Definitions

- FDA tax is a 10% tax on the purchase price of an admission to an event held in a City-owned or leased facility or on City-owned or leased property.

- A 4.81% sales tax is due on the purchase price paid or charged upon all sales and purchases of tangible personal property at retail. A 4.00% sales tax rate applies to food and beverage sold or purchased.

Ordinance Provisions

- Neither the FDA tax nor the sales tax ordinances allow a credit or exemption for taxes paid under other tax ordinances.

- Each tax applies to a different type of transaction: sale of admission and sale of tangible property.

Requirements

FDA tax must be collected on all sales of taxable admissions.

Sales tax must be collected on all sales of taxable tangible personal property sold at retail.

Both sales tax and FDA tax must be collected on transactions that are bundled (tickets do not separately state the price of each ticket component such as the retail sale of tangible personal property and the price of admission). See examples below.

FDA tax must be collected on the specifically identified price of admission and sales tax must be collected on the specifically stated price of tangible personal property sold, when separately stated on the ticket. The organization (unless it has a regular Denver sales tax license) is required to obtain a special event sales tax license, charge, collect and remit sales tax on the price of the tangible personal property sold at retail.

Only FDA tax must be collected on the entire price charged for admissions when the promoter/organization purchased tangible personal property to give away, and paid Denver sales tax to the retailer or paid the use tax directly to the City.
**Not-for-Profit Organizations**

Not-for-profit organizations and other organizations not commonly in the retail business may meet their obligation to collect and remit Denver sales tax on such transactions by either:

A. Collecting and remitting sales tax on the price of the items sold; or

B. Paying the sales tax due to the supplying vendor of tangible personal property to be sold or given away, provided the vendor is authorized to collect Denver sales tax and the sales tax is charged on the vendor's invoice; or

C. Paying the sales tax directly to the City on the cost/value of the items purchased/donated.

Contact: Taxpayer Services at 720-913-9400 to obtain a one-time reporting account number and return.

**EXAMPLE #1**

The Rotary Club has a pancake breakfast at the National Western Complex. Joe's Pancake House donates the pancake batter and syrup; the Rotary Club purchases the meat, butter, and juice. A paid western band entertains participants as they eat. The tickets are $10.00 for admission to the event, which includes both, the food and entertainment.

Given the facts presented:

1. **10% FDA tax** is due on the full $10.00 ticket price because the transaction was bundled, not separately stated.
2. **4% sales tax** is due on the fair market value of the donated ingredients and the cost of the purchased food. The sales tax due on the purchased food (the meat, butter, and juice) may be paid to the supplying vendor, if the vendor charges the Denver sales tax on its invoice, or remitted to Denver with the sales tax due on the donated food.

**EXAMPLE #2**

ABC Hospital (a qualified, tax-exempt hospital organization) has a benefit banquet and silent auction at the Colorado Convention Center. Each ticket includes wine, dinner, and a dance with music provided by a paid performer. The food, wine, and items to be auctioned are donated. Tickets cost $100 each. On the face of each ticket the cost is itemized: $45 is for dinner, $15 is for the dance, and $40 is a tax-deductible donation.

Given the facts presented:

1. **10% FDA tax** is due on $15 of each ticket sold as the stated price of the admission to the dance.
2. **4% sales tax** is due on the $45 charged for the dinner.
3. **4.81% sales tax** is due on the tangible personal property auctioned. ABC Hospital can either:
   a. Obtain a special event sales tax license, charge, collect, and remit sales tax on the price paid by the buyer, or
   b. Pay sales tax directly to the City on the fair market value of the donated property auctioned.

Revised: 1/2021