

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 12*

## COMMON CARRIERS

Common carriers must pay sales/use tax on the acquisition of shop equipment and expense and supply items (including maps, route slips, and tariffs), used and/or stored in Denver.

Sales to common carriers are taxable if they take possession of the parts and accessories within Denver. Parts and accessories installed in Denver by a Denver vendor on a vehicle used by a common carrier are also subject to Denver sales tax.

The parts and accessories stored in Denver for subsequent installation are subject to Denver use tax, unless Denver sales tax or another municipality's equivalent sales tax has been paid upon acquisition.

Parts and accessories purchased and installed outside of Denver on a Denver-based intrastate common carrier's vehicle are subject to Denver use tax upon the vehicle's return to Denver for maintenance and/or overnight storage. However, parts and accessories installed outside of Denver on a Denver-based common carrier's vehicle operating exclusively in interstate commerce and whose only Denver contact is stopping at a dispatch terminal/parking area, are not subject to Denver use tax.

Automotive vehicles (purchased or leased) registered and required by law to be registered outside of the City and County of Denver are specifically exempted from Denver sales or use tax.

Automotive vehicles (purchased or leased) registered in Denver fall into two categories: intrastate and interstate. The intrastate vehicles are subject to sales/use tax. Vehicles operating exclusively in interstate commerce and whose only Denver contact is stopping at a dispatch terminal/parking area, are not subject to Denver sales/use tax. Vehicles put into interstate service in Denver will be subject to taxation.

### EXAMPLES

1. XYZ Interstate Trucking has a terminal located in Denver. XYZ has a water pump installed on one of their trucks at a repair shop located in unincorporated Adams County. Denver use tax is not due on the water pump since the pump was installed outside the City and the truck, along with the new water pump, was in interstate commerce when it came into Denver.
2. XYZ has a new transmission put on the same truck at a Denver repair shop and has its own employees install new tires (purchased from a non-Denver vendor) on the trailer. Denver sales tax would apply to the acquisition of the transmission and the new tires would be subject to use tax.

### RELATED TAX GUIDE TOPICS

Automotive Vehicles

Use Tax

- \* DRMC Section 53-25(1). Imposition of tax.
- \* DRMC Section 53-26(11). Exemptions.
- \* DRMC Section 53-33. Tax on rentals.
- \* DRMC Section 53-96(1). Imposition of tax.
- \* DRMC Section 53-97(12). Exemptions.
- \* DRMC Section 53-103.1. Tax on rentals.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.