

City of Colorado Springs

# Tax Guide

## Common Carriers

### CS CODE SECTION

2.7.104 Words and Phrases:  
Automotive Vehicle  
Storage  
Use  
2.7.201, 2.7.302, 2.7.312, 2.7.402,  
2.7.402, 2.7.440, 2.7.449, 2.7.606

### Related Tax Guides

Automotive Vehicles  
Use Tax  
Aircraft

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*This guide provides an overview of specific subject matter and is not intended to be substituted for the full text within the City of Colorado Springs Tax Code.*

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01/2019

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## Common Carrier Defined

A common carrier is an individual, a company, or a public utility (such as municipal buses) which is in the regular business of transporting people and/or freight. Common carriers operate vehicles that transport persons or property over highways, railway, or by air, and is generally responsible for any possible loss of the goods during transport. The Federal government regulates interstate commerce and, to a certain extent, the manner in which individual states tax common carriers.

Vehicles purchased or leased by a common carrier which are registered in the City of Colorado Springs fall into two categories: **interstate** and **intrastate**.

Purchases of vehicles operating exclusively in interstate commerce, and whose only presence in Colorado Springs is acting as a common carrier (stopping at a dispatch terminal, or picking up or delivering passengers or freight), are not subject to city tax.

However, purchases of vehicles put into interstate service in the City are subject to city tax. Intrastate vehicles are required to be registered at the address from which they are principally operated and maintained. If that address is within the City, then city sales or use tax is due on the purchase.

## Tax Liabilities

Common carriers must pay city tax on the acquisition of equipment and supplies, such as repair equipment, computers, tariffs, and route slips, used within the City.

Parts and accessories purchased by a common carrier from a licensed vendor are subject to city tax if the carrier takes possession of the items within the City.

Parts and accessories installed in the City by a Colorado Springs repairman on a vehicle used by a common carrier are also subject to city tax.



## Tax Liabilities Continued

Parts and accessories purchased from an unlicensed vendor and stored in the City for subsequent installation or use within the City of Colorado Springs are subject to city use tax unless another municipality's equivalent sales tax has been legally paid upon acquisition.

Parts and accessories purchased and installed outside the City on a Colorado Springs-based intrastate common carrier's vehicle are subject to city use tax upon the vehicle's entry into the City. However, parts and accessories installed outside of the City on a Colorado Springs-based common carrier's vehicle operating exclusively in interstate commerce and who's only city contact is stopping at a dispatch terminal or parking area, or picking up or delivering freight or passengers, are not subject to city tax.

If tangible personal property is purchased from a nonresident retailer by a resident common carrier, and the property is stored in the City, but not used, consumed, or installed in the City, the purchase is exempt from city use tax.

## Common Examples

1. An interstate carrier has a terminal located in the City of Colorado Springs. The carrier has a water pump installed on one of their trucks at a repair shop located in unincorporated El Paso County. City use tax is not due on the water pump since the pump was installed outside the City and the truck, including the new water pump, was in interstate commerce when it came into the City.
2. The carrier from above has a new transmission put on the same truck at a city repair shop and has its employees install new tires (purchased from an out-of-state vendor) on the trailer. City sales tax applies to the acquisition of the transmission and the new tires are subject to city use tax.