

Initial Use Tax Return

Use Tax is due on the purchase price of assets and property that will be used or consumed in Grand Junction when no previous sales tax has been paid. If City of Grand Junction sales tax is not paid to the vendor at the time of purchase, use tax is due and must be remitted directly to the City.

Initial Use Tax is due on business assets and supplies when an individual opens a new business or purchases an existing business. Initial Use Tax must be reported on the Initial Use Tax Return. Subsequent use tax must be reported on the City Sales and Use Tax Return.

- **New Businesses:** Individuals opening new business establishments must pay use tax (2.75%) on business assets and supplies purchased for use or consumption in the City of Grand Junction business when sales tax has not previously been paid on these items.
 - **DUE DATE: Initial Use Tax is due on the 20th of the month following the first day of business.**

- **Acquired Business:** Use tax is due on tangible personal property (except inventory held for lease, rental or resale) which is acquired with the purchase of a business. Use Tax is due at the rate of 2.75% of the purchase price of the assets acquired as long as the purchase price is not less than fair market value of the assets. Acceptable evidence of purchase price includes the bill of sale or purchase agreement. When the transaction is a lump-sum transaction, use tax is due on the book value of the assets acquired. When a business is sold in exchange for the assumption of outstanding indebtedness, the tax shall be paid on the fair market value of all taxable tangible personal property acquired by the purchaser.
 - **DUE DATE: Initial Use Tax is due on the 20th of the month following the date of sale.**

**PLEASE FILL OUT THE RETURN ON THE BACK OF THIS PAGE AND
RETURN WITH PAYMENT TO:**

City of Grand Junction
Financial Operations - Sales Tax
250 North 5th Street
Grand Junction, Colorado 81501

QUESTIONS:
Phone: (970) 244-1521

INITIAL USE TAX RETURN

TAXPAYER NAME:	<u>DUE DATE:</u>
ACCOUNT #:	

	TAXABLE AMOUNT <i>(Purchase Price)</i>
1. OFFICE FURNITURE, SUPPLIES AND EQUIPMENT: Computers, copiers, fax machines, printers, telephones, and other business machines, office furniture and supplies.	\$ _____
2. RETAIL FURNITURE, EQUIPMENT, AND FIXTURES: Cash registers, counters, display racks and units, shelving, booths, tables, chairs, and other restaurant furnishings.	\$ _____
3. FOOD SERVICE PROCESSING EQUIPMENT AND SUPPLIES: Coolers, freezers, ovens, fryers, mixers, knives and other kitchen equipment and supplies, dinnerware, linens, and catering equipment.	\$ _____
4. WAREHOUSE AND SHOP EQUIPMENT: Shop equipment and supplies, tools, compressors, conveyors, packaging equipment, bailers, and forklifts.	\$ _____
5. MEDICAL TOOLS, EQUIPMENT AND SUPPLIES: Medical beds, dental chairs, medical supplies and tools, disposable supplies, sterilization equipment and laboratory equipment.	\$ _____
6. SIGNS AND OTHER OUTDOOR DISPLAYS:	\$ _____
7. CLEANING SUPPLIES AND JANITORIAL EQUIPMENT:	\$ _____
8. OTHER ITEMS: _____	\$ _____
9. TOTAL TAXABLE AMOUNT (total lines 1 through 8)	\$ _____
10. GROSS USE TAX DUE (line 9 x 2.75%)	\$ _____
11. CREDIT FOR TAX PAID <i>Invoices may be requested as documentation</i>	\$ _____
12. NET USE TAX DUE (subtract line 11 from 10)	\$ _____
13. PENALTY (10% of line 12, \$15 minimum)	\$ _____
14. INTEREST (1.5% of line 12 per month late)	\$ _____
15. TOTAL AMOUNT DUE (total lines 12 through 14) Makes Checks Payable to City of Grand Junction	\$ _____

**LATE FILING
CHARGES**

Under penalties of perjury, I declare that I have examined this Initial Use Tax Return and it is true and correct to the best of my knowledge and belief.		
SIGNATURE	DATE	
PRINTED NAME	TITLE	PHONE NUMBER

*City of Grand Junction * Financial Operations - Sales Tax * 250 North 5th Street* Grand Junction, CO 81501*

*Phone: (970) 244-1521 * FAX (970) 256-4078 * www.GJCITY.org*