



FINANCIAL  
OPERATIONS

# City of Grand Junction

Sales and Use Tax Seminar

July 6<sup>th</sup>, 2012

- ▶ Presentation Available Online
  - ▶ [www.gjcity.org](http://www.gjcity.org)
  
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# Licensing Requirements

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- ▶ Maintaining a physical location or employees;
- ▶ Sending one or more employees, agents or salespersons into the City to solicit business or to install, assemble, repair, demonstrate or service; or
- ▶ **Making more than one delivery into the City within any 12-month period.**



# Licensing Requirements

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- ▶ City of Grand Junction is HOME RULE
  - ▶ Collect and Administer Sales Tax
  
- ▶ Sales Tax License Application
  - ▶ \$10 Application Fee
  - ▶ Never Expires
  
- ▶ Licensed Vendors Fee
  - ▶ Keep 3.33% of Sales Tax Collected



# Sales Tax Rate

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▶ Combined Rate = 7.65%

▶ Grand Junction                      2.75%

▶ Mesa County                         2.0%

▶ Colorado                             2.9%



# Filing Frequency

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	Average Monthly <b>GJ Tax Liability</b>	Average Monthly <b>Taxable Sales</b>
<b>ANNUAL</b> Filer	Less than \$15.00	Less than \$545
<b>QUARTERLY</b> Filer	\$15 - \$300	\$545 - \$10,909
<b>MONTHLY</b> Filer	More than \$300	More than \$10,909



# Taxable Transactions

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- ▶ All Sales of Tangible Personal Property
  - ▶ Unless SPECIFICALLY Exempt
  
- ▶ Services and Utilities
  - ▶ When SPECIFICALLY identified as taxable
  
- ▶ Burden of Proof
  - ▶ Sales Tax- VENDOR
  - ▶ Use Tax- CONSUMER



# Taxable Transactions

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- ▶ Taxable Services
  - ▶ Telecommunication Services
  - ▶ Commercial Fuel
  - ▶ Warranty & Maintenance Services
  - ▶ Lodging Services





# Exempt Items

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- ▶ Essential Items
  - ▶ Food for Home Consumption
  - ▶ Electricity and Fuel for Residential Use
  - ▶ Prescription Drugs and Prosthetic Devices
- ▶ Feed, Seeds and Orchard Trees
- ▶ Gasoline and Cigarettes
- ▶ Commercial Packaging



# Exempt Consumers

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- ▶ Resale and Manufacturers
- ▶ Not-for-Profit Agencies
- ▶ Governmental Entities



# Resale and Manufacturer

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▶ Criteria for Exemption:

- ▶ The purchaser provides a Current & Valid State Sales Tax License

AND

- ▶ The product purchased is for the purpose of taxable resale.

OR

- ▶ The product will be incorporated in a final product that will be resold.



# Charitable Organizations

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▶ **Criteria for Exemption:**

- ▶ Must have Exemption Certificate;
- ▶ Payment must be made with organizations funds;
- ▶ Organization will not be reimbursed;

AND

- ▶ Purchase under the regular, religious, or charitable function of the organization.
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# Government Agencies

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▶ Criteria for Exemption:

- ▶ Must be for use within the agency's government functions;

AND

- ▶ Payment must be made with organizations funds.
  - Government Check or Purchasing Card Only



# Collection Responsibilities

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- ▶ Purchase Price Includes:
    - ▶ Money received in cash or credits
    - ▶ Property taken in exchange
    - ▶ Coupons
    - ▶ Finance Charges\*
    - ▶ Transportation, installation and delivery charges\*
    - ▶ Labor\*
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# Collection Responsibilities

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- ▶ Purchase Price DOES NOT Include:
  - ▶ Sales taxes
  - ▶ Fair market value of property exchanged for purposes of resale
  - ▶ Discounts



# Collection Responsibilities

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- ▶ Tax Added to Price
  - ▶ Separately Stated
  - ▶ Cannot be absorbed by retailer
  
- ▶ Trust Status
  - ▶ “shall hold such money in trust for the sole use and benefit of the city until paid to the City.”
  
- ▶ Excess Tax Collected
  
- ▶ Disputed Tax





# Construction Use Tax

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- ▶ Tax NOT INCLUDED in Building Permit
- ▶ General Contractors Liable
- ▶ Voluntary Review Process for Subs
- ▶ Alternative Rate for Construction Equipment



# Finding City Limits

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- ▶ [www.GJCITY.org](http://www.GJCITY.org)
  - ▶ Click on GIS MAPS
    - ▶ Street Index
    - ▶ City Map (search by address)

