

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 81*

# TRUSTEES, RECEIVERS, EXECUTORS, AND ADMINISTRATORS

When trustees, receivers, executors, or administrators, by virtue of their appointment (whether appointed by a state or federal court), continue to operate, manage, or control a company engaged in business in the City, they must collect and remit the sales tax. Any items subject to the use tax must also be reported and remitted to the City.

The taxes apply, notwithstanding that such trustees, receivers, executors, or administrators may be engaged in liquidating the assets of a bankrupt or insolvent firm.

#### EXAMPLE

Smith's Hardware Store has filed for reorganization under Chapter 11 of the Federal Bankruptcy Code. It will continue to operate under a court appointed trustee while it works out a settlement with its creditors. The trustee is responsible for properly reporting and remitting sales tax on all taxable sales even though Smith's Hardware Store is operating under protection of the bankruptcy court.

- \* DRMC Section 53-10. Status of unpaid tax in bankruptcy.
- \* DRMC Section 53-54. Imposition of tax.
- \* DRMC Section 53-56. Retailers to collect tax.
- \* DRMC Section 53-57. Retailer responsible for payment of tax.
- \* DRMC Section 53-104. Imposition of tax.
- \* DRMC Section 53-106. Retailers to collect tax.
- \* DRMC Section 53-107. Retailer responsible for payment 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.