

Marketplace Facilitator Guide

On January 4th, 2023, the City of Grand Junction, Colorado (the City) adopted [Ordinance 5118](#), which amended various sections of Grand Junction Municipal Code 3.12 (GJMC) to include the terms “Marketplace,” “Marketplace Facilitator,” “Marketplace Seller” and “Multichannel Seller.” Adopting these terms and definitions requires marketplace facilitators to charge, collect, and remit City sales and lodging taxes directly to the City.

Definitions:

Marketplace means a physical or electronic forum, including, but not limited to, a store, a booth, an internet website, a catalog, or a dedicated sales software application, where tangible personal property, taxable products, or taxable services are offered for sale.

Marketplace Facilitator means a person who:

- (a) Contracts with a marketplace seller or multichannel seller to facilitate for consideration, regardless of whether or not the consideration is deducted as fees from the transaction, the sale of the marketplace seller's tangible personal property, products, or services through the person's marketplace;
- (b) Engages directly or indirectly, through one or more affiliated persons, in transmitting or otherwise communicating the offer or acceptance between a purchaser and the marketplace seller or multichannel seller; or
- (c) Either directly or indirectly, through agreements or arrangements with third parties, collects payment from the purchaser on behalf of the seller.

Marketplace Facilitator does not include a person that exclusively provides internet advertising services or lists products for sale, and that does not otherwise meet this definition.

Marketplace Seller means a person, regardless of whether or not the person is engaged in business in the city, which has an agreement with a marketplace facilitator and offers for sale tangible personal property, products, or services through a marketplace owned, operated, or controlled by a marketplace facilitator.

Multichannel Seller means a retailer that offers for sale tangible personal property, commodities, or services through a marketplace owned, operated, or controlled by a marketplace facilitator, and through other means.

Responsibilities of Marketplace Facilitators:

A marketplace facilitator shall assume all the duties, responsibilities, and liabilities of a retailer under GJMC 3.12.020.

Marketplace facilitators shall be liable for the taxes collected from marketplace sellers or multichannel sellers. The City may recover any unpaid taxes, penalties, and interest from the marketplace facilitator that is responsible for collecting on behalf of marketplace sellers or multichannel sellers.

Any marketplace facilitator who maintains any place of business in the City of Grand Junction directly, indirectly, or by a subsidiary must first obtain a sales and use tax license by completing an online license application at <https://grandjunctiononline.gentaxcpc.net/tap/>. Marketplace facilitators apply for a single sales and use tax license unless they have established separate legal entities with different Federal Employer Identification Numbers (FEINs) for their own direct sales and sales made by marketplace sellers.

Guidance for Grand Junction Businesses Using Marketplace Facilitators:

City of Grand Junction businesses that use marketplace facilitators have a responsibility to confirm with their marketplace facilitators that the marketplace facilitator is licensed with the City and collecting and remitting City of Grand Junction sales tax on all sales sourced to Grand Junction.

Marketplace sellers that sell tangible personal property, goods, and services exclusively through a licensed marketplace facilitator are not required to obtain a separate sales and use tax license from the City of Grand Junction. However, local businesses that make sales of tangible personal property and taxable services outside of using a marketplace facilitator are ultimately liable for the sales taxes due on those sales.

If licensed, please indicate any sales conducted through a marketplace facilitator in the following deduction field of the Sales and Use Tax return: Line N, "Sales Through Third-Party Platform."

City staff are available to help understanding the new ordinance and to answer any questions. For additional information about remittance, please contact City of Grand Junction staff by emailing gjsalestax@gjcity.org or calling (970) 244-1521.