

# LANDLORDS AND PROPERTY MANAGEMENT COMPANIES

The upkeep and operation of rental or leased real property may give rise to sales or use tax liabilities.

## LICENSES

All persons or entities engaged in business in the City must obtain a business and sales and use tax license. Having employees, agents or property of any kind for a full or partial business purpose in the City is being engaged in business in the City, also known as having nexus. Please reference code sections 11-22 and 22-1 at [www.municode.com](http://www.municode.com).

### BUSINESS/SALES AND USE TAX LICENSE

Complete the Business/Sales and Use Tax License application.

- Fill in all the blanks.
- Include the fees stated on the form (\$20)
- Submit it to the Tax Office at the address given above.
- Renew each year in January (\$20)

## TAX

Sales tax must be paid on all purchases of equipment, materials, cleaning supplies, lawn and garden supplies and anything else that you might use in the upkeep and improvement of the property. Projects that go beyond mere cosmetic maintenance and updates, however, require a building permit, in which case use tax is paid in advance on 60 percent of the value of project as stated at the time the permit is drawn. A copy of the permit is by state law (C.R.S. 29-2-105) a valid document for purchasing building materials and supplies exempt of local tax. See the section on this subject in the City tax web page for more details. To determine if a permit is needed for a project please contact the Building Division at 303-235-2855.

Sometimes a vendor will not charge local sales tax. This is often the case with catalog or internet vendors. In this instance *use tax* of 3.5% is owed to the City. The tax page of the City website, [www.ci.wheatridge.co.us](http://www.ci.wheatridge.co.us), provides more detailed information.

Additionally, many properties offer services such as coin laundries and vending machines on site. Sales via coin operated laundries, pay phones and vending machines and similar are subject to sales tax calculated by the gross receipts method: tax = gross x .97 and taxable sales to report = gross – tax. The liability rests with whoever makes the income from the vending sales.

Another consideration is amusements machines that may be on premises. Licensing or registration of all amusements machines, except kiddie rides, is required and may be subject to restrictions based on location. Please see the information topic entitled “Amusement Devices” for details on the subject.

## TAX

### HOW TO REPORT TAX

Tax is to be reported and remitted on or before the 20<sup>th</sup> 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](http://Salestaxonline.com). For payment by card, go to [salestax.ci.wheatridge.co.us/sts1](http://salestax.ci.wheatridge.co.us/sts1).