



PREPAID BUILDING PERMITS, COLORADO MUNICIPALITIES AND COUNTIES

The Pikes Peak Regional Building does not collect a prepaid City of Colorado Springs use tax on building permits. The prepaid building use tax permit issued by Pikes Peak Regional Building only offsets the El Paso County use tax at 1.23%, the remaining 7.02% will be due by the contractor. The contractor will be responsible for any city sales or use tax at the current tax rate of 3.12%.

2.7.445: SALES TAX – NONAPPLICABILITY: For transactions consummated on and after January 1,1986, the City's sales tax shall not apply to the sale of "construction materials", as the term is used in Colorado Revised Statutes section 29-2-109, and as defined in section 2.7.104 of this article, if the materials are picked up by the consumer and if the consumer presents to the retailer a building permit or other documentation acceptable to the city evidencing that a use tax has been paid to another Colorado **municipality**.

- To use another city prepaid use tax permit the contractor must have prepaid a city use tax; they cannot pay a county prepaid use tax and receive the benefit of not paying our city sales tax on their construction materials.
- A contractor must purchase construction materials as defined in the definitions of the City of Colorado Springs tax ordinance to be exempt of our sales tax 3.12%, all tools, supplies, consumables, equipment rental, etc. are not exempt and taxable to the contractor.