

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 39*

## GIFTS AND GIVEAWAYS

The DRMC provides no exemption for the sale or purchase of tangible personal property to be used as gifts or giveaways, including samples. Sales or use tax must be paid by the purchaser on the purchase price of the item given away.

### EXAMPLES

1. ABC Office Supply buys calendars to be given away. ABC is subject to use tax on the purchase price of the calendars if sales tax was not paid at the time of purchase.
2. XYZ Appliance Company, in conjunction with a grand opening event, is giving away a refrigerator and a dishwasher. XYZ is liable for use tax on the cost basis of the two items removed from its inventory and used as giveaways.

### RELATED TAX GUIDE TOPICS

Automotive Vehicles (Gifts of)

Exempt Purchases Converted To Taxable Use

\* DRMC Section 53-53(21), (23), (34). Definitions.

\* DRMC Section 53-54(1). Imposition of tax.

\* DRMC Section 53-103(23), (25), (38). Definitions.

\* DRMC Section 53-104(1). Imposition of tax.

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.