



# COLORADO

## Department of Revenue

### Taxation Division

#### Office of Tax Policy Sales & Use Tax Newsletter June 2023

Greetings from Tax Policy!

This newsletter provides information about our recently completed and ongoing sales and use tax projects, as well as projects relating to the retail delivery fee and prearranged ride fee created by Senate Bill 21-260. We've also prepared separate newsletters with information about our projects involving other tax types. You can access these other newsletters through the [Tax Reference Library](#). If you have any questions about any of our rules, publications, or other projects, please feel free to contact us as [dor\\_taxpolicy@state.co.us](mailto:dor_taxpolicy@state.co.us).

#### Guidance publications

We expect to publish the following guidance publication in the next few months:

- *Special Topics: Retail Delivery Fees* – This new publication will discuss retail delivery fees imposed on and after July 1, 2022, including changes to the fees made by [Senate Bill 23-143](#). The bill made two particularly noteworthy changes. First, the bill created an exemption for sales made by retailers whose total retail sales in Colorado in the previous calendar year did not exceed \$500,000. If the retailer had no retail sales in Colorado in the previous calendar year, they must begin collecting the fee the first day of the month beginning at least 90 days after their cumulative Colorado sales for the year exceed \$500,000. The exemption applies retroactively to July 1, 2022, but any retailer who collected the fee must remit the collected fees to the Department. The second change permits retailers to pay the fee on behalf of purchasers without collecting the fee from them. Retailers who make this election are not required to add the fee to the purchase price or to show the fee as a separate and distinct line item on the receipt or invoice.

#### Forms

*Sales and Use Tax Exemption Forms* – We [recently convened](#) a workgroup meeting to discuss drafts which would replace, revise, and consolidate several existing sales and use tax exemption forms. [House Bill 22-1039](#) requires the Department to examine sale and use tax exemption forms and, to the extent feasible, simplify, consolidate, or eliminate the forms.

### **Rulemaking**

We are currently working on the following rules for sales and use taxes:

- *Buyer's Claim for Refund* – We convened a workgroup meeting Tuesday, February 28<sup>th</sup> to discuss the promulgation of a new sales tax rule to implement [House Bill 22-1118](#).
- *Miscellaneous Income Tax Rules* – We [recently conducted a hearing](#) for the repeal of a number of existing sales tax rules that are obsolete or duplicative of the statute.

If you wish to receive notifications regarding rulemaking activities, you may sign up to receive those notifications [here](#).

### **Private Letter Rulings (PLR) and General Information Letters (GIL)**

We are currently working on PLR and GIL requests relating to:

- Prefabricated housing;
- Meal-prep kits delivered to customer's homes;
- Marketplace facilitators;
- Tour and travel accommodation packages;
- HVAC, electrical, plumbing, and roofing;
- Dining establishments – tips and gratuities;
- Monthly membership plans providing for delivery of purchased goods;
- Taxability of service fees on short-term condo rentals;
- Sales tax on liquefied petroleum gas (LPG) commonly known as propane sold for use in recreational vehicles (RVs), cabins, and tents;
- Tax collection and remittance on agreements purchased with tangible personal property that entitle the purchaser to a future redemption of parts for subsequent repairs made by the purchaser; and
- Whether certain structures installed at an auto dealership are real or tangible personal property.

### **Contact Us**

Please feel free to contact our office at [dor\\_taxpolicy@state.co.us](mailto:dor_taxpolicy@state.co.us) with any questions about any of the items listed above, rulemaking, our publications, PLRs and GILs, or decisions made by the Tax Policy Committee.