admission tickets or otherwise, where no admission price is charged or paid.
- Sales to government, religious, or charitable organizations exempted under Section 501(c)(3) of the Internal Revenue Code.

# Lodging Tax



Lodging tax was imposed by the City on February 1, 2001, at a rate of 6%.

The City imposed a lodging and accommodations tax of 6% “upon the renting or leasing of lodging accommodations in the City for less than sixty (60) consecutive days.”

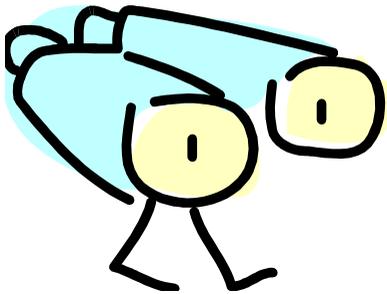
# Lodging tax facts...

- Lodging tax applies to the paid rental or leasing of lodging accommodations for less than sixty (60) consecutive days.
- Lodging tax is calculated on the gross rental/lease price of the accommodations.
- Lodging tax must be separately stated on the itemized invoice.
- Lodging tax IS NOT a fee on which State and City taxes are calculated. In other words, this tax is just that, a tax. Other applicable sales taxes should not be calculated on the gross lodging price plus the lodging tax. Rather, State and City sales taxes should be applied only to the gross lodging price.

## Lodging tax does not apply to...

- Sales to the U.S. Government, to the State, its departments or institutions, the political subdivisions thereof, in their governmental capacity only, and the City are exempted.
- Sales to religious or charitable organizations exempted under Section 501(c)(3) of the Internal Revenue Code.
- General Rule of Thumb – The lodging fees must be paid by credit card or official check from the government, religious, or charitable organization, confirming that the fees incurred were for the regular capacity of governmental, religious or charitable activities.

# 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.

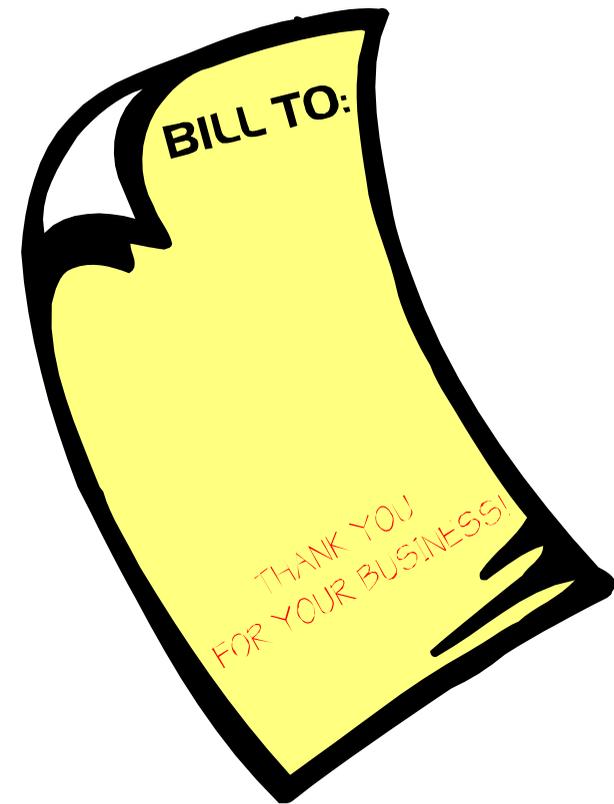
# How will I know when I owe use tax?

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.

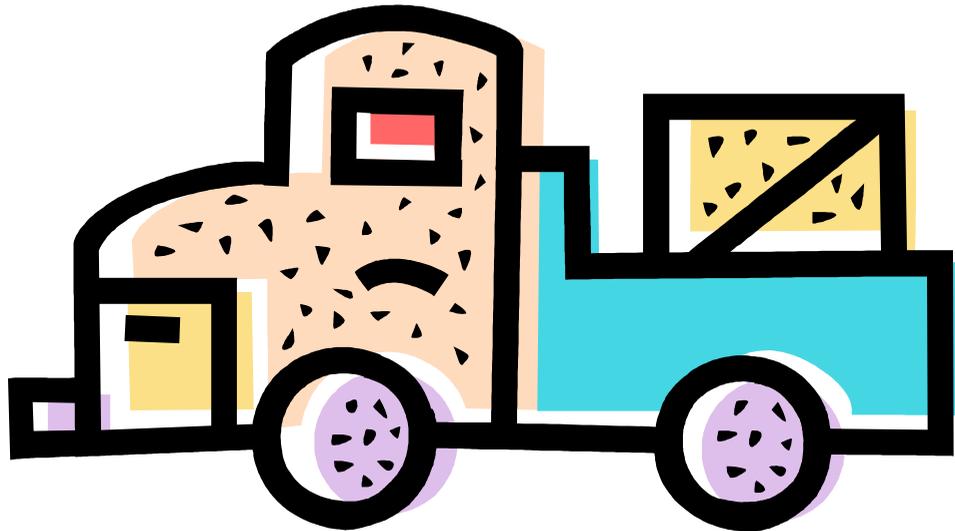
# Reminders: How do I determine how much of the invoice is taxable?

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.



# 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

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

P l e a s e  S i g n	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	_____



### ● 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.



# 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 the amount of use tax that may be due.

*Express Delivery:*

*Guaranteed on Time!*



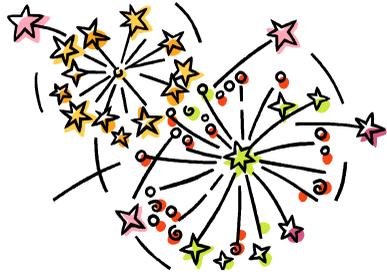
# Common Confusion...

## Internet Sales & Purchases

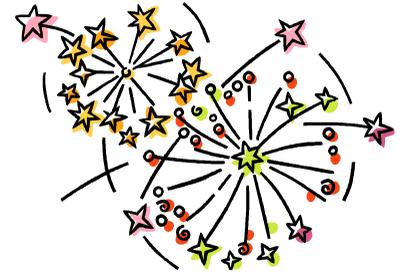


There is a common misunderstanding regarding the taxation of items purchased over the Internet. The Internet Tax Freedom Act (ITFA) does not exempt sales or use tax on items purchased over the Internet. It merely exempts Internet access from taxation IF the tax was not imposed prior to May 1, 1998.

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.



# 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).