City and County of Denver, Colorado

TAX GUIDE

Topic No. 7

BANKS AND CREDIT UNIONS

Sales of tangible items to national and state banks, trust companies, savings and loans, and to state-chartered credit unions are taxable. Sales made to federally-chartered credit unions for their own use are exempt as courts have held them to be instrumentalities of the federal government.

Whenever national and state banks, trust companies, savings and loans, and state or federally-chartered credit unions engage in the sale of tangible personal property at retail, they must collect and remit the sales tax. Examples of retail sales commonly made by such entities include leases of equipment and autos, sales of obsolete equipment, and sales of credit card supplies.

EXAMPLE

XYZ Bank, ABC Credit Union (State Chartered), and Mytown Federal Credit Union each purchase a new computer system. These entities then sell their old computer equipment at retail.

If the purchase is made from a licensed Denver vendor, sales tax is due on the sale to XYZ Bank and ABC Credit Union. Sales tax would not be collected on the sale to Mytown as this is a federally-chartered credit union. If the purchase is from a non-licensed vendor, XYZ Bank and ABC Credit Union would be required to remit use tax on the purchase. Mytown Federal Credit Union is not subject to use tax because it is federally chartered.

All of these entities would be required to collect and remit sales tax on the retail sale of their old computer equipment.

* DRMC Section 53-25. Imposition of tax.
* DRMC Section 53-26(1). Exemptions.
* DRMC Section 53-27. Retailers to collect tax.
* DRMC Section 53-28. Retailer responsible for payment of tax.
* DRMC Section 53-33. Tax on rentals.
* DRMC Section 53-96. Imposition of tax.
* DRMC Section 53-97(1). Exemptions.
* DRMC Section 53-98. Retailers to collect tax.
* DRMC Section 53-99. Retailer responsible for payment of tax.
* 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.

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