



PREPAID BUILDING PERMITS, COLORADO MUNICIPALITIES AND COUNTIES

The Pikes Peak Regional Building does not collect a prepaid City of Colorado Springs use tax on building permits. The prepaid building use tax permit issued by Pikes Peak Regional Building only offsets the El Paso County use tax at 1.23%, the remaining 6.97% will be due by the contractor. The contractor will be responsible for any city sales or use tax at the current tax rate of 3.07%.

The Town of Monument requires a 2% city use tax on construction materials at the time of permit, through their office. Provide a copy of the building permit to your Colorado Springs supplier. This will offset the 3.07% Colorado Springs Sales Tax by 2%, the difference 1.07% in sales or use tax will be due to The City of Colorado Springs on the purchase if the purchaser takes possession of the materials within the City of Colorado Springs city limits (3.07%-2.0% = 1.07%).

2.7.445: SALES TAX – NONAPPLICABILITY:

For transactions consummated on and after January 1,1986, the City’s sales tax shall not apply to the sale of “construction materials”, as the term is used in Colorado Revised Statutes section 29-2-109, and as defined in section 2.7.104 of this article, if the materials are picked up by the consumer and if the consumer presents to the retailer a building permit or other documentation acceptable to the city evidencing that a use tax has been paid to another Colorado **municipality**.

- To use another city prepaid use tax, permit the contractor must have prepaid a city use tax; they cannot pay a county prepaid use tax and receive the benefit of not paying our city sales tax on their construction materials.
- A contractor must purchase construction materials as defined in the definitions of the City of Colorado Springs tax ordinance to be exempt of our sales tax 3.07%, all tools, supplies, consumables, equipment rental, etc. are not exempt and taxable to the contractor.

2.7.104: CONSTRUCTION MATERIALS:

Tangible personal property which, when combined with other tangible personal property, loses its identity to become an integral and inseparable part of a completed structure or project including public and private improvements. Construction materials include, but are not limited to, such things as: asphalt, bricks, builders' hardware, caulking material, cement, concrete, conduit, electric wiring, and connections, fireplace inserts, electrical heating and cooling equipment, flooring, glass, gravel, insulation, lath, lead, lime, lumber, macadam, mill work, mortar, oil, paint, piping, pipe valves and pipe fittings, plaster, plumbing fixtures, putty, reinforcing mesh, road base, roofing, sand, sanitary sewer pipe, sheet metal, site lighting, steel, stone, stucco, tile, trees, shrubs and other landscaping materials, wallboard, wall coping, wallpaper, weather stripping, wire netting and screen, water mains and meters and wood preserver. The above materials, when used for forms, or other items which do not remain as an integral or inseparable part of a completed structure or project are not construction materials.

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 seven 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 seven 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 seven 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.