

# **FREQUENTLY ASKED SALES TAX QUESTIONS**

[Please refer to the Broomfield Municipal Code to supplement the following answers]  
<http://www.broomfield.org>

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## **1) WHAT LICENSES DO I NEED TO DO BUSINESS IN THE CITY & COUNTY OF BROOMFIELD?**

*Broomfield Municipal Code (Section 3-04-080)* requires a SALES TAX LICENSE. The license is issued at no charge. Your license application will be reviewed by the Zoning & Building Department before the license is issued. Therefore, allow 5-7 working days for processing PRIOR to opening your new business. Download the application from this site: [www.Broomfieldsalestax.com](http://www.Broomfieldsalestax.com) and fax to: 720-294-9825. The Sales Tax Administration will fax, email, or mail an application to you at your request.

Broomfield does not require a separate “Business License”, however, Liquor Licenses are processed City Clerk Department (303-438-6332).

Restaurants, Bars/Grills, and any other food type establishments, must call the *City & County of Broomfield Health Department*, at 720-887-2220, for a Health Department inspection and license PRIOR to opening.

## **2) DOES THE STATE OF COLORADO REQUIRE A SALES TAX LICENSE?**

Yes. The State requires a license for each physical location. Also, a Special Event license is required for sales at locations “other than your normal place of business”. There is a fee for both types of licenses. You can download state applications from their website: [www.taxcolorado.com](http://www.taxcolorado.com)

The State will provide a sales tax return for remittance of the State Sales Tax, RTD, Cultural District Tax, and the Football District Tax. **DO NOT** send the “FlatIron Improvement District” tax to the State of Colorado.

For a better understanding of the State of Colorado rules, please attend a State seminar. Go to: [http://www.revenue.state.co.us/TPS\\_dir/calendar.html](http://www.revenue.state.co.us/TPS_dir/calendar.html) for a listing of State Sales Tax Seminars.

## **3) DOES THE STATE OF COLORADO REQUIRE A CORPORATION TO BE REGISTERED WITH THE COLORADO SECRETARY OF STATE?**

Yes. Both Colorado Corporations and "Foreign" Corporations (a corporation registered in another state) must be registered with the *Colorado Secretary of State*. Go to: [www.sos.state.co.us](http://www.sos.state.co.us) under the business section or call them at: 303-894-2200.

**4) IS IT NECESSARY TO REGISTER A BUSINESS TRADE NAME?**

Yes, however, the *City and County of Broomfield* does NOT register trade names. This registration is done at the *Colorado Secretary of State*. You may register your trade name on the Colorado Secretary of State website: [www.sos.state.co.us](http://www.sos.state.co.us) under the business section or call them at: 303-894-2200.

**5) WHAT IS THE TOTAL SALES TAX RATE IN BROOMFIELD?**

There are two possible rates, depending on the location of the sale:

- 1) 8.25 % for all locations except those sales made in the “FlatIron Improvement District” and "Arista Local Improvement District."
- 2) 8.45 % for sales made in the “FlatIron Improvement District” ” and "Arista Local Improvement District."

	<u>All, except Special Dists</u>	<u>FlatIron Dist &amp; ALID Dist</u>
State of Colorado:	2.9%	2.9%
RTD /FD/CD	1.2%	1.2%
City & County of Broomfield	4.15%	4.15%
FID or ALID areas	<u>0.00%</u>	<u>.2%</u>
Total	8.25%	8.45%

See the FlatIron & Arista map, found under “Maps” in web index.

**6) DOES A SERVICE BUSINESS, IN THE CITY & COUNTY OF BROOMFIELD, NEED A SALES TAX LICENSE?**

No---The City & County of Broomfield does not tax personal services, thus a “service only” business does not need a Sales Tax License. Please contact Planning and Zoning Dept to determine if your business location is zoned properly for your service business. (303-438-6284)

If you sell personal property, and perform installation “services”, please email or call for a determination.

**7) DOES THE CITY & COUNTY OF BROOMFIELD IMPOSE A LOCAL PAYROLL TAX?**

No. Some metro cities require the collection of a “head tax” or “occupational tax”; however, Broomfield does not impose such a tax.

**8) DOES THE CITY & COUNTY OF BROOMFIELD HAVE A CONSUMER USE TAX?**

We do not have a consumer use tax, **except** on Construction and Building Materials, and Registered Motor Vehicles.

The estimated Use Tax on Construction and Building materials is paid to the Building Department when purchasing a Building Permit. Call 303-438-6249 for the calculation.

Registered Motor Vehicle Use Tax is collected when you title the vehicle with the County Department of Motor Vehicles. Call 303-464-5888 for estimates of the tax.

**9) DO I HAVE TO FILL OUT A SALES TAX RETURN FOR THE CITY & COUNTY OF BROOMFIELD?**

Yes, Broomfield is “self-collected” as of January 1, 2002. After you register (See Licenses above) the Sales Tax Administration office will send you a license to post at your business location, and Sales Tax Returns to remit the tax that you collect from your customers.

**10) HOW DO I DETERMINE MY SALES TAX FILING STATUS?**

Rules for filing status depend on the amount of Broomfield Sales Tax collected:

Monthly Filers-	\$300 or more collected per month.
Quarterly Filers-	Less than \$300 per month.
Yearly (Annual)-	Less than \$15 per month

The Filing Status can be changed by contacting the sales tax division.

**11) WHAT IS THE “VENDOR FEE” ON MY SALES TAX RETURN?**

If your Sales Tax Return is filed timely, you are entitled to keep 3% of the sales tax you have collected.

This credit is taken on Line 8 of the tax return, and the credit is LIMITED to \$200 per sales tax return.

**12) WHAT ARE THE SPECIAL IMPROVEMENT DISTRICT TAXES?**

The FlatIron District elected to impose an “improvement” tax, to finance the operation of the Zip Transportation Shuttle. This .2% tax is collected only on sales made in the FlatIron Improvement District. The Arista District elected to impose an "improvement" tax to finance the infrastructure and streets. An additional .2% tax is collected only on sales made in the Arista Local Improvement. Both of these special district taxes are remitted on the Broomfield Sales Tax Return. Broomfield forwards the tax to the appropriate special district.

See the FlatIron Improvement District and the Arista Local Improvement District maps our tax web page.

**13) IS IT NECESSARY TO DISPLAY MY SALES TAX LICENSE AT MY PLACE OF BUSINESS?**

Yes. After receipt of your license, it must be posted at your place of business, in a prominent place, along with your State license. (Required by City Code, and State Statute) Posting tells your customer you are licensed to collect the sales tax, and it allows for easy verification of licensing by inspectors.

**14) HOW DO I APPLY FOR A SALES TAX OR USE TAX REFUND?**

Please obtain a "Claim for Refund for Sales & Use Tax Paid" form available on our website: [Broomfieldsalestax.com](http://Broomfieldsalestax.com); or from our sales tax department by fax, email, or regular mail. Please make copies of the appropriate documents and attach copies to the completed Claim Form and mail it to us or deliver it to the City and County Building in the CRO records section.