

City of Colorado Springs

# Tax Guide

## Consignment Sales

Any seller who takes goods on consignment must collect city sales tax on the full sales price when the goods are sold at retail. The seller (the consignee) is acting as an agent when selling goods for the consignor. This arrangement does not relieve the consignee of the responsibility to collect city sales tax.

The City Tax Code defines the terms "retailer" and "vendor" to include any person who sells goods as an agent for another person or entity (principal) and imposes on them the duty to obtain a sales tax license and to collect sales tax, whenever the principal is not licensed or fails to collect sales tax.

### Common Examples

1. A retail outlet located inside the City sells goods made by local artisans. The artisans place their wares on consignment with an outlet to be sold to the general public. As the retailer, the outlet must collect sales tax on the sales of the consigned goods.
2. An auction house located inside the City takes goods on consignment from businesses and individuals seeking to dispose of liquidated or overstocked items, estate furniture, and other items they would like to sell. As the retailer, the auction house must collect sales tax on the sales of the consigned goods.

### CS CODE SECTION

2.7.104 Words and Phrases:  
Retailer  
2.7.201, 2.7.501, 2.7.602, 2.7.605,  
2.7.608

### Related Tax Guides

Agents: Salespersons, Auctioneers,  
and Manufacturer's  
Representatives

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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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