

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 99*

## THIRD-PARTY COLLECTOR LICENSE

The Denver Revised Municipal Code (“DRMC”) authorizes those who obtain a third-party collector license to collect and/or withhold the taxes imposed in Article II (sales tax), Article III (use tax), Article IV (lodger’s tax), Article V (employee occupational privilege tax), Article VI (business occupational privilege tax), Article VII (facilities development admissions tax), and Article VIII (telecommunications business tax) of Chapter 53 of the DRMC on behalf of those legally obligated to collect and/or withhold such taxes, and to remit such taxes to the Manager.

Upon obtaining a third-party collector license, a third-party collector shall become a collection agent for the City and shall assume all the duties, responsibilities, and liabilities of a vendor as set forth in Articles II, III, IV, and VII of Chapter 53 of the DRMC, an employer as set forth in Article V of Chapter 53 of the DRMC, a business as set forth in Article VI of Chapter 53, or a telecommunications business as set forth in Article VIII of Chapter 53 of the DRMC. A third-party collector and the vendors, employers, businesses, or telecommunication businesses that the third-party collector collects or withholds taxes for are liable for the taxes imposed in Articles II through VIII of Chapter 53 of the DRMC.

Applicants for a third-party collector license may be required to furnish a bond with a reliable surety company as determined by the Manager and in an amount sufficient to cover at least three months’ tax liability or at least \$500.00, as determined by the Manger.

Please review the criteria below to determine whether you need a third-party collector license or a regular tax license.

- A. A regular tax license is required for your business if (1) you collect payments for your own taxable sales of tangible personal property, products, services, lodging, admissions, or telecommunication services in the City; (2) you withhold occupational privilege taxes for your employees working in Denver; or (3) you collect payments through a physical store or an online platform and you appear as the merchant of record on the customer’s receipt or credit card statement.
- B. A third-party collector license will be required for your business if (1) you operate a physical store or host an online platform where you collect payments for sales of taxable tangible personal property, products, services, lodging, taxable admissions, or telecommunications services for other parties who are the actual vendors, or telecommunications businesses or (2) you withhold occupational privilege taxes for someone else’s employees working in Denver. .

If you operate your business in accordance with criteria A and criteria B, we recommend you obtain both licenses under separate accounts and report returns for each portion of your business separately. If you cannot separate this reporting, then you will be required to file under a regular tax license.

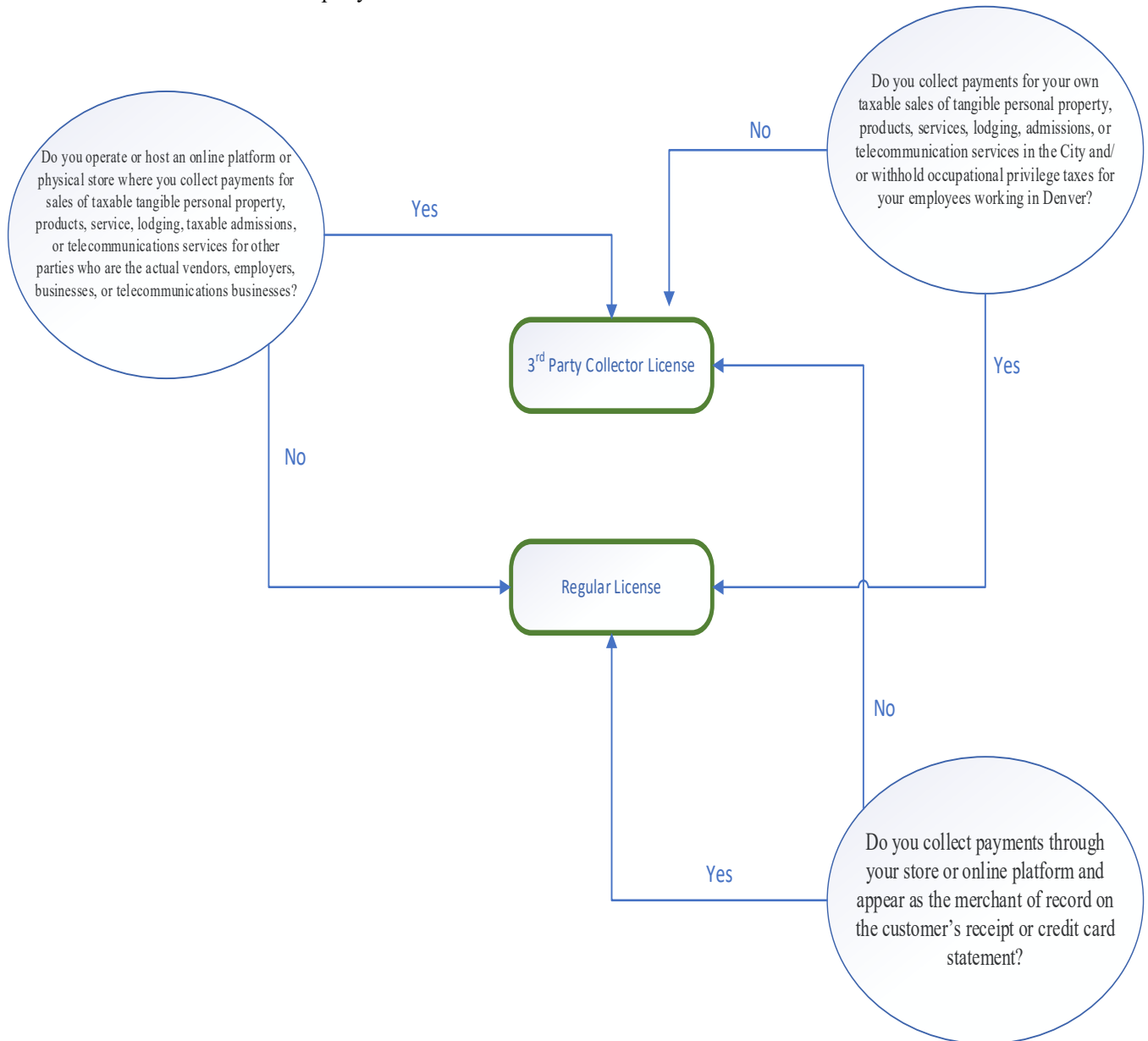
Applications for third-party collector licenses can be made through the Treasury eBiz taxpayer portal at <https://www.denvergov.org/ebiztax/> and must be approved by the Manager before the applicant may act as a third-party collector. There is no license fee for the third-party collector license and it must be renewed annually on a calendar basis.

**RELATED TAX GUIDE TOPICS**

License, Fees, Registration

**REFERENCES**

- \* DRMC Section 53-10. Third-party collectors
- \* DRMC Section 32-108 - Third-party collector license



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.