

City of Glenwood Springs

101 W. 8th Street

Glenwood Springs, Co 81601

Phone: 970-384-6400

Fax: 970-945-2597

Website: www.cogs.us



Business Tax Information

The City of Glenwood Springs offers a variety of resources to help you comply with City Laws:

Publication

City Business Licensing and Tax Ordinance Manual

This manual contains the tax and licensing laws of the City of Glenwood Springs.

Walk-in Assistance

The Finance Department at Glenwood Springs City Hall is open Monday through Friday from 8:00 a.m.-5:00 p.m. A staff member is always available to receipt tax payments or provide forms. However, if you have technical questions about City tax or licensing, we recommend phoning 384-6400 before you drop by to ensure that the sales tax specialist will be available.

Personal Assistance

Glenwood Springs employs a sales tax specialist who is responsible for all business licensing, taxpayer education and tax collection activity. The City also contracts with a tax auditing firm for national and local audits of City taxes.

Internet Assistance

There are many forms available on the City's website, including a license application, license renewal, temporary vendor application and a blank tax return. Please log on to: www.cogs.us to access these forms. You may also find the City's Municipal Code on the website.

General Information

The tax laws in Glenwood Springs may be different than those of the State of Colorado or other taxing jurisdictions. This brochure is designed to give you general information to help you comply with the City laws.

The tax rates used in this brochure are in effect as of January 1, 2009. Always check with the Sales Tax Department for the current rates.

There is easy access to a great deal of information to help you comply with the tax laws of the City. Our taxpayer assistance program includes publications, walk-in assistance and forms on the internet.

If you have any questions, call the Sales Tax Department at 384-6400.

Licenses and Permits

Do I need a License?

The nature and location of your business will determine which of the following licenses and permits you will need. The Business License has a yearly \$25.00 fee with renewals every other year. License applications are available at City Hall at 101 W. 8th Street, or on the City website: www.cogs.us

General Business License

Required for any entity with a physical presence in Glenwood Springs and conducting a non-retail business.

Retail Business License

Required for any business, local or national, engaged in retail sales in Glenwood Springs.

Home Occupation Permit

All in-City businesses which are operated from a residence should contact the City Planning Dept. to determine if this permit is necessary.

Temporary Sales Permit

Required for anyone engaged in outdoor temporary sales. Contact the City Planning Dept.

Liquor License

Required for all sales of alcohol. Contact the City Clerk's office for application forms.

Contractor License

Contact the City Planning Dept. to determine if you need this license.

Sales Tax

What is the Glenwood Springs sales tax rate?

The total sales tax rate in the City is currently 8.60%. This rate is made up of the following components:

Glenwood Springs	3.70%
Rural Transit Authority	1.00%
State of Colorado	2.90%
Garfield County	1.00%
TOTAL	8.60%

All payments of City tax should be made directly to the City of Glenwood Springs. The other taxes are collected by the State of Colorado.

When do I charge the City sales tax?

Generally the City sales tax must be collected on all sales, leases or rentals of items in the City including items delivered into the City. Certain services such as cable TV, telecommunications, non-residential gas and electric are also taxable. Professional services such as legal, advertising and accounting services are generally not taxable.

Some sales are not taxable; they are exempt from the tax. A few City exemptions are: prescription items, medical equipment and supplies, cigarettes, gasoline, and certain sales to exempt organizations. Some City exemptions are different from those allowed by other taxing entities.

Some items which are taxable in the City, but may be taxed differently by other jurisdictions, are:

- Cable TV
- Pre-press supplies for printing industries
- Equipment used in manufacturing
- Food for home consumption
- Lodging services for less than 30 consecutive days

All exempt sales must be properly documented and records must be kept by the seller in case of audit. Contact the Sales Tax Department for more information on how to handle exempt sales.

Glenwood Springs tax should not be collected by a vendor if the item sold is delivered to an address outside the City limits. You should contact the city on the delivery address to determine if you need to collect that city's tax.

Important Information About City Use Tax

City use tax must be paid by all businesses on the purchase price of items which are used, stored or consumed in Glenwood Springs and upon which no other city sales tax has been paid.

The City of Glenwood Springs use tax rate is 3.70%

Use tax does not apply to inventory items which will be resold by the business.

New Businesses will receive an Initial Use Tax return for reporting the use tax due on tangible personal property. This property may have been acquired with the purchase of the business or newly obtained for the start-up of the business.

If any other city sales tax was properly paid no Glenwood Springs use tax will be due.

Returns for remitting use tax will be provided to the taxpayer.

(See the last page for a more detailed description of use tax charged on building materials.)

How to compute use tax:

A restaurant in Glenwood Springs buys a stove to use in their business. Here are some examples of how the use tax is applied:

1. The stove is purchased and picked up in Glenwood Springs and tax is charged as follows:

Price of stove	\$ 15,000.00
Tax charged	1,290.00
Invoice Total	\$ 16,290.00

\$1,290.00 divided by \$15,000.00 = 8.60% tax charged (3.70% City, 2.9% State, 1% RTA, 1% Garfield County).

Since 3.70% Glenwood Springs **sales tax was charged**, Glenwood Springs **use tax is not due**.

2. The stove is purchased and picked up in an unincorporated Garfield County area and tax is charged as follows:

Price of stove	\$ 15,000.00
Tax charged	585.00
Invoice Total	\$ 15,585.00

\$585.00 divided by \$15,000.00 = 3.9% tax charged (2.9% State, 1% Garfield County).

Since City **sales tax was not charged**, Glenwood Springs **use tax is due**.

3. The stove is purchased and picked up in Denver and tax is charged as follows:

Price of stove	\$ 15,000.00
Tax charged	1,158.00
Invoice Total	\$ 16,158.00

\$1,158.00 divided by \$15,000.00 = 7.72% tax charged (3.62% Denver, 4.1% State, RTD, CD, FD).

Since 3.62% Denver **sales tax was charged**, Glenwood Springs **use tax is not due**.

4. The stove is purchased in Grand Junction and delivered to Glenwood Springs and the tax is charged as follows:

Price of stove	\$ 15,000.00
Tax charged	1,147.50
Invoice Total	\$ 16,147.50

\$1,147.50 divided by \$15,000.00 = 7.65% tax charged (2.75% Grand Junction, 2.9% State, 2% Mesa County).

Since the item was delivered outside of Grand Junction, Grand Junction sales tax should not have been charged and Glenwood Springs use tax is due. Contact the seller to obtain credit for the Grand Junction tax charged in error.

Building Use Tax

Anyone who performs construction work which requires a Glenwood Springs building permit must pay City building use tax on the estimated cost of construction materials used. This amount is calculated using the estimated total cost of construction and is shown on the issued building permit. A sales tax exemption certificate is issued along with the building permit. No City sales tax is charged when the materials are actually purchased if the City sales tax exemption certificate is presented to a Glenwood Springs seller. The estimated use tax must be paid at the end of the project before the Certificate of Occupancy is issued by the Building Department. After that, the contractor may present a self-audit of the project to be reviewed by the building inspector and the sales tax specialist. The difference between the use tax already paid and the actual amount due may be billed by the City or refunded to the permit holder.

Accommodations Tax

The 2.5% City Accommodations Tax applies to charges for rooms or accommodations in the City, if the occupancy is for a period of less than 30 consecutive days. The tax generally applies only to hotels, motels, bed and breakfasts and vacation rentals. Accommodations tax must be collected on charges for sleeping rooms, meeting rooms, display rooms, banquet rooms or other special rooms. This tax is in addition to the regular City sales tax of 3.70%.

Property Tax

Owners of real property located in Glenwood Springs must pay City property tax every year. This tax is collected by the County assessor. Questions regarding property tax should be addressed to the Garfield County Assessor at 945-9134.

Audits

The City has begun an audit program. A variety of licensed businesses are selected for audit throughout the year as part of the audit program. During an audit, the City's contract auditors visit the business and review their accounting records to verify that appropriate City taxes have been paid. If your business is selected for audit you will be notified in writing and will be given detailed instructions about the audit process.

Enforcement

The City's sales tax specialist also handles all collection efforts. An official notice is sent to all taxpayers who become delinquent. If the taxpayer does not respond, the City may take enforcement action to collect the tax. These actions may include: summons to Municipal Court; filing of tax liens against property or, in extreme cases, seizure and sale of business property.

Penalty and interest is charged on all delinquent tax. It is important to contact the sales tax department if your business receives a notice of delinquent taxes.

Confidentiality

All financial information that businesses provide to the Sales Tax Department or its representatives is kept confidential. For this reason, we may not be able to release certain information over the phone. For example, the amount of sales reported by a business may only be released to an agent of that business with proper identification.

**INSTRUCTIONS FOR COMPLETING A BUSINESS LICENSE APPLICATION
FOR A BUSINESS LOCATED WITHIN GLENWOOD SPRINGS CITY LIMITS**

1. Complete the In Town Business License Application, Part 1. If you have any questions about the application, please call 970-384-6420. Attach a check for \$25.00 if your business start-date is in an odd-numbered year; or for \$50.00 if your business start-date is in an even-numbered year. See LICENSE FEE at the bottom of the application for a more complete explanation.
2. If your business is located in a building in Glenwood Springs that is not your residence, complete Part 2-A. Answer all questions on both sides as best you can.

OR

If your business is located at your Glenwood Springs residence, complete Part 2-B. Answer all questions on both sides and sign and date the form.
3. Complete the After Hours Emergency Notification form.

Submit the forms listed above and a check for the license fee to the Glenwood Springs Finance Department in person or by mail – the address is shown at the top of Part 1. You may also email the forms to susan.mclelland@cogs.us, or fax them to 970-945-2597, and then call 970-384-6455 with a credit card number for the required license fee.

THEN

4. Complete the Initial Use Tax Return after you have received your City license and opened your business. This form is due on the 20th of the next month after the start date you listed on Part 1 of your application. If you have any questions about this form, please call 970-384-6420. Submit this form and any payment due to the Finance Department at City Hall.