

City of Colorado Springs

Tax Guide

Automobile Rental Tax

The City of Colorado Springs imposes an additional 1% automobile rental tax in addition to the general sales tax. The additional tax applies to the rental of vehicles commonly recognized as passenger cars. The automobile rental tax is reported separately from the general sales tax on the sales tax return.

The additional 1% tax does **not** apply to the rental of a vehicle to a person who enters into a written agreement for a period of at least 30 consecutive days. The additional 1% tax also does **not** apply to any vehicles licensed as trucks, trailers or motorcycles.

Taxable and Non-Taxable Charges

Most charges, fees, and pass through taxes (excluding direct taxes) that are included as part of a rental contract are subject to the general sales tax **and** auto rental tax such as:

- A. Time & Mileage
- B. Additional Driver
- C. Airport Fee
- D. Airport Customer facility Charge
- E. Carbon Offset Fee
- F. Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW)
- G. Frequent Flyer Program Fee
- H. Government Administration Rate Supplement

Optional rental items, such as an infant car seat or, ski rack, are taxed at both rates if not separately stated on the invoice. If separately stated, then only the general sales tax rate applies.

Optional insurance charges such as Personal Accident Insurance (PAI) and Personal Effects Coverage (PEC) provided by the rental company are taxable at both rates. Optional insurance is **not** taxable if provided by a third party.

Refueling charges are **not** taxable if the rental contract imposes a refueling charge when the vehicle is returned with less than a full tank of gas.

State ownership tax (a direct tax) is **not** taxable.

CS CODE SECTION

2.7.104 Words and Phrases:
Automotive Vehicle,
Purchase or Sale
2.7.302, 2.7.309, 2.7.312, 2.7.606,
2.9.102, 2.9.103, 2.9.104, 2.9.105,
2.9.106, 2.9.108, 2.9.109

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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Question? email us at:
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Types of Vehicles Not Subject to the Automobile Rental Tax

The special tax rate does not apply to vehicles commonly used in the construction, maintenance, and repair of roadways, and are not designed for transportation of person or cargo over the public highways such as:

cranes	off-highway trucks
concrete pumpers	special mobile equipment

The special automobile rental tax rate does not apply to recreational vehicles such as:

travel trailer	motor-homes
collapsible camping trailers	truck campers
camping trailers	pickup campers
other vehicles used for overnight accommodations.	

The general sales tax rate **does** apply to the rental of this type of equipment and recreational vehicles.