



7500 West 29th Avenue
 Wheat Ridge, CO 80033
www.ci.wheatridge.co.us

General Licensing, Sales and Use Tax Information

This brochure is provided to help you become aware of and comply with the general tax and licensing provisions of the City of Wheat Ridge Municipal Code. More detailed information and information specific to business types as well as copies of the Wheat Ridge Tax Ordinance are available upon request.

Compliance Tips

Every person or organization doing business of any kind in Wheat Ridge must have a City business license, even if they “don’t sell anything.” The Tax Office will gladly fax or mail one to you: just call **(303)235-2820**. You can also find the form on our website, listed above.

ZIP codes cross city boundaries and ARE NOT accurate for local tax purposes. See “Local Taxes by Address” under Online Services at www.taxcolorado.com.

Items used in business, such as office supplies and equipment, are subject to sales tax. If they’re purchased from a seller who doesn’t charge any local tax, use tax is owed. Section 22-68 of the City Code provides more

detail and the inner pages of this booklet give some examples. The City website covers the subject in more detail.

Businesses that collect the City sales tax are permitted to keep two percent of the total sales tax due, up to a maximum of \$100 per filing period on line 8 of the return. Don’t worry, if you forget to take it, it becomes a credit to your account that may be refunded on request unless the account has a debit balance.

Tax Rates	
City of Wheat Ridge	3.0%
State of Colorado	2.9%
Jefferson County Open	0.5%
Regional Transportation	1.0%
Cultural/Scientific District	0.1%
Combined Rate	7.5%

Tax Fact



The City of Wheat Ridge administers sales and use tax, telephone occupation tax, lodging tax, admissions tax, liquor occupation tax and construction use tax. The Tax Division employs three full time people: a supervisor/auditor, an auditor and a technician.

LICENSE REQUIRED TO COLLECT TAX

Section 22-20 requires that you have a city business/sales tax license in order to collect the City sales tax. This is an effort to gain some accountability from remote sellers who were collecting tax and remitting it miscellaneously.

Sales Tax

For your convenience, Wheat Ridge offers two online filing choices:
Salestaxonline.com
and
<https://salestax.ci.wheatridge.co.us>

What is taxable?

- **All sales, leases and rentals of physical goods (tangible personal property)**
 - *Food*: all food is taxable regardless of where it is to be consumed, *except* qualifying WIC and Food Stamps purchases.
 - *Software*: all software, commercial, custom or customized is taxable.
 - *Freight*: in general, charges for freight, delivery, transportation, shipping and handling to the final user are taxable unless they are separately invoiced.
- **Certain services (and any resulting tangible personal property)**
 - *Telecommunications services, including internet services*
 - *Pay television services (cable or satellite TV)*
 - *Linen/uniform services*
 - *Alarm/security services*
 - *Credit bureau services*
 - *Marketing/advertising services*
 - *Fabrication charged to the final user*
- **Other**
 - *Maintenance agreement*: the full price of a contract or agreement to maintain or service anything but real property is taxable.
 - *Storage unit rental*: any space rented for storage is deemed a storage unit

Tax Fact



Alaska, Oregon, Montana, New Hampshire and Delaware have the lowest combined sales taxes. Their revenues are primarily from royalties or property taxes.

Exemption Requirements

1. Exempt organizations wishing to purchase and use goods free of Wheat Ridge tax must license with the City.
2. An exemption form is required to be kept for 3 years for each customer who buys tax-free. State form DRP 563 or any multi-jurisdictional form is acceptable.

See the City website for details or call the Tax Division.

Exempt Sales

- Newspapers
- Prescription drugs and prosthetic devices
- To *government institutions and entities*: United States, Colorado and Colorado districts, cities and counties
- To *charitable or religious organizations* presenting a valid *Wheat Ridge* exemption license
- To *purchasers who will resell* the items *and* who present a valid *Wheat Ridge* sales and use tax license number
- Farm items: machinery, parts, livestock, poultry, feed, medicines, fertilizers and seeds

Use Tax

Use tax exists to protect local businesses from losing sales to competitors in areas with lower sales tax rates.

When is use tax not due to Wheat Ridge?

- When you paid the correct Wheat Ridge sales tax to your supplier.
- When you plan to resell the items in the normal course of business, unless you use them first.
- When you paid another city's sales tax that is equal to or greater than the Wheat Ridge sales tax (3%).

How is use tax paid to Wheat Ridge?

When you establish an account with the City of Wheat Ridge by licensing your business, you will receive a sales and use tax reporting form monthly, quarterly or annually depending on your level of activity.

What is the Wheat Ridge use tax rate and to what does it apply?

Use tax applies to the same goods and services and at the same rate as the sales tax (3%).

USE TAX EXAMPLES

- You buy a desk that is delivered for use at your business location in Wheat Ridge. The supplier charges Wheat Ridge sales tax along with other applicable taxes for a total rate of 7.7%.
NO use tax is due to Wheat Ridge.
- You pick up a computer you bought in unincorporated Jefferson County for use at your Wheat Ridge location. The supplier charges only 4.7% tax (state, RTD, CSD and y g county sales taxes).
Use tax IS due to Wheat Ridge
- You buy boxes of paper that are delivered for use at your location in Wheat Ridge. The supplier charges state, RTD, CSD, and county sales taxes, but not Wheat Ridge sales tax (total tax charged, 4.7%).
Use tax IS due to Wheat Ridge
- You pick up a chair in Arvada and take it to use at your Wheat Ridge location. The supplier charges Arvada sales tax of 3.68% along with other applicable taxes. Remember, the Wheat Ridge tax is only 3%.
NO use tax is due to Wheat Ridge
- You buy maintenance supplies through mail order for use at your Wheat Ridge location. The supplier charges tax of 90 8%,but you don't know what city's tax was included! Call the supplier and ask them what city's tax they charged you. It is possible that they determined sales tax using your ZIP code and wrongly charged a bordering city's rate. Pay use tax to Wheat Ridge and request either a refund of the incorrect city tax from the supplier or permission to short pay the invoice.



Call the Tax Office with any questions.
(303) 235-2825

MORE USE TAX EXAMPLES

- You buy an assortment of computer parts via the internet for use in improving your information system at your Wheat Ridge office. The supplier, who sells exclusively on the internet, mails the parts to you. The current prohibition on taxing such sales allows the supplier to charge no tax at all on the sale. However, this does not release your tax obligation.
Use tax IS due to Wheat Ridge
- You buy a nifty new line of tools free of tax to sell at retail. However, you take a few tools out of stock and have an employee demonstrate their use in the showroom. This is considered a taxable use even though you might sell them later at a discounted price because converting inventory to business use is considered a transaction involving taxable goods.
Use tax IS due to Wheat Ridge

- You pick up break room snacks in another town to feed employees at your Wheat Ridge location. The supplier charges the town's sales tax of 2% along with other applicable taxes. (This example is based on a former rate in Lakewood; it's now the same as in Wheat Ridge.)
Partial use tax IS due to Wheat Ridge.

Here's how you calculate and report it, based on an imaginary invoice as shown below:

Supplier Co. Invoice
000 Some Street
Some City, CO

Your Company
000 Any Street
Wheat Ridge, CO 80033

1/1/2007 will call On acct.

Snacks	\$100.00
Tax 6.7%	6.70
Total due	\$106.70

1. Calculate the tax rate you paid	
A. Tax on invoice	\$ 6.) 0
B. Purchase price of goods	\$ 100.00
C. Total rate charged (A divided by B)	0.06)
2. Calculate the tax rate difference	
A. Wheat Ridge combined rate	0.07)
B. Total rate charged from 1C	0.06)
C. Tax rate difference (A minus B)	0.010
3. Calculate the tax owed to Wheat Ridge	
A. Purchase price from 1B	\$ 100.00
B. Tax rate difference from 2C	0.010
C. Tax amount due (A times B)	\$ 1.00
4. Calculate the reported purchase	
A. Tax amount due from 3C	\$ 1.00
B. Wheat Ridge city tax rate	0.03
C. Report this (A divided by B)	\$ 33.33

Report the result of 4C on Schedule B of the Wheat Ridge Sales and Use Tax Return. Tax is recalculated



Call the Tax Office with any questions.
***** (303) 235-2822

Other Taxes

Lodging Tax



This is a 10% tax on the price of rooms or accommodations that are leased, rented or otherwise furnished by agreement and for consideration to one occupant for less than 30 days.

- Hotels and motels
- Apartment or extended stay hotels
- Guest houses and guest ranches
- Auto or RV camps
- Trailer courts or parks
- Inns and beds-and-breakfasts

Admissions Tax



This is a 4% tax on charges for admission to amusement or entertainment events and activities, such as bowling, arcades, children's playrooms or any other event with an entrance fee or cover charge. The tax is NOT applicable to:

- Functions of the U.S. government and Colorado state and local governments
- Functions of Wheat Ridge licensed exempt charitable and religious organizations (Not to be confused with sales by exempt organizations of tickets to public events)
- Functions of public and non-profit private schools having a Wheat Ridge exemption letter
- Refunded admissions charges, if the tax was also refunded
- Free passes or complimentary admissions
- Non-profit museums

Building Materials Use Tax



This tax is paid at the time a building permit is obtained. The use tax rate of 3% is applied to 60% of the total estimated project cost and exists to ensure tax is paid to the City for items attached to property in the City. To avoid double taxation the contractor should present a copy of the permit to suppliers in order to avoid paying city tax (only) at the time of purchase. Common construction projects requiring permits:

- Decks
- Room additions
- Retaining walls
- Interior remodels, basements
- Storage sheds over 120 square feet
- Electric service changes
- Window replacement
- HVAC or water heater installation or replacement
- Fences
- Roofing
- Many more, please call Building and Zoning Enforcement at (303) 235-2855

Telecommunications Tax



The Wheat Ridge Municipal Code Sec. 22-121 imposes a flat tax on basic local exchange service providers who may pass it on to their customers. In 2013 it's \$2.05 per line.

Liquor Occupation Tax

Operators of establishments serving or selling alcoholic beverages are subject to an occupation tax based on the type of products and manner of selling them.





Numbers, Dates and Notes

City of Wheat Ridge	www.ci.wheatridge.co.us
Tax Office	(303) 235-2820
Tax Office Fax	(303) 234-5924
Main Switchboard	(303) 234-5900
Zoning	(303) 234-5931
Code/Animal/Park Enforcement	(303) 235-2926
State of Colorado	www.taxcolorado.com
Department of Revenue	(303) 238-7378
Secretary of State	(303) 894-2200
State tax/exemption license verification	www.colorado.gov/revenueonline/
Jefferson County	www.co.jefferson.co.us
Assessor's Office	(303) 271-8666
GIS Address Wizard	www.co.jefferson.co.us/awiz/

Returns Due the 20th of each month

- All City of Wheat Ridge tax returns are due on the 20th of each month following the assigned reporting period.
- When the 20th falls on a weekend or holiday, returns are due the next business day.
- A return must be postmarked on or before the due date to be considered timely.

You must file a return even if you owe no tax.

Reporting Frequency

- **Monthly:** average tax due is more than \$100 per month
- **Quarterly:** average tax due is between \$20 and \$100 per month
- **Annually:** average tax due is less than \$20 per month

Audits

Our **goal** is to educate taxpayers in order to gain voluntary and accurate compliance. Our **obligation** is ensuring the collection of tax due to Wheat Ridge for provision of services to its citizens, businesses and visitors. To meet this obligation, audits must be conducted.

Any business may be selected for audit. During an audit, a City Sales Tax Auditor visits a business to review accounting records for verification of payment of Wheat Ridge tax. If your business is selected for audit you will be notified in writing as to the period to be audited, records that might be needed and commencement of the audit.



Initial Use Tax

Initial use tax is due on equipment, furnishings and fixtures when someone purchases an existing Wheat Ridge business or opens a new business or location and hasn't paid local sales tax on such items. See the City website for details.