

## GENERAL INFORMATION REGARDING THE SALES/USE TAX (BUSINESS) LICENSE

Welcome to the City of Boulder. The City of Boulder Sales Tax Office is committed to serving you, including providing you with answers to your sales and use tax questions or any other questions you may have about the City of Boulder. Our office hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday. Listed below are some typical questions and answers, which you may find helpful. If you have additional questions, staff members are available to assist you at our counter in the Municipal Building located at 1777 Broadway. You may also call us at (303) 441-3050, or you may visit us at our website [www.bouldercolorado.gov](http://www.bouldercolorado.gov). To get to the sales tax page, click on "Business" box at the top of the home page, select the "Taxes and Payments" box on the left side of the page and then click on the "Sales and Use Taxes" link.

### Why do I need a license and how many do I need to start a business?

The City of Boulder Revised Code requires that anyone operating a business in Boulder be licensed and approved by the Building and Zoning Department before operating the business. The license is called a Sales and Use Tax License. It is required for all types of businesses within the city. If a business has more than one location in the city, each location needs a separate license. Contractors located in the City are required to have both a Sales and Use Tax License and a contractor's license, which is issued by the Building and Zoning Department.

### How do I obtain a license?

To obtain a license you must first complete a City of Boulder Sales and Use Tax (Business) License Application and submit the completed application along with a one-time \$25 per location license fee to the Sales Tax office. Application forms are available on the City's web site or can be requested from the Sales Tax office at the number above. Please note that if the business is based out of a home, a separate Home Occupation Form must be completed and submitted along with the business license application. Upon receiving the necessary approvals, the Sales Tax office will issue your license.

### What SIC CODING category does my business fall under?

The following types of businesses fall under each of the categories listed.

Food Stores:	Grocery stores, bakeries, dairy/meat/fish/vegetable markets, candy and specialty stores
Eating Places:	Restaurants, caterers, bars, pubs, coffee shops
Apparel Stores:	Clothing-men's, women's, children's, accessories, shoes, miscellaneous apparel
Home Furnishings:	Furniture, home furnishings, floor covering, drapery, upholstery, household appliances, music stores
Consumer Electronics:	Computer, software, specialty electronics
Building Material-Retail:	Lumber, hardware, paint, glass, wallpaper, garden supplies, nurseries, and mobile homes
Automotive Trade:	New and used car dealers, motorcycles, boats, recreational vehicles, auto supply, gas stations, auto rental and leasing
General Retail:	Includes any retail not specified above. Department stores, general merchandise, variety, books, jewelry, used goods, liquor, drugstores, camera, luggage, sporting goods, news and tobacco, hobby, toy, games, miscellaneous retail
Computer Related Business:	Computer hardware design/manufacture/lease, including programming/systems/related services
Transportation / Utilities:	Transit-railroad, bus, taxi, trucking, courier, cargo and passenger services, telecommunications, gas and electric, and sanitary
Services:	Professional/medical/financial/general business services
Construction / Contractors:	Construction trades, including electrical, mechanical, plumbing, general
Hotels / Lodging:	Hotel, motel, bed and breakfast
Admissions:	Movie theaters, performance ticket sales

### On which types of sales should I charge sales tax?

Sales Tax should be charged on all retail sales of tangible personal property. This also includes rentals and leases of equipment. Some services such as cable TV, telephone, maintenance contracts, gas and electric are also taxable. The current City of Boulder sales tax rate is 3.86%. If you have any questions regarding the taxability of an item, please feel free to call the Sales Tax office and the staff will gladly assist you.

### What is taxable?

The following is a sample list of taxable items:

- Apparel items
- Home furnishings
- Automotive products
- Non-prescription drugs, vitamins, home care remedies
- Groceries, home cleaning supplies, etc.
- Utilities – telephone, cable television, electric and gas services
- Office supplies and equipment such as computers
- Software, equipment and software maintenance contracts
- Building and grounds maintenance repair materials and supplies
- Equipment rentals, from backhoes to carpet cleaners

**What is the Food Service Tax?**

This tax is applied to food and beverage prepared and served by food service establishments. The food service tax of 0.15% is added to the current sales tax rate of 3.86% resulting in a total tax rate of 4.01%. This tax is not applied to food purchased for home consumption from grocery/convenience stores.

**What is Use Tax and how is it applied?**

Use tax is the reciprocal of sales tax. Use tax applies to all furniture, fixtures, equipment, supplies and materials purchased for use by your business that are not for resale. If you haven't paid the proper city sales tax to the vendor on a taxable purchase, you must report use tax directly to the City. The current City of Boulder use tax rate is 3.86%.

In order to determine if use tax is owed, business persons should always verify the amount of tax paid to any vendor.

The point of delivery determines which municipality's tax is due. By verifying the amount of tax you are paying, you will be able to determine whether you are over-paying your taxes or whether you have any additional liability. Listed below are several examples of when you as a business person should accrue and report the use tax:

- Capital assets purchased outside of city and no tax was charged
- Furniture picked up in an unincorporated area and brought back to Boulder for use
- Magazine and trade publications delivered to your Boulder business
- Assets acquired in a business purchase

**What is Admission Tax?**

This tax is charged for admission to an event. Such events include nightclubs and theatres. The tax rate for admission to an event is 5.0% of the price of the ticket or admission.

**What is Accommodations Tax?**

This tax is charged for the leasing or renting of any room, hotel/motel room, or other public accommodation located in the city and used for overnight lodging purposes. The current accommodations tax rate is 7.5%.

**What is Short-Term Rental Tax?**

This tax is charged for leasing or renting properties by Boulder homeowners for less than 30 days at a time. The current short-term rental tax rate is 7.5%.

**When is my tax return due?**

Tax returns are sent to licensed vendors based on their filing status. Taxpayers are required to file monthly, quarterly, or annually, depending on the amount of tax due (see table below).

**If average tax owed is:**

\$300 or more per month	File monthly
\$15-\$300 per month	File quarterly
\$15 or less per month	File annually

Regardless of the filing period, the return is due by the 20th of the following month. If the 20th is a non-workday, the return is due the following business day. **A RETURN MUST BE FILED EVEN WHEN THERE IS NO TAX DUE. IF THERE IS NO TAX DUE, A ZERO RETURN MUST BE FILED.** If the return is not filed, or filed after the due date, a notice of tax liability will be sent to you requiring payment of an estimated amount of outstanding tax, a penalty of 10% of the tax, and interest of 1.0% of the tax for each month the tax is delinquent.

**Where do I file my State, County or RTD taxes?**

The city tax is remitted to the City of Boulder and the State, County and RTD taxes are remitted to the State. You will also need to contact the State of Colorado for a state tax license. Please note that the tax law discussed in this general information sheet and elsewhere on this website applies to the City of Boulder only. For more information regarding specific tax issues for the State, County, or RTD, or to inquire about obtaining a state tax license, contact the Colorado Department of Revenue at (303) 238-7378 or on the web at [www.revenue.state.co.us](http://www.revenue.state.co.us).