

City and County of Denver, Colorado

TAX GUIDE

Topic No. 93

TAX RATES AND ROUNDING

Effective January 1, 2012, the Denver and Combined tax rates are as follows for sales or use within the City and County of Denver:

	<u>Denver</u>	<u>Combined</u>
General sales/use tax rate on tangible personal property and taxable services	3.62%	7.62%
Sales/use tax rate on prepared food/beverages and food/beverages not for domestic home consumption	4.00%	8.00%
Sales/use tax rate on short-term rentals of automotive vehicles	7.25%	11.25%
Sales/use tax rate on aviation and railway fuel	4¢ per gallon	4.00% plus 4¢ per gallon
Lodging tax rate on overnight stays	10.75%	14.75%
Facilities development admission (FDA) tax rate on admission to City-owned facilities	10.00%	10.00%

The combined tax rate includes the applicable Denver tax as well as any applicable State-collected taxes (State general rate (2.90%), Regional Transportation District (1.00%) and Cultural Facilities District (0.10%)).

If the calculation of the tax produces a result with a fraction of a cent, then the result generally shall be rounded to the nearest full cent, with results of .5 cents or more being rounded up, and results of less than .5 cents being rounded down.

EXAMPLES

1. Big JS Corporation uses the corporate Learjet to fly their president, Jonathan Smyth, to Denver to attend a conference being held at the Colorado Convention Center. While the pilot refuels the Learjet with 331.3 gallons of aviation fuel, Mr. Smyth rents a car at the airport for \$39.95, and drives down to the conference where he pays \$14.00 for an admission ticket. The Denver tax due on the aviation fuel would be 331.3 gallons multiplied by 4¢ per gallon, or \$13.252, which would round down to \$13.25. The Denver tax due on the rental car would be \$39.95 multiplied by 7.25%, or \$2.896, which would round up to \$2.90. FDA tax is different from other taxes in that tax is included in the amount charged for an admission ticket, so the actual sales price of the

admission ticket would be \$14.00 divided by 1.10%, or \$12.727, with the remainder being the tax of \$1.273, which would round down to \$1.27.

2. The conference runs late, so Mr. Smyth decides to stay the night in Denver and fly out the next day. He rents a room at a downtown hotel for \$110.00 for the night. He then eats dinner at Big Billy's Buffet which costs \$3.95. Wanting a souvenir of his experience, he also purchases a tee-shirt at Big Billy's for \$19.95. The Denver tax due on the hotel room would be \$110.00 multiplied by 10.75%, or \$11.825, which would round up to \$11.83. The Denver tax due on the restaurant meal would be \$3.95 multiplied by 4.00%, or 15.8¢, which would round up to 16¢. The Denver tax due on the tee-shirt would be \$19.95 multiplied by 3.62%, or 72.2¢, which would round down to 72¢.

RELATED TAX GUIDE TOPICS

Automotive Vehicles – Short-term Rentals
Facilities Development Admission (FDA) Tax
Lodger's Tax
Sales Tax
Use Tax

- * DRMC Section 53-27. Retailers to collect tax.
- * DRMC Section 53-98. Retailers to collect tax.
- * DRMC Section 53-171. Imposition of the tax.
- * DRMC Section 53-346. Imposition of the tax..

The complete Denver Tax Guide, the Denver Revised Municipal Code (DRMC), tax forms, and other related information and forms are available on-line at www.denvergov.org/treasury.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.