

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 60*

## OCCASIONAL SALES AND RENTALS

Occasional sales or rentals of tangible personal property at retail are taxable. If the seller was not a licensed Denver retailer and Denver sales tax was collected, it must be remitted to the City with a letter describing the details of the sale. If the seller did not collect and remit Denver sales tax to the City, the purchaser must remit the tax by reporting the tax on line 8 of the sales/use tax return. If the purchaser is not registered to file Denver sales/use tax returns, a letter describing the transaction, including payment of the tax, should be submitted to the Treasury Division.

For trade shows, consumer shows, conventions, auctions or any other type of special event where sales are made, the event organizer, manager or sponsor must provide a list of all participating vendors. This list must include each vendor's or participant's business name, address, telephone number, and the owner's name, address and telephone number. All vendors or participants (including organizers, managers, and/or sponsors) will then receive an information packet that includes a Denver Special Event Sales Tax License Application, and a sales tax return. Based on the frequency of a vendor's sales in Denver, a regular license or a special event license will be issued, whichever is appropriate. (See Related Tax Guide Topic - Trade Shows/Consumer Shows.)

As with the State of Colorado, Denver allows charitable organizations that do not have a sales tax license to pay the sales/use tax upon their acquisition of tangible personal property to be transferred to others in exchange for direct payment, donation, or participation in a game of chance. The charitable organization can pay the tax directly to the vendor from whom these items are purchased, if the vendor is a licensed Denver vendor, or by paying the tax directly to Denver if the vendor is located outside of Denver.

"Required donations" which entitle the donor to receive tangible personal property are taxable. The total consideration paid to the vendor is the taxable amount of the sale. The organization's exempt status does not apply in these situations. (See Related Tax Guide Topics – Charitable Exemption and Governmental Exemption.)

### EXAMPLES

1. Max is an attorney who sells his old office furniture. Max does not have a retail sales license and did not charge tax on the sale. ABC Insurance Company, located in Denver, buys the furniture. ABC should remit the use tax to the City by reporting the tax on line 8 of the company's regular return. If ABC is not registered with Denver to report use tax, a letter describing the transaction should be submitted by ABC with payment to the Denver Treasury Division, 201 West Colfax Avenue, Dept 1009, Denver, Colorado, 80202.

2. The Tigers Club, a charitable organization exempt from Denver sales and use tax on its purchases, holds a fund raiser. The Tigers Club does not have a Denver retail sales tax license. The club is required to charge sales tax on sales of tangible personal property and remit the tax to the Treasury Division with a letter describing the sale.
3. The Crafts Extravaganza rents Civic Center Park for a show. One hundred vendors intend to set up booths to make sales. Crafts Extravaganza, the event organizer, is responsible for submitting a list of all participating vendors to the Treasury Division, at least 90 days prior to the show. Each vendor is then required to complete a Denver Special Event Sales Tax License Application and to collect and remit sales tax.

#### RELATED TAX GUIDE TOPICS

Charitable Exemption  
Governmental Exemption  
Trade Shows/Consumer Shows

- \* DRMC Section 53-54. Imposition of tax.
- \* DRMC Section 53-57. Retailer responsible for payment of tax.
- \* DRMC Section 53-59. Unlawful to assume or absorb tax.
- \* DRMC Section 53-104. Imposition of tax.
- \* DRMC Section 53-107. Retailer responsible for payment of tax.
- \* DRMC Section 53-108. Unlawful to assume or absorb 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.

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