



FYI Sales 11

Sales Taxes Due on Unit Rentals of Hotels, Motels, Bed-and-Breakfasts, Condominiums, & Time-Shares

GENERAL INFORMATION

This FYI contains sales tax information for owners and managers of units rented for less than 30 consecutive days. This includes hotels, motels, bed-and-breakfast inns, condominiums, campsites, and time shares of any lodging unit. If you own short-term lodging units, any rental of a unit for less than 30 consecutive days is taxable and you are required to collect and remit sales tax. [§39-26-104 (1) (f) and 39-26-102 (11), C.R.S.]

If a lodging owner or a management company sells rooms to an out-of-state travel agency, sales tax is due from the local owner or manager even if the out-of-state travel agency is reselling some or all of the rooms to the user or to another travel agency.

The 30-day rental rule applies to any customer who pays for the room, as long as the customer is not a broker or travel agent who is reimbursed by the occupant. **Example:** If a company rents a room for 30 consecutive days, but four different people from that company stay in the room, each at different times within the 30 days, the room charges are non-taxable because one entity rented the room. The Department of Revenue policy is not to restrict the 30-day rental to an individual or the same room, but to 30 consecutive days of paid use by any single payor or customer.

WHAT TAXES ARE DUE?

Colorado state sales tax is always due on taxable rentals. Applicable special district taxes, county lodging and local marketing district taxes, all state-collected local sales tax and county taxes are also due on the rental price. Accommodations provided at no charge (e.g. "comped") are not subject to sales or use tax.

Home-rule cities that collect their own taxes may make their own regulations concerning the taxability of items. You must contact a home-rule city directly for its policies.

Lists of local sales tax rates, along with tax office phone numbers for self-collected areas and home-rule jurisdictions, are contained in Colorado Sales/Use Tax Rates (DR 1002), a publication available on our Web site at www.TaxColorado.com. It is updated each January and July.

For more information on local sales tax applicability, see FYI Sales 62 Guidelines For Determining When To Collect State-Collected Local Sales Tax on our Web site.

HOW IS THE TAX REMITTED?

You must apply for a sales tax license by completing a Sales Tax/Wage Withholding Account Application (CR 0100). The Department of Revenue will send you a pre-printed Combined Retail Sales Tax Return (DR 0100), and a County Lodging Tax Return (DR 1485), if applicable, at the appropriate intervals. However, failure to receive these tax return forms does not relieve you of your responsibility to pay the taxes. If you do not receive a form, you can download it from the Web site at www.TaxColorado.com.

Remit the sales taxes you collected to the Department of Revenue and file the Combined Retail Sales Tax Return (DR 0100) on a quarterly basis if the collected sales tax is under \$300 monthly, or on a monthly basis if the collected sales tax is \$300 or more each a month. This return is due the 20th of the month following the tax period.

LOCAL MARKETING DISTRICT TAX

What is the Local Marketing District Tax?

The "Local Marketing District" tax is a tax on lodging services leased or rented for less than 30 days. This includes hotels, motels, condominiums and camping spaces, and in some areas houses, guest ranches and mobile homes.

See publication Colorado Sales and Use Tax Rates (DR 1002) for applicable Local Marketing Tax rates and locations where this tax applies. The DR 1002 is located on the Web site at www.TaxColorado.com

Who pays the Local Marketing District Tax?

Lodging owners or their management companies are liable for the Local Marketing District Tax rate on all receipts from lodging when the stay was less than 30 consecutive days.

The marketing district tax is not required to be collected on lodging rentals of 30 consecutive days or more.

How is the tax remitted?

This tax is remitted quarterly to the Department of Revenue on the Local Marketing District Tax Return (DR 1490). This return must be filed by the 25th day of the month following the quarter for which you are filing. For example, the return is due April 25 for the January-March quarter.

COUNTY LODGING TAX**What is the County Lodging Tax?**

The County Lodging tax is a tax levied only in certain counties within Colorado and is applied specifically on lodging services provided such as hotels, motels, condominiums, space rentals, camping facilities and services, auto camps and trailer parks. If one of these types of businesses rents rooms and accommodations for less than 30 days, a county lodging tax is charged to the customer. County lodging tax is due on receipts earned from providing lodging. The same 30-day rental rule does apply to county lodging tax [§39-26-704.3, C.R.S.].

NOTE: Rooms and accommodations occupied for a period of 30 or more consecutive days are exempt from county lodging tax.

County lodging tax is not collected in a municipal area with its own lodging tax.

County lodging tax rates vary depending upon the county where this tax is applicable. To locate the most current county lodging tax rates and counties where the tax applies see publication Colorado Sales and Use Tax Rates (DR 1002). This publication is located on the Web at www.TaxColorado.com

How is the tax remitted?

The County Lodging Tax Return (DR 1485) must be filed and monies remitted to the Department of Revenue on a quarterly basis. [§30-11-107.5, C.R.S.]. This return must be filed by the 25th day of the month following the quarter for which you are filing. For example, the return is due April 25 for the January-March quarter.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.