

City and County of Denver, Colorado

TAX GUIDE

Topic No. 22

ENGAGED IN BUSINESS

"Engaged in business in the City" includes performing or providing services or selling, leasing, renting, delivering or installing tangible personal property, products or services for storage, use, or consumption, within the City.

Businesses located within the City and County of Denver making taxable retail sales are required to be licensed to collect and remit the Denver Sales Tax.

Businesses located outside the City and County of Denver are required to be licensed to collect and remit the Denver Retailer's Use Tax on taxable Denver retail sales if they are engaged in business within Denver, unless otherwise provided by the U.S. Constitution.

Sales and retailer's use tax license applications may be obtained by registering online through Denver's eBiz Tax Center at www.denvergov.org/ebiztax, from www.denvergov.org/treasury, or from the Taxpayer Service Unit of the Treasury Division at 720-913-9400.

EXAMPLES

1. ABC Draperies is located outside of Denver but has employees performing sales, installation, and delivery services in Denver in connection with retail sales. ABC Draperies is engaged in business within Denver and is required to be licensed to collect and remit Denver Retailer's Use Tax.
2. Alice's Appliances sells stoves, refrigerators and microwave ovens at its stores located in Arvada and Thornton. Alice advertises in the Denver Post and Rocky Mountain News. It also advertises on television commercials broadcast in Denver. Alice uses its own trucks to deliver and retrieve merchandise sold to its Denver customers. Alice's Appliances is engaged in business in Denver and is required to collect the applicable Denver taxes from its customers and remit them to the City.
3. Lana's of Beverly Hills operates a mail order business from a location outside of Colorado. Lana's sells merchandise throughout the United States including Denver. Lana's only connection with its Denver customers is by common carrier or the United States Postal Service.. Lana's is not required to collect the Denver taxes on sales to its Denver customers. However, Lana's later builds a showroom in Denver where customers can attend fashion shows and place orders. The merchandise will continue to be shipped from its Beverly Hills store. Lana's is now required to become licensed and to collect and remit Denver taxes on all its sales to Denver customers.

- * DRMC Section 53-24(26). Definitions – Retail Sale – Sales.
- * DRMC Section 53-76. Retail License - Required – Sales.
- * DRMC Section 53-77. Retail License – Exemption - Sales.
- * DRMC Section 53-92(b). Legislative Intent – Use.
- * DRMC Section 53-95(13). Definitions – Engaged in Business in the City – Use.
- * DRMC Section 53-95(30). Definitions – Retail Sale – Use.
- * DRMC Section 53-146. Retail License - Required – Use.

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.