

City and County of Denver, Colorado

TAX GUIDE

Topic No. 89

USE TAX LIENS ON REAL PROPERTY

The Denver Revised Municipal Code authorizes the Manager of Finance to file a notice of lien with the Clerk and Recorder's Office for unpaid use taxes (including penalties and interest) applicable to materials and other tangible personal property, used by a construction contractor, that is attached or affixed to real property. This applies to new construction as well as to any improvements to real property. The use tax lien provisions apply to every person who attaches or affixes tangible personal property to realty or improvements, and applies equally to general contractors and their subcontractors.

The use tax lien related to tangible personal property affixed to realty is paramount to other liens except for liens for general property taxes and preexisting claims or liens of mortgagees, pledgees, judgment creditors, and purchasers whose rights attached prior to the Manager of Finance filing the notice of lien.

Interest will continue to accrue on any unpaid use tax. Upon full payment of all taxes, penalty, accrued interest and other costs that may be incurred, the Manager of Finance will release and discharge the lien. If not satisfied, the lien will continue to be attached to the property for up to six years from the date of filing.

RELATED TAX GUIDE TOPICS

Use Tax

RELATED MANAGER'S RULES

Assessment and Collection of Sales and Use Taxes on Sales and Use of Tangible Personal Property Acquired by Construction Companies

- * DRMC Section 53-103(a)(9) Definitions – Construction Materials
- * DRMC Section 53-104 Imposition of tax - Use
- * DRMC Section 53-105(a)(15) Exemptions – Construction Materials
- * DRMC Section 53-106(e) Affixing of Tangible Personal Property on Realty
- * DRMC Section 53-113 Application to Manufacturers of Tangible Personal Property

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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