

City of Colorado Springs

Tax Guide

Vending Machines

CS CODE SECTION

2.7.104 Words and Phrases:
Food
2.7.102, 2.7.201, 2.7.301,
2.7.306, 2.7.313, 2.7.415

Related Tax Guides

Service Sales

This Tax Guide provides an overview of specific subject matter and is not intended to be substituted for the full text of the City of Colorado Springs Tax Code

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Question? email us at:
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Sales made through Vending Machines

Sales of tangible personal property through vending machines, vending markets, and the like, are subject to city sales tax. "Honor box" sales are treated the same as vending machine sales.

The retail price of items sold through vending machines includes city sales tax. This inclusion is an exception to the general requirement that sales tax be added to the selling price as a distinct amount.

The sale of food and non-food items are taxable. Food sold through vending machines does not qualify for the 'food for home consumption' exemption.

Example

A business provides food, drink, and candy vending machines at their place of business for the convenience of its employees and customers. Total collections last month were \$2,000. The business should calculate their taxable sales and sales tax due as follows:

When the item sold is subject to **State and City** taxes:

gross sales including taxes	\$2,000.00
divided by the combined rate (8.25%)	1.0825
taxable sales	\$1,847.58
multiplied by the city tax rate (3.12%)	.0312
City of Colorado Springs sales tax due	\$ 57.64

When the item sold is only subject to **City** tax

gross sales including taxes	\$2,000.00
divided by the city rate (3.12%)	1.0312
taxable sales	\$1,939.49
multiplied by the city tax rate (3.12%)	.0312
City of Colorado Springs sales tax due	\$ 60.51

Vending Equipment

Sales or use tax is due on the purchase, or subsequent lease, rental, or sale of vending machines or similar device. Any repairs or replacement parts are also subject to city tax.