



## USE OF TANGIBLE PERSONAL PROPERTY WITHIN COLORADO SPRINGS

**2.7.312: TANGIBLE PERSONAL PROPERTY:** The sales or use tax is imposed on the purchase price paid or charged upon the sale, purchase, lease, rental or grant of license to use, or on the use, storage, distribution or consumption of tangible personal property purchased pursuant to a retail sale, and on the subsequent lease, rental or sale of tangible personal property by any person to every consumer regardless that the person purchasing and subsequently leasing, renting or selling that personal property paid the tax imposed on the initial purchase and use of the property acquired which is subsequently leased, rented or sold. (1968 Code §3-74; Ord. 76-168; Ord. 91-161; Ord. 01-42)

**2.7.104: WORDS AND PHRASES DEFINED, *USE*:** The exercise, for any length of time, by any person within the City, of any right, power or dominion over tangible personal property when rented, leased or purchased at retail from sources either within or without the City, from any person or vendor. Use includes possession, storage, consumption, distribution, and the withdrawal of items from inventory for use by the person making the withdrawal.

**2.7.104: WORDS AND PHRASES DEFINED, *STORAGE*:** Any keeping or retention of, or exercise of dominion or control over, or possession, for any length of time, of tangible personal property when leased, rented or purchased at retail from sources either within or without the City from any person or retailer.

**2.7.104: WORDS AND PHRASES DEFINED, *DISTRIBUTION*:** The act of distributing any article of tangible personal property for use or consumption which may include, but shall not be limited to, the distribution of advertising gifts, shoppers' guides, catalogs, directories, or other property given as prizes, premiums or for goodwill or in conjunction with the sales of other commodities or services.

**2.7.104: WORDS AND PHRASES DEFINED, *CONSUMPTION*:** The act or process of consuming; it includes waste, destruction or use. Consumption is the normal use of property for the purpose for which it was intended.

**2.7.427: ONE HUNDRED DOLLAR EXEMPTION; USE TAX EXEMPTION:** Any appliance or article of household furniture, furnishings, wearing apparel or accessories purchased outside the City for personal use, storage, distribution or consumption within the City, the value of which is less than one hundred dollars (\$100.00) are exempt.

- a) Non business related, see Ord. 2.7.603, City Businesses

**2.7.440: STORAGE OF CERTAIN PROPERTY:** Tangible personal property purchased from an unlicensed retailer by a resident common carrier, resident public utility or resident construction company, or construction and building materials purchased from an unlicensed retailer by a contractor, which tangible personal property or construction and building materials are temporarily stored in the City, but not used or consumed in the City, are exempt from use tax. (Ord. 85-274; Ord. 01-42)

- a) Discussion: There is an exemption for use tax should you choose to temporarily store any items in the City, the intention is to deliver outside the City. Cannot alter, use or modify in any way. It exists as received.

**2.7.441: TEMPORARY RESIDENT; USE TAX EXEMPTION:** Tangible personal property brought into the City by a nonresident therefore for personal use, storage, distribution or consumption while temporarily within this City is exempt.

**2.7.434: SALES OR USE TAX PAID TO ANOTHER CITY; USE TAX EXEMPTION:** The use, storage, distribution or consumption in the City of tangible personal property and upon the sale or use of which a retail sales or use tax at a rate equal to or greater than three and twelve one-hundredths percent (3.07%) has been previously imposed, collected and remitted to a municipal corporation organized and existing under the authority of the Constitution or statutes of the State of Colorado is exempt from the levy of the City sales or use tax. If the rate of retail sales tax or use tax paid to the Colorado municipal corporation is less than three and twelve one-hundredths percent (3.07%), the net difference between the tax due under this City Tax Code and the tax paid to the other municipal corporation shall be paid to the City. In no instance shall the City tax credit exceed three and twelve one-hundredths percent (3.07%). This exemption shall be denied if the tax paid to another Colorado municipal corporation was not legally due under the laws of the municipal corporation. This exemption shall be denied for subsequent transactions within the City, including, but not limited to, rentals and leases. (Ord. 85-274; Ord. 92-149; Ord. 93-176; Ord. 94-206; Ord. 95-182; Ord. 96-208; Ord. 97-97; Ord. 01-42; Ord. 01-168; Ord. 15-97<sup>2</sup>)

- a) Discussion: Pertaining to other cities within the state of Colorado. If use tax is paid here on non-temporary storage of TPP, our use tax rate is 3.07%. The other cities in Colorado may have a higher City tax rate. For example City and County of Denver's tax rate is 4.31%; they may or may not require an additional use tax of 1.19% on items brought into their City. Please check with that local taxing authority for their interpretation of their ordinance.

### 2.7.603: RESPONSIBILITY FOR USE TAX PAYMENTS:

#### B. City Businesses:

1. Every person who operates or maintains a business in the City and who purchases or leases taxable tangible personal property for use, storage (not temporary) or consumption in the City in connection with that business, from sources within or without the City, and who has not paid the tax imposed by this City Tax Code to a retailer required or authorized to collect the tax, shall, monthly, make a use tax return and pay the tax due to the City, on or before the twentieth day of the month following the purchase or lease and on or before the twentieth day of each succeeding calendar month for the preceding calendar month.
2. Returns shall show the value of the tangible personal property purchased or the rental or cost of leasing the property, the use, storage, distribution or consumption of which became subject to the tax imposed by this City Tax Code during the period of time covered by the return. (1968 Code §§3-78, 3-79; Ord. 76-168; Ord. 01-42)