

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 28*

## FEDERAL ENCLAVES

Sales Tax, Use Tax, and Employee and Business Occupational Privilege Taxes are generally applicable at all government-owned properties and in all government buildings. Federal enclaves (areas of exclusive federal legislative jurisdiction) within Denver over which Denver does not have the power to levy and collect occupational privilege taxes are:

Byron White Federal Courthouse (Old Main Post Office) .....	1823 Stout Street South
Denver Post Office .....	225 South Broadway
Part of U.S. Mint (northern part) .....	Colfax Avenue & Cherokee Street
U.S. Custom House .....	721 Nineteenth Street

Private concessionaires conducting business at federal enclaves located within Denver must collect Denver sales tax on retail sales to military personnel, individual federal employees, and other persons unless the sales are specifically exempted under the DRMC.

Construction contractors performing work within federal enclaves in Denver are responsible for paying sales or use taxes on building materials used in the job contract.

Purchases at retail from the federal government of tangible personal property that are stored, used, distributed or consumed within Denver (including federal enclaves) are subject to Denver taxes.

### EXAMPLES

1. ABC Cafeteria Co., located within the U.S. Custom House, a federal enclave within Denver, is required to collect Denver sales tax on its retail sales. However, ABC Cafeteria Co. is not liable for withholding Occupational Privilege Tax from its employees working solely at the U.S. Custom House, and it is not liable for remitting the Occupational Privilege Tax for the business at the U.S. Custom House.
2. ZZZ Construction purchases building materials to be used in the performance of its construction contract at the South Denver Post Office. The Denver sales/use tax must be paid by ZZZ on the building materials; however, the Business and Employee Occupational Privilege Taxes do not apply to ZZZ's employees for their work while at this site because it is a federal enclave.
3. Cindy and Alex are clerks employed at the Byron White Federal Courthouse, a federal enclave within Denver. The Court is not required to collect the Employee Occupational Privilege Tax from Cindy and Alex because their work is performed solely within a federal enclave. The Court is not required to remit the Business Occupational Privilege Tax because it is a governmental entity.
4. XYZ Company, located in a federal enclave within Denver, purchases publications from the U.S. Printing Office for use in its business operations in Denver. XYZ is liable for Denver use tax on the purchase price of the publications.

- \* DRMC Section 53-54. Imposition of Tax – Sales.
- \* DRMC Section 53-101(a), (b). Legislative Intent – Use.
- DRMC Section 53-104. Imposition of Tax – Use.

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.