



**CITY OF COLORADO SPRINGS
ORDINANCE 2.7.104: WORDS AND PHRASES DEFINED**

PRICE OR PURCHASE PRICE:

The price paid by the purchaser, exclusive of any direct tax imposed by the Federal government or by this City Tax Code, and, in the case of all retail sales involving the exchange of property, also exclusive of the fair market value of the property exchanged at the same time and place of the exchange, if: a) the exchanged property is to be sold thereafter in the usual course of the retailer's business, or b) the exchanged property is a vehicle and is exchanged for another vehicle and both vehicles are subject to licensing, registration, or certification under the laws of this State, including, but not limited to, vehicles operating upon public highways, off highway recreation vehicles, watercraft, and aircraft. **Any money or other consideration paid over and above the value of the exchanged property is subject to tax.**

"Price" or "purchase price" includes:

- A. The total amount of money or other consideration received or due in cash and/or credits.
- B. Property at fair market value taken in exchange but not for resale in the usual course of the retailer's business.
- C. Any consideration valued in money, such as trading stamps or coupons whereby the manufacturer or someone else reimburses the retailer for part of the purchase price and other media of exchange.
- D. The total price charged on credit sales including finance charges which are not separately stated. An amount charged as interest on the unpaid balance of the purchase price is not part of the purchase price unless the amount added to the purchase price is included in the principal amount of a promissory note; except the interest or carrying charge set out separately from the unpaid balance of the purchase price on the face of the note is not part of the purchase price. An amount charged for insurance on the property sold and separately stated is not part of the purchase price.
- E. Installation, standby or wheeling-in charges included in the purchase price and not separately stated.
- F. **Transportation, delivery, and other charges to effect delivery of tangible personal property from the seller to the consumer or purchaser.**
- G. Indirect Federal manufacturers' excise taxes, such as taxes on automobiles, fuel, tires and floor stock.
- H. The gross purchase price of articles sold after manufacturing or after having been made to order, including the gross value of all the materials used, labor and service performed and the profit thereon.
- I. **Any reimbursement to the seller for expenses, such as cutting charges, handling charges, incoming freight, dealer prep charges, delivery charges, etc., incurred by the seller prior to passing title to the property.**

"Price" or "purchase price" shall not include:

- A. Any sales or use tax imposed by the State of Colorado or by any political subdivision thereof.
- B. The fair market value of property exchanged if the property is to be sold thereafter in the retailer's usual course of business. This is not limited to exchanges in Colorado. Out of State trade-ins are an allowable adjustment to the purchase price.
- C. Discounts from the original price if the discount and the corresponding decrease in sales tax due is actually passed on to the consumer. An anticipated discount to be allowed for payment on or before a given date is not an allowable adjustment to the price in reporting gross sales.