

City and County of Denver, Colorado

TAX GUIDE

Topic No. 70

SALES TAX

The Denver Revised Municipal Code (DRMC) imposes a 4.31% sales tax on the purchase price paid or charged on retail sales, leases or rentals of tangible personal property, products, and on certain services. Retail sales made online to customers located in Denver are subject to sales tax. Taxable services include, but are not limited to, the sale or furnishing of telephone and certain telecommunication services, electricity, steam and natural gas for energy producing purposes, software as a service, internet subscription services, sound system services, and television and entertainment services.

Any person making taxable retail sales in Denver is required to be licensed to collect and remit sales tax. Sales tax returns are required to be filed with remittance on or before the 20th day of the month following the close of the taxable period.

The purpose of the sales tax is to generate funds for the payment of expenses of operating and improving the City and its facilities and for the payment of principal and interest due on certain municipal bonds.

A retailer holds sales taxes in trust for the City. These taxes are public funds and the property of the City in the hands of the retailer until paid over to the City.

SPECIAL RATES

The DRMC imposes special tax rates for the following sales at retail:

- A. A four percent (4.0%) tax rate is imposed on the sale of taxable food and beverages. Such taxable sales include food and beverages served or furnished by or in any establishment which prepares or serves the food and beverages for immediate consumption.
- B. A four cent (\$0.04) per gallon tax rate is imposed on the sale of aviation fuel.
- C. A seven and one quarter percent (7.25%) tax rate is imposed on the rental of automotive vehicles for a period of thirty (30) days or less.
- D. A nine and eighty-one one hundredths percent (9.81%) tax rate is imposed on the sale of recreational marijuana.

Sales 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. Note: licenses issued are for a two-year period with payment of a non-refundable \$50 license fee. Licenses are renewable on a biennial basis by January 1. It is the duty of each licensee on or before January 1 of even-numbered years following the year in which their license is issued or renewed to complete a renewal form if they remain in retail business. License fees for new licensees may be pro-rated based on start of business date per the schedule below.

PRO-RATED LICENSE FEE SCHEDULE:

	<u>PRO-RATED FEES FOR NEW LICENSEES WITH BUSINESS BEGINNING:</u>			
	<u>Jan. 1 to June 30 in even numbered year</u>	<u>July 1 to Dec. 31 in even-numbered year</u>	<u>Jan. 1 to June 30 in odd-numbered year</u>	<u>July 1 to Dec. 31 in odd-numbered year</u>
<u>Sales Tax License Fee</u>	<u>\$50.00</u>	<u>\$37.50</u>	<u>\$25.00</u>	<u>\$12.50</u>

RELATED TAX GUIDE TOPIC
Filing Periods

REFERENCES

- * DRMC Section 53-21 through 53-90. Sales Tax.
- * Rules Implementing the Exemption for Certain Food and Drink under the City Retail Sales and City Use Tax Article of the Denver Revised Municipal Code.
- * Rules Relating to Frequency of Periodic Sales and Use Tax Returns.

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.

Revised 1/2019