



City of Greeley Business Tax Information

Greeley offers a variety of resources to help you comply with City Laws:

Publications:

Greeley Municipal Code

The tax laws of the City.

Taxpayer Assistance Info Sheets

This is a series of handouts which describes how City taxes apply to different businesses. New handouts are added periodically to cover the full range of businesses.

Determinations

These legal documents describe the Finance Director's decisions on how City taxes apply in very specific circumstances. A taxpayer may also request a new determination for a situation that has not been addressed in a previous determination.

In order to obtain a determination from the Finance Director, a written request is required, such a request should include all details of the transaction and all related documents (such as a sample invoice, shipping documents, etc.) that will be involved in the transaction. The request may be submitted by an agent (i.e. accountant or attorney) on behalf of the taxpayer.

**S E R V I N G O U R
C O M M U N I T Y
I T ' S A T R A D I T I O N**

G R E E L E Y

Walk-In Assistance:

The Sales Tax office located in the Finance Department at Greeley City Hall is open Monday through Friday from 8:00 a.m. - 5:00 p.m. and an employee will be available to assist you. You may also call the Sales Tax Division at (970)350-9733 during these same hours for help over the phone.

If you have any technical questions about City taxes, we recommend phoning before you drop by to ensure that the sales tax auditor will be available for assistance.

Personal Assistance:

Greeley employs a sales tax auditor and other employees who are available to assist you. There is no cost to you for this service. If you wish to speak with the sales tax auditor, please call (970)350-9733. For general information, please call (970)350-9722 or (970)350-9723.

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The tax laws in Greeley may be different than those of the State of Colorado or other taxing jurisdictions. This brochure is designed to give you general information to help you comply with the City laws.

There is easy access to a great deal of information to help you comply with the tax laws of the City. Our taxpayer assistance program includes publications, walk-in assistance and personal assistance.

If you have any questions call the Sales Tax Division at (970)350-9733.

Mailing address:

City of Greeley
1000 10 Street
Greeley, CO 80631

City of Greeley website:
www.greeleygov.com

Sales Tax Licensing

All businesses operating in Greeley must apply to the City for one of the following licenses:

General Business/Sales & Use License

Required for all in-City commercial establishments.

Home Occupation/Sales & Use License

Required for all in-City businesses which are operated from a residence.

Sales & Use Tax License

Required for all out-of-City businesses which are engaged in business in Greeley.

Additional Requirements If The Business or Home Occupation Has a Physical Location in Greeley

To ensure adherence to City Building Codes and zoning requirements, if the business or home occupation has a physical location within the City limits of Greeley, a Sales Tax License/Zoning Review/Occupancy Certificate check off list **must** be completed and signed by the Community Development Department along with its Building Inspection Division.

Also, if the business is a sewer user the Commercial Sewer User Classification Questionnaire **must** be completed.

Do I need a license?

Even businesses that do not "sell" anything must still obtain a City license. The licensing procedure provides the City with a current listing of all businesses and that the area is properly zoned for that particular business activity. Licenses are perpetual and continue until canceled by the taxpayer. There is no application fee. License application forms are available from the City Finance Office by calling (970)350-9733, (970)350-9722 or (970)350-9723.

Colorado and Other Cities

The City of Greeley is a home-rule city, which means that Greeley administers and collects **only** Greeley sales/use taxes. If you are doing business in other cities (i.e. making deliveries into other cities), **do not** report and remit those taxes to Greeley. You will need to contact those towns/cities to determine their requirements. Also, a separate license is **necessary** to report and remit state (Colorado) sales/use tax. Please contact the Colorado Department of Revenue for their requirements. Fort Collins office (970)494-9805 or Denver office (303)232-2416.

Sales Tax

What is the total sales tax rate in Greeley?

The total sales tax rate in the City is currently 6.36%. This rate is made up of the following components:

Greeley	3.46% *
State of Colorado	<u>2.90%</u>
Total	6.36%

* Please note that Greeley is located in Weld County and Weld County does **not** impose a county sales tax. Also, Weld County is not included in the Regional Transportation District (RTD) and therefore Greeley sales are **not** subject to the RTD tax, the Scientific and Cultural Facilities District (CD), or the Football Stadium District (FD) taxes.

When do I charge the City sales tax?

Generally the City sales tax must be collected on all sales, leases or rentals of tangible personal property in the City including items delivered into the City. Certain services such as cable TV, telephone, gas and electric are also taxable. Professional services such as legal, advertising and accounting services are generally not taxable.

Some sales are not taxable; they are exempt from the tax. Common exemptions include: prescription items, medical supplies for one time use, cigarettes, gasoline, and certain sales to exempt organizations. These City exemptions may be different than exemptions allowed by the State of Colorado.

Some items which are taxable in the City, but may be taxed differently by other jurisdictions are:

- Cable TV
- Natural gas and electricity
- Pre-press supplies for printing industries
- Equipment used in manufacturing
- Food for home consumption

All exempt sales must be properly documented and records must be kept by seller in case of audit. Contact the Sales Tax Division for more information on how to handle exempt sales.

Greeley tax should not be collected if an item sold is delivered outside the City limits. You should contact the City where the item is delivered to determine if you need to collect that City's tax. **(Be careful not to rely on mailing addresses or zip codes to decide which tax to collect!! Mailing addresses do not always correspond to the City boundaries.)**

Use Tax

- City use tax must be paid on items which are used, stored or consumed in Greeley.
- Use tax does not apply to inventory-items which will be resold by the business.
- Credit against the City use tax is allowed (up to 3.46%) for any City sales or use tax which was properly paid when the item was purchased.
- An initial use tax is required of all new businesses and businesses purchased from a previous owner. An initial use tax return is provided when a new sales/use tax license is issued.

Business Licenses

In addition to the sales/use tax license, certain businesses may require other City licenses. Please call (970)350-9723, (970)350-9722 or (970)350-9733 for further details.

Need Forms?

Call either (970)350-9733, (970)350-9722 or (970)350-9723 and have a blank form faxed or mailed directly to you. Also, check the Greeley web site.

How to compute use tax:

A business in Greeley buys a stove to use in their business. Some examples of how the use tax is applied:

1. The stove is purchased and picked up in Greeley and tax is charged as follows:

Price of Stove	\$15,000.00
City tax	519.00
State tax	435.00
Invoice Total	\$15,954.00

\$954.00 divided by \$15,000.00 = 6.36% tax (3.46% City, 2.90% State) Since Greeley sales tax of 3.46% was charged, Greeley use tax is not due.

2. The stove is purchased and picked up in an unincorporated area and tax is charged as follows:

Price of Stove	\$15,000.00
State tax	435.00
Invoice total	\$15,435.00

\$435.00 divided by \$15,000.00 = 2.90% tax charged (2.90% State) Since no City sales tax was charged, Greeley use tax in the amount of 3.46% is due.

3. The stove is purchased and picked up in Denver and tax is charged as follows:

Price of Stove	\$15,000.00
City tax	525.00
State tax	585.00
Invoice Total	\$16,110.00

\$1,110.00 divided by \$15,000.00 = 7.4% tax charged (3.5% Denver, 2.9% State and 1.0% RTD, CD, FD). Since Denver sales tax of 3.5% was charged, Greeley use tax is not due.

4. The stove is purchased and picked up in Wheat Ridge and tax is as follows:

Price of Stove	\$15,000.00
City tax	450.00
State tax	585.00
County tax	75.00
Invoice Total	\$16,110.00

\$1,110.00 divided by \$15,000.00 = 7.4% tax charged (3.0% Wheat Ridge, 2.9% State and 1.0% RTD, CD, FD; .5% County). Since only 3.0% Wheat Ridge sales tax was charged, .46% Greeley use tax is due. (3.46% Greeley rate less 3.00% Wheat Ridge rate.)

5. The stove is purchased in Denver and delivered to Greeley and the tax is charged as follows:

Price of Stove	\$15,000.00
City tax	525.00
State tax	585.00
County tax	75.00
Invoice Total	\$16,185.00

\$1,185.00 divided by \$15,000.00 = 7.9% tax charged (3.5% Denver, 2.9% State and 1.0% RTD, CD, FD; .5% County). Since the item was delivered outside of Denver, Denver sales tax, RTD, CD, FD taxes should not have been charged and Greeley use tax is due in the amount of 3.46%. Contact the seller to obtain credit for the taxes charged in error.

Building Use Tax

Anyone who performs construction work which requires a Greeley building permit must pay City building use tax on the cost of construction materials used.

The City Building Inspection Division estimates the total cost of construction. Construction materials are estimated to be ½ of the cost, and City building use tax is paid on that amount when the permit is issued.

No City sales tax is charged when the materials are actually purchased if the permit is presented to the seller. The actual material cost is computed at the end of the project and the difference may be billed by the City or refunded to the permit holder. This should be done by the contractor at the end of a project and the City may review the records during an audit.

Greeley Lodger's Tax

In addition to the 3.46% sales tax, there is a 3.0% Lodger's Tax levied on the purchase price paid or charged for lodging within the City. Generally, the tax applies to lodging provided for less than 30 consecutive days. Lodging may include a room or rooms in a hotel, apartment, motel, lodging house, motor hotel, guest house, guest ranch, mobile home, auto camps, trailer courts/park, etc. An exemption is provided if the occupant enters into a written contract for a period of at least 30 consecutive days. Other exemptions may also apply.

A separate lodging return is required to be filed at the same time the sales tax return is filed.

Property Tax, Vehicle License Plate, and Vehicle Driver's License

Questions regarding property valuations, assessed valuations, etc. please call the Weld County Assessor at (970)353-3845 Ext. 3650. Questions regarding property taxes and collection of these taxes, please call the Weld County Treasurer at (970)353-3845 Ext. 3290. Questions regarding Vehicle License plates, please call the Weld County Clerk and Recorder at (970)304-6520. The above three offices are located at 1400 North 17th Avenue in Greeley. Questions regarding Colorado Drivers Licenses, please call the Colorado Department of Revenue, Drivers License department at (970)352-5845. Their office is located at 800 8th Avenue in Greeley.

Audits

The City has an ongoing audit program. A variety of licensed businesses are selected for audit throughout the year as part of the audit program. During an audit, the City's Tax Auditor or agent will visit the business and review their accounting records to verify that all City taxes have been paid. If your business is selected for audit you will be notified in writing and will be given detailed instructions about the audit process.

Enforcement

The City's Tax Auditor also handles all collection efforts. An official notice is sent to all taxpayers who become delinquent. If the taxpayer does not respond, the Tax Auditor may take enforcement action to collect the tax. These actions may include: summons to Municipal Court; filing of tax liens against property or, in extreme cases, seizure and sale of business property.

Penalty and interest is charged on all delinquent tax. It is important to contact the Tax Auditor if your business receives a notice of delinquent taxes.

Confidentiality

All financial information that businesses provide to the Sales Tax Division is kept confidential. For this reason, we may not be able to release certain information over the phone. For example, the amount of sales reported by a business may only be released to an agent of that business with proper identification.