

TELECOMMUNICATIONS

All telecommunications are taxable services in Wheat Ridge, except for those that are satellite-based. All businesses that collect the City's sales tax are required to have the Wheat Ridge business/tax license. Additionally, basic local telecommunications services are subject to the telecommunications occupation tax.

DEFINITIONS

The following definitions are paraphrased and simplified. Complete definitions may be viewed at Municode.com.

Telecommunications services are two-way electronic transmissions of voice, image, data, and/or information signals for business or personal purposes.

Basic local telecommunications services are electronic transmissions along local infrastructures. Cellular/mobile services are included if they are the primary services for local telecommunications of the users.

BUSINESS/SALES AND USE TAX LICENSE

Complete the Business/Sales and Use Tax License application. The license fee is \$20 per calendar year and is due by January 31st of each year.

There is no license specific to the telecommunications occupation tax.

SALES TAX

All telecommunications services used in Wheat Ridge, including installation of equipment, are subject to the sales tax. Mobile telecommunications are based at the place of primary use - either the residence or business of the user per the billing setup.

Long distance services are subject to the Wheat Ridge sales tax because the City taxed those services prior to the 1996 Telecommunications Act and was "grandfathered."

Sales tax is to be reported and remitted on or before the 20th of the month after the reporting period on the following schedule, based on a 3.5% tax rate (City Code section 22-40-c):

Average Monthly Sales	Average Monthly Tax	Reporting Period
Over \$2,857	Over \$100	Monthly
\$571 - \$2,857	Over \$20 - \$100	Quarterly
Under \$571	Under \$20	Yearly

A paper form will be mailed if you request it on the application. Filing online is recommended. For payment by virtual check, go to Salestaxonline.com. For payment by card, go to salestax.ci.wheatridge.co.us/sts1.

TELECOMMUNICATIONS OCCUPATION TAX

The telecommunications occupation tax is recalculated each year. In August or September notification of the next year's rate is mailed to all listed CLEC providers that may provide service in Wheat Ridge. The calculation is the tax amount of the incumbent provider (Qwest/Centurylink) divided by the number of basic telecommunication lines that the incumbent has on July 1 of each year, divided by twelve, per line. The calculation is given below:

$$\frac{\$190,750.00/\text{No. of Incumbent Provider Lines}}{12} = \text{New Provider Tax per line/equivalent per month}$$

The tax is due by the last day of each month and may be filed online.

OTHER TAX CONSIDERATIONS

Equipment that is located in Wheat Ridge and used to provide telecommunications services anywhere is subject to sales tax whether it is owned or leased. If the provider of the equipment doesn't collect sales tax, use tax becomes due. The use tax rate is the same as the sales tax rate - three percent.