



# CITY OF LONE TREE

## LICENSE & TAX INFORMATION

It's a great day to be in Lone Tree!

September 2015

### Licensing

All businesses operating in the City of Lone Tree must obtain a Business License or a Retail Sales & Use Tax License. This includes professional services, charitable organizations, home businesses and temporary vendors.

Licenses are nontransferable.

The initial Business License fee is \$10.00.

Business Licenses do not expire and have no renewal fee. They are valid until the business is discontinued, sold or revoked.

Retail Sales & Use Tax Licenses expire on December 31 of each even number year (2 year license) and have a \$15.00 initial and \$15.00 biennial renewal fee.

The licensing process ensures the City has current emergency contact and notification information. **Business owners must notify the Finance Department in writing if there are any changes to the license or company information.**

### License Applications

License applications are available online at [www.cityoflonetree.com/salestax](http://www.cityoflonetree.com/salestax), by contacting the Finance Department at 303.708.1818 or at the City of Lone Tree offices at 9220 Kimmer Drive, Suite 100, Lone Tree, CO 80124.

License applications and license renewals may also be submitted and paid online at [www.XpressBillPay.com](http://www.XpressBillPay.com).

### Important Contacts

**City of Lone Tree**      [www.cityoflonetree.com](http://www.cityoflonetree.com)      303.708.1818

**State of Colorado:**

**Department of Revenue**   [www.colorado.gov/revenue](http://www.colorado.gov/revenue)      303.238.7378

### Tax Rates

#### Sales Tax:

City of Lone Tree	1.8125%
State of Colorado	2.9000%
RTD	1.0000%
SCFD	.1000%
Douglas County	<u>1.0000%</u>
<b>Combined Rate</b>	<b>6.8125%</b>

#### Use Tax:

City of Lone Tree	1.8125%
State of Colorado	2.9000%
RTD	1.0000%
SCFD	.1000%
Douglas County*	<u>0.0000%</u>
<b>Combined Rate</b>	<b>5.8125%</b>

**\*Note:** Douglas County use tax applies to new construction materials only.



#### In This Issue:

- ◆ Licensing 1
- ◆ Sales Tax 2
- ◆ Use Tax 3
- ◆ Lodging Tax 3
- ◆ Admissions Tax 3
- ◆ Other Information 4

# Sales Tax

The City of Lone Tree sales tax must be collected on all sales of tangible personal property at retail in the City, including items delivered into the City. **Shipping and delivery charges are taxable in the City of Lone Tree.**

The City of Lone Tree collects its own sales tax. The sales tax can be remitted using the City Sales Tax Form which can be found on the city website at [www.cityoflonetree.com/salestax](http://www.cityoflonetree.com/salestax).

Sales tax forms and payments should be mailed to the following address:

**City of Lone Tree  
PO Box 911882  
Denver, CO 80291**

Returns are due by the 20th of the following month. If the 20th falls on a weekend or holiday, the return is due the next business day. Returns must be postmarked on or before the due date to be considered timely.

You can read the entire City of Lone Tree Municipal Code online at [www.cityoflonetree.com](http://www.cityoflonetree.com) for details regarding other items subject to sales tax.

## Online Sales Tax Filing and Payment

Sales taxes can be filed and paid online thru XpressBillPay.com. Before setting up your account on XpressBillPay, you need to call the Finance Department at 303.708.1818 and get a PIN Number that you will need along with your account number to gain access to your City of Lone Tree account.

Once you are logged in, you can enter your sales and tax information, make payments using a debit withdrawal from your bank account or by credit card (Visa, MasterCard or Discover). A 2.3% service fee will apply to all credit card transactions. There is no fee for payments made by EFT. **It's quick and easy.**

## What is Exempt From Sales Tax?

Here are a few of the exemptions as stated in the Municipal Code:

- Professional Services
- Sales of human prescriptions and medical supplies as defined by the Code
- Cigarettes
- Motor Fuels
- Wholesale sales
- All sales of food for domestic home consumption
- Labor if separately stated on invoices
- Sales to charitable organizations and government entities



CITY OF LONE TREE

# Common Sales Tax Mistake

## 1. Too Much Sales Tax is Paid

Some Lone Tree businesses often pay a higher, incorrect Sales Tax on their purchases. Many vendors do not realize they are making deliveries into Lone Tree because of the "Littleton" name which sometimes appears in Lone Tree mailing addresses. As a result, the higher Littleton rate (8.0%, Littleton, State, RTD, County, SCFD) is often charged. Deliveries into Lone Tree should have a total of not more than 6.8125% Sales Tax applied.

## What to Do!

- A. Inform your suppliers that you are in Lone Tree.
- B. Use the "Lone Tree" name in your mailing address on all forms and checks.

## Confused About Taxes?

Taxpayer education classes are available free of charge. Classes are held at the City offices, on one Friday afternoon each month and last about an hour. Contact the Finance Department at 303.708.1818 to reserve your seat for the next class.





# Use Tax

## What is Use Tax and When Does it Apply to Me?

Use tax applies to every business located in the City of Lone Tree. Use tax is due when a legally imposed City Sales Tax has not been paid or the City Sales Tax paid is less than 1.8125%. Use tax may be due on purchases, rentals or leases of tangible personal property that are stored, used, distributed or consumed in the City of Lone Tree.

## Why Does Use Tax Exist?

Use Tax protects local businesses from losing sales to competitors located in an area with a lower Sales Tax rate. It is also a revenue source for the City of Lone Tree.

## How Do I know If I Need to Report Use Tax?

Review the purchase invoices for all consumables and fixed assets and check for the following:

- Was the invoice for the purchase, rental or lease of tangible personal property?
- Did you pay City sales tax of less than 1.8125%?
- Was the item stored, used, distributed, consumed or delivered in the City of Lone Tree?

### Examples:

1. A computer is purchased online and delivered to your office in Lone Tree. 2.9% tax is charged (State only). Use tax is due. 1.8125% of the purchase price.
2. A computer is purchased and picked-up in Unincorporated Douglas County. 4.0% tax is charged (State/RTD/SCFD). Use Tax is due. 1.8125% of the purchase price.
3. A computer is purchased and picked-up in Denver. 7.62% tax is charged (Denver/State/RTD/SCFD). Use tax is not due. Denver tax was legally imposed and the rate is greater than the 6.8125% Lone Tree tax.
4. A computer is purchased in Denver and shipped to Lone Tree. 7.62% tax is charged (Denver/State/RTD/SCFD). Denver tax was not legally imposed since computer was shipped out of Denver. Use tax is due. 1.8125% of the purchase price.

# Admissions Tax

## What is Admissions Tax?

An Admissions Tax is charged on every person who pays to gain admission to any place or event open to the public.

## How Much is the Admissions Tax?

The Admissions Tax is 4.0% of the price of each admission.

## What is Exempt From Admissions Tax?

- Free passes, complimentary admission tickets
- Tickets sold to charitable organizations
- City of Lone Tree owned and operated facilities.

# Lodging Tax

## What is Lodging Tax?

The Lodging Tax is imposed upon the renting or leasing of lodging accommodations in the City for less than sixty consecutive days on such renting or leasing.

## How Much is the Lodging Tax?

The Lodging Tax is 6.0% of the total amount derived from the sale of lodging and accommodations.

## What is Exempt From Lodging Tax?

- The amount of Sales Tax that is applied to the first 31 consecutive days of lodging and accommodations (Sales Tax is only applied to the first 31 days of consecutive lodging and accommodations)<sup>3</sup>
- All sales to government or charitable organizations

# Frequently Asked Questions

## If I have no tax liability, do I still need to file?

Yes, a return must always be filed even if there is no tax due.

## How often do I remit sales taxes?

Monthly Filer: If the tax collected is \$100 or more per month.

Quarterly Filer: If the tax collected is between \$11 and \$99 per month.

Annual Filer: If the tax collected is \$10 or less per month.

## Is tax due if I purchase a business in Lone Tree?

Yes, sales tax is due on the fair market value of furniture, fixtures, supplies and equipment associated with the purchase of a business. Unpaid taxes from a prior owner also become the responsibility of the new owner. Please contact the Finance Department to ensure all prior taxes have been paid by the prior owner before purchasing the new business.

## Don't be late!

A penalty of 10% and interest of 1% per month (up to 18 months) will apply to all late sales tax returns.

## Did You Know?

- Many cities in Colorado administer their own Sales Tax. Home rule cities like Lone Tree have their own tax laws, collect their own taxes and conduct their own audits.
- Lone Tree sales tax does not apply to the purchase or lease of automobiles registered to Lone Tree residents.
- An item purchased via mail order and delivered to your Lone Tree office may result in Use Tax being due. (See Use Tax - Page 3.)
- Many Lone Tree businesses are often charged and pay a higher incorrect sales tax rate. (See Common Sales Tax Mistakes - Page 2.)
- It is beneficial for local businesses to use "Lone Tree" in their mailing address. This helps suppliers to identify the correct Sales Tax to charge.



CITY OF LONE TREE

## Contact Us

Give us a call for more information about City of Lone Tree Licensing and Tax questions.

### **City of Lone Tree**

9220 Kimmer Dr. Suite 100

Lone Tree, CO 80124

(303) 708-1818

Visit us on the web at

### **Rampart Range Metro District**

Rampart Range Metropolitan Districts 1-6 were formed on September 22, 2000 and approved by the City of Lone Tree. In 2005, Districts 7-9 were formed. The Districts were organized to serve the infrastructure needs of the new development and as such the purpose is to plan for, design, acquire, construct, install, relocate, redevelop and finance the public improvements.

Rampart Range is generally located south of Lincoln Avenue and East of Yosemite in Lone Tree and consists of approximately 3,353 acres. It consists of several development areas planned for residential and commercial development.

A 1.25% PIF (Public Improvement Fee), which is not a tax, is collected by the District on retail sales in the District.

For more information contact the Rampart Range Metropolitan District at 303.779.5710 or visit their website at [www.rrmd.org](http://www.rrmd.org).