



City of Steamboat Springs - Sales Tax Department
137 10th Street - PO Box 772869
Steamboat Springs, CO 80477-2869
Phone: (970) 879-2060 Fax: (970) 879-8851
www.steamboatsprings.net

GENERAL INSTRUCTIONS & ITEMS TO BE AWARE OF:

- A sales tax return must be filed according to the filing frequency, **even when no tax has been collected.**
- The City of Steamboat Springs **sales tax** rate is 4.5% as of 1/1/2017.
- You can file your return & pay online through Xpressbillpay.com.
- Read the SPECIFIC INSTRUCTIONS thoroughly before completing return.
- Be careful to use the return which corresponds to the period for which you are filing.
- Make check payable to the City of Steamboat Springs.
- Please do not staple check to return.
- SIGN & DATE the return.
- Returns must be filed on or before the 20th day of the month following the close of the reporting period. Mailed returns must be postmarked by the 20th day of the month.

RECORDS:

Records of both purchases and sales, including sales invoices, purchase invoices, and shipping records, must be retained for a period of three years. The burden of proof for exempt sales rests with the seller. Retain copies of city and state sales tax returns along with supporting documentation.

All sums of money paid by the purchaser to the seller as taxes shall be and remain public money, as property of the taxing jurisdiction. Taxes owed should be remitted on a timely basis. If the City does not receive submitted taxes, burden of proof is upon the taxpayer. Always maintain sufficient records to prove taxes have been sent.

YOU MUST NOTIFY THE SALES TAX DEPARTMENT IF ANY OF THE FOLLOWING OCCUR:

- 1) business moves
- 2) mailing address changes
- 3) business or trade name changes
- 4) business is sold
- 5) corporation merges with another corporation
- 6) no longer in business—you must indicate such changes by completing the account change/closure form.

If ownership changes, the current owner is responsible for closing his/her sales tax account. Returns continue to generate until closure notification has been received by the city sales tax department.

The new owner cannot use the previous owner's reporting forms. The new owner must apply for his/her own Sales Tax license with the City of Steamboat Springs. There is a one-time application fee of \$25.00 and a copy of the owner's drivers license are required along with the completed application.

Tax on sale of business is due 10 days after the closing date. Please contact us with any questions.

MONTHLY SALES TAX REPORTS:

The City of Steamboat Springs prepares monthly reports that provide the community with sales tax revenue statistics for the City of Steamboat Springs as well as other surrounding mountain communities. The most current reports along with historical reports can be found on the City's website at www.steamboatsprings.net.

Filing Dates

<u>Monthly Filers</u>	<u>Period Ending</u>	<u>Due Date</u>
December	12/31	01/20
January	01/31	02/20
February	02/29	03/20
March	03/31	04/20
April	04/30	05/20
May	05/31	06/20
June	06/30	07/20
July	07/31	08/20
August	08/31	09/20
September	09/30	10/20
October	10/31	11/20
November	11/30	12/20
December	12/31	01/20
<u>Quarterly Filers</u>	<u>Period Ending</u>	<u>Due Date</u>
Jan-Mar QTR 1	03/31	04/20
Apr-Jun QTR 2	06/30	07/20
Jul-Sep QTR 3	09/30	10/20
Oct-Dec QTR 4	12/31	01/20

<u>Annual Filers</u>	<u>Period Ending</u>	<u>Due Date</u>
January—December	12/31	01/20

SPECIFIC INSTRUCTIONS FOR SALES TAX RETURN

LINE 1 GROSS SALES AND SERVICE: Report all receipts from City activity for the period covered; include all sales, both retail and wholesale; services rendered; rent receipts; and all amounts, both taxable and nontaxable, received in the conduct of your business. Include single and special event sales on this line and report on Schedule B on back of return.

LINE 2A BAD DEBTS COLLECTED: Report the bad debts collected which were previously deducted on Line 3D - "Bad Debts Charged Off."

LINE 2B TOTAL LINES 1 AND 2A: Add Lines 1 and 2A.

LINE 3 DEDUCTIONS: The following items are exempt from taxation:

3A Deduct all services which are nontaxable.

3B Deduct sales made to other City LICENSED retailers who purchase such merchandise for the purpose of resale to the consumer.

3C Deduct all sales delivered to the purchaser outside the City Limits of Steamboat Springs.

3D Deduct all sales which were originally taxable sales and which you deem "uncollectible/bad" and have written off as such.

3E Deduct the value of property traded-in, which will be resold in the usual course of business.

3F Deduct all sales of gasoline and cigarettes.

3G Deduct all qualifying sales to governmental, religious, and charitable organizations.

3H Deduct all sales which were returned by the purchaser and were previously reported as net taxable sales.

3I Deduct all qualifying sales of prescription drugs and prosthetic devices.

3J Deduct all qualifying food stamp and federal special supplement program sales.

3K-3L Deduct all other exemptions not covered on Lines 3A through 3J. Other deductions must be explained in space provided. Building permit sales are an example of "other" deduction.

LINE 3 TOTAL DEDUCTIONS: Total all deductions claimed in Lines 3A through 3L.

LINE 4 TOTAL CITY NET TAXABLE SALES AND SERVICES: Subtract TOTAL DEDUCTIONS on Line 3 from Line 2B.

LINE 5 AMOUNT OF CITY SALES TAX: Report the amount of sales tax calculated. Calculate the sales tax by multiplying Line 4, "Net Taxable Sales and Services," by **4.5% sales tax rate**.

LINE 5A AIR SERVICE TAX: This applies to all items that are taxable per the City Tax Code sold BEFORE 01/01/2017. Indicate net taxable sales made before 1/1/17 and multiply by the 0.25% rate.

LINE 5B ACCOMMODATIONS TAX: This applies to hotels, motels, B&Bs, apartments, condominiums, campgrounds, etc., that have short-term rents (under 30 days). Indicate taxable lodging sales. Calculate the accommodations tax by multiplying taxable lodging rentals by the **accommodations tax rate of 1%**.

LINE 6 EXCESS TAX COLLECTED: Report the amount of tax collected in excess of the effective rate of tax levied on retail sales.

LINE 7 TAX ON RESALE INVENTORY TAKEN FOR OWN USE: Indicate the amount of resale inventory taken for own use. Calculate the sales tax by multiplying the resale inventory used by **4.5% sales tax rate**.

LINE 11 TOTAL TAX DUE: Add Lines 5A through 10.

LINE 12 LATE FILING: Report the penalty assessed for filing after the due date. The penalty is 10% of Line 11 or \$15, whichever is greater. Report the interest, which is 1% of Line 11 per month. Enter the total of penalty and interest in the appropriate space on Line 12.

LINE 13 TOTAL TAX, PENALTY, AND INTEREST DUE: Add Lines 11 and 12.

LINE 14 ADJUSTMENT PRIOR PERIODS: Add or deduct the applicable adjustment for any prior period returns. Attach a copy of the debit or credit notice received on the account.

Tax Information: Sales Tax

General Information

The City of Steamboat Springs imposes a sales tax on tangible personal property and taxable services that are purchased, sold, leased or rented in the City of Steamboat Springs. The term "In the City of Steamboat Springs" refers to any tangible personal property or taxable service that is provided or delivered to the purchaser within the City limits. The Steamboat Springs sales tax rate is **4.5%** & Steamboat Springs accommodations tax rate is 1% of the retail purchase price.

Who Needs a Sales Tax License?

Retailers – Anyone engaged in the business of making retail sales.

Lessors – Anyone renting or leasing tangible personal property. Examples include ski rentals, DVDs, vehicles, and construction equipment.

Accommodation Rentals – Anyone renting or leasing any lodging, banquet halls or other meeting spaces for a term of less than thirty (30) days. Examples include but are not limited to: meeting rooms, hotels, motels, bed & breakfasts, apartments, trailer parks, condos, guest ranches, houses, and campgrounds.

Peddlers, Transient Sales & Single Events – Anyone engaged in temporary sales within the City limits.

Tax Rates

City Sales Tax	REMIT TO CITY	4.0%
School Tax	REMIT TO CITY	0.5%

State of Colorado	REMIT TO STATE	2.9%
Routt County	REMIT TO STATE	1.0%
Total Combined Tax Rate		8.4%

Accommodations Tax	REMIT TO CITY	1.0%
Total Combined Tax Rate		9.4%

LMD Accommodations Tax (Rentals located within the LMD)	REMIT TO STATE	2.0%
Total Combined Tax Rate		11.4%

2.9% State of Colorado, 1.0% Routt County & 2.0% Local Marketing District (if applicable) tax is remitted to the State.

4.5% City of Steamboat Springs & 1.0% Accommodations tax is remitted to the City.

Steamboat Springs Redevelopment Authority

(SSRA) – The SSRA is a tax increment allocated to the Steamboat Springs Redevelopment Authority to pay back the debt used for the base area redevelopment. There is no additional tax collected for the SSRA. However, the taxes collected within the SSRA are tracked separately. It is important to contact the City to find out if your business or any of your short-term accommodation rental properties are located within the SSRA boundaries, so that any taxes collected can be reported separately.

Steamboat Springs is a "home-rule" city, which means we license vendors and collect our own sales tax. This license is separate from the State of Colorado business license and the State of Colorado sales tax license. In order to legally conduct sales within Steamboat Springs city limits, you must have a City of Steamboat Springs sales tax license, and collect & remit sales tax directly to the city.

Sales Tax License

Contact the Sales Tax Department or go to the website for an application. A one-time application fee of \$25.00 is required for a standard sales tax license. After your application is received and processed, you will be designated as a monthly, quarterly or yearly filer, and a sales tax license and tax returns will be mailed to you.

NOTE: A DEPOSIT & separate paperwork is required for a **SINGLE EVENT** sales tax **LICENSE**. *Single Event sales taxes & returns are due 10 days after the event end date.* Please contact the sales tax clerk for further instruction.

Due Date for regular sales taxes and returns is the 20th of the month following the tax period end date. For example, September's return and payment are due October 20th. Quarterly returns are due the 20th of the month after the quarter ends, and annual returns are due January 20th. Returns must be filed even if there is no tax due. *Single Event sales taxes and returns are due 10 DAYS AFTER the event end date.*

Mail Returns and Payments to:

City of Steamboat Springs
Sales Tax Department
PO Box 772869
Steamboat Springs, CO 80477-2869

Penalty for late filing **and/or** late payment is 10% of the taxes due or \$15.00, whichever amount is greater.

Interest on late payment is assessed at 1% per month from the due date of the taxes.

The Steamboat Springs **Municipal Code** establishes the tax laws of the City. This document is available upon request to the sales tax department or on the website at www.steamboatsprings.net.

What is taxable?

The following are examples of items subject to City of Steamboat Springs sales tax and are frequently overlooked for taxation:

- All sales/rentals/leases of tangible personal property
- All charges for taxable services (as defined in the City of Steamboat Springs Sales Tax Code)
- Gas, electric, and heating services
- Telecommunication, telephone, and telegraph services
- Cable television services
- Room and accommodation rentals less than thirty (30) days
- Fabrication Labor
- Delivery/Transport/Freight/Handling/Shipping Fees into the City

NOTE: If not specifically exempt in the code, the transaction is taxable

What is not taxable?

The following are examples of items exempt from City of Steamboat Springs sales tax:

- Non-Taxable Services, **if stated separately** from a taxable sale of tangible personal property
- Sales for taxable resale (wholesale)
- Sales of tangible personal property delivered outside the City limits
- Sales of gasoline, cigarettes, newspapers, and firewood
- Sales to organizations with a State of Colorado sales tax exemption certificate
- Long-term room or accommodations rentals (30 or more consecutive days)

All exempt sales must be properly documented and records of all business transactions must be kept by the seller for a minimum of three (3) years. Copies of valid exemption certificates must be retained for all tax exempt customer transactions.

Audits

The City has an ongoing audit program. A variety of licensed businesses and individuals are selected for audit throughout the year. During the audit, a Sales Tax Auditor visits the business or individual and reviews accounting records to verify that all City taxes have been collected & remitted in compliance with the tax code.

Building Use Tax—Anyone who performs construction work that requires a building permit must pay City building use tax on the cost of construction materials and fixtures. An estimated use tax deposit is required prior to issuance of the building permit. Since the building use tax paid is only an estimate, a reconciliation must be completed before issuance of either the Certificate of Approval or Certificate of Occupancy.

As a local business, you are not required to *collect* City sales tax on construction materials when a valid building permit illustrating payment of City use tax is presented by the purchaser. The amount of these sales should be reported on line 3K or 3L (other deductions) listed as “building permits” on the sales tax return. *Copies of valid building permits must be retained for all tax exempt customer transactions.*

NOTE: City sales tax is due at the time of purchase on sales and rentals of furniture, appliances, machinery, equipment, tools, landscaping, and fencing.

Motor Vehicle Use Tax—Any resident of Steamboat Springs purchasing or leasing a motor vehicle, trailer, or semi-trailer whether new or used, for use within the City must pay the use tax of **4.5%** on the selling price of the vehicle. The tax is paid at the time of purchase if purchased from a local licensed dealer or upon registration.

Claims for Refund must be made on the appropriate form within the applicable time limits. Contact the sales tax department or visit the website to obtain the Claim For Refund form.

City Contact Information

City Hall	(970) 879-2060
Fire Department	(970) 879-0700
Parks & Recreation	(970) 879-4300
Police Department	(970) 879-1144
Public Works Shop	(970) 879-1807
Transit	(970) 879-3717

Routt County Contact Information

Assessor	(970) 870-5544
Building Department	(970) 879-2702
Motor Vehicle	(970) 870-5557
www.co.routt.co.us	

Colorado Department of Revenue Contact Info

Taxpayer Services	(303) 238-7378
www.taxcolorado.com	

IRS Contact Information

General Information	(800) 829-1040
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Important Note: This information is provided as a general overview of the City of Steamboat Springs Sales and Use Tax Ordinance, and is not intended to replace or supersede the information contained in the Ordinance.