

## USE TAX INFORMATION

- ❖ Use Tax paid on a building permit is a prepayment of the city portion of tax on materials used in the construction of building projects. Tools or the rental of equipment should not be included as part of materials. All materials that will be permanently installed in a project requiring a building permit, (including items such as lumber, conduit, electrical wiring, cabinets and floor covering) must be included in the valuation of the project.
- ❖ Use Tax is collected at the same time as the building permit fees. The current tax rate is 3.75%
- ❖ When you purchase building materials provide a copy of the building permit to the vendor. The vendor should not charge city sales tax, even if the items are purchased outside of Thornton.
- ❖ If materials are purchased prior to issuance of the permit and Thornton sales tax has already been paid, the customer can attempt to get a refund directly from the vendor. If the vendor will not issue a refund of the Thornton tax they collected, you can request a refund from the Thornton Sales Tax Division. A refund request form can be found online at <http://www.thorntonco.gov/business/Pages/tax-returns.aspx>. Customers should retain all receipts in order to substantiate a refund request. Projects may also be subject to an audit by the Thornton Sales Tax Division.
- ❖ If materials are purchased prior to issuance of the permit and sales tax is paid to another jurisdiction, the customer will have to go to that jurisdiction to request a refund. Thornton is not able to refund or offset taxes paid to another jurisdiction.

For more information regarding sales/use tax please contact our Sales Tax Division @ 303-538-7400 or look at our construction industry tax guide at <http://www.thorntonco.gov/business/Pages/taxes-explained.aspx>.