



City of Thornton

Tax Information: General Sales and Use Tax Information

The following brochure is designed to provide you with general information about Thornton's sales and use tax. Please read it carefully and contact the City of Thornton Sales Tax Division if you have any questions.



Sales Tax

The City of Thornton imposes a sales tax on tangible personal property or taxable services that are purchased, sold, leased or rented in the City of Thornton. The term "In the City of Thornton" includes tangible personal property or taxable services that are provided or delivered to the purchaser within the City limits.

Thornton is a Home Rule City as defined in the Colorado Revised Statutes. This means that the City is authorized to administer its tax laws and collect its own sales and use taxes. As a result, Thornton and the State of Colorado require separate licensing for companies and persons engaged in business in the City. In addition, in some cases Thornton and the State have differing laws regarding the taxability of items and administrative rules. Tax and licensing infor-

mation for the State of Colorado can be obtained by calling 303-238-7378 or by visiting www.colorado.gov.

There are a variety of products and services that are subject to the City of Thornton's sales and use tax. This includes but is not limited to: computer software, groceries, car washes, telecommunications services, phone cards, recreation services, maintenance contracts, construction equipment, and security monitoring services.

Sales tax laws may vary by industry. The City offers free periodic tax workshops and provides a variety of information on our website to assist you with sales tax compliance, including Tax Information Brochures for specific topics. We encourage you to contact us by phone or email if you have any questions.

Combined Sales/Use Tax Rate

<i>Remitted to the State:</i>	
State	2.90%
RTD/CD	1.10%
Adams County	<u>0.75%</u>
	4.75%

<i>Remitted to the City:</i>	
Thornton	<u>3.75%</u>
	8.50%

Contact Us

City of Thornton Sales Tax Division
9500 Civic Center Drive
Thornton, CO 80229
Phone: 303-538-7400
Fax: 303-538-7584
Email: salesusetax@ThorntonCO.gov
Website: www.ThorntonCO.gov
Office Hours:
Monday-Friday, 8:00am-5:00pm

Filing Tax Returns

File Online:
www.salestaxonline.com

-Or-

Mail to:
City of Thornton
Sales Tax Division
PO Box 910222
Denver, CO 80291-0222

Use Tax

Use tax is a complement to sales tax. When sales tax has not been charged on tangible personal property or taxable services used in the City of Thornton, use tax is due to the City directly from the purchaser. Use tax is charged on the privilege of using, storing, distributing, or consuming tangible personal property or taxable services in the City of Thornton whether purchased, leased, or rented at retail and not previously taxed by Thornton or any other municipality. This means that any tangible personal property or taxable services used by a business in the City of Thornton, where a city sales tax of at least 3.75% has not been collected and remitted by the seller, is subject to use tax.

The list of items subject to sales and use tax is the same, with the difference being how and when the taxes are paid. Common examples of items subject to use tax include, but are not limited to: initial purchase of a business, purchases of equipment, promotional or complimentary items purchased or removed from inventory and given away, computer software, telecommunications and internet access, and professional publication subscriptions. If you have any questions about use tax or the taxability of items, please contact the City of Thornton Sales Tax Division.

Use Tax Reporting Tips

- Review all business purchase invoices to determine if the City of Thornton sales tax was collected. A sales tax paid on an invoice does not necessarily mean no use tax is due. The sales tax rate paid must be determined on each transaction. Any taxable purchase where the proper sales tax is not charged is subject to use tax and should be reported on line 10 of your sales and use tax return.
- Inform all vendors that your business is located within the city limits of Thornton.
- Not all vendors will collect City of Thornton sales tax. If they are not “engaged in business in the City”, they do not have to be licensed or collect sales tax.

Use Tax Examples

Example 1: XYZ Consulting Firm located in Thornton purchases 3 new computers for the office from Online Computer Store and pays only the 2.9% State sales tax on the purchase. XYZ must pay 3.75% use tax to the City of Thornton on the purchase of the computers on the company’s next tax return because no city tax was paid at the time of purchase.

Example 2: XYZ purchases a box of copy paper at an office products store in Thornton and pays the combined sales tax rate of 8.5% at the store. XYZ owes no additional use tax to the City on this purchase.

Filing Tax Returns

- **Save time, file online!** The City accepts ACH Debit and ACH Credit payments for returns filed online at www.salestaxonline.com.
- Paper tax return forms are available upon request. To request paper tax return forms for future filings, contact the Sales Tax Division by phone or email.
- Sales and Use Tax returns are due the twentieth day of the month following the end of your business’ reporting period. If the twentieth falls on a weekend or holiday, the return is due the following business day.
- Returns must be postmarked on or before the due date for timely filing. Late returns are subject to a 10% penalty, and interest at a rate established by the State Commissioner of Banking.
- You may request a change to your assigned filing frequency by contacting the Sales Tax Division.

Audits

The City regularly conducts audits of taxpayers to determine proper compliance with the City’s tax laws. The statute of limitations for licensed businesses is 36 months. This means that applicable accounting records and documents (including invoices) must be retained by business owners for a minimum of three years. The statute of limitations does not apply to unlicensed businesses or licensed businesses that fail to file tax returns as required by the City code. Compliance with the City’s tax code may prevent or reduce audit assessments.

