

City of Colorado Springs

Tax Guide

Use Tax

Use tax is required to be paid by a purchaser or consumer for using, storing, distributing or otherwise consuming tangible personal property or taxable services when city sales tax **has not** been collected and remitted to the City. The use tax rate is the same as the sales tax rate. Use tax is due within the same filing period in which the taxable product or service is received or consumed.

Common Examples

1. A dry cleaner uses equipment, chemicals, hangers, and garment bags to fulfill their nontaxable service. All tangible personal property consumed by the dry cleaner and all ancillary items provided to the customer is taxable to the business.
2. A business purchased coffee at a grocery store and did not pay sales tax. Food that is **not** purchased for home consumption is taxable; therefore the business is required to pay use tax to the City.
3. An individual or business purchases a new computer from a retailer located outside the City. The retailer does not collect any city sales tax. The computer is not for resale. Use tax must be remitted to the City on the purchase price, to include the delivery fee.
4. A business provides free promotional material and giveaways to potential customers. The business is considered to be the end consumer of these items and must pay use tax if no sales tax has been paid and remitted to the City.

CS CODE SECTION

2.7.104 Words and Phrases:
Consumption,
Distribution,
Storage and Use
2.7.102, 2.7.103, 2.7.301
2.7.434, 2.7.435

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

01/2019

Question? email us at:
salestax@springsgov.com