Colorado Sales Tax Changes  
(Effective December 1, 2018)

What’s not changing?

Sales that occur at the retailer’s physical location will continue to be taxed at the rate that applies to the seller’s jurisdiction.

What is changing?

The rates that apply to delivered goods. Under the old rules, applicable rates were based on buyer/seller jurisdictions in common. Under the new rules, the rate to be used is dependent upon where the buyer takes possession (point of delivery).

Does this new rule apply to all cities and counties in Colorado?

The new rule applies to all counties in Colorado, as they are all state-collected.

The new rule applies to all state-collected cities and many, but not all, Home Rule cities.

Colorado Form DR 1002 shows which districts are collected by the state and which are self-collected.

Each of the 71 Home Rule (self-collected) cities have their own rules. Tax Services has researched the municipal codes of the 71 Home Rule cities and found that 46 of them have Economic Nexus rules, which require collection of sales tax by retailers located outside of the city on sales of goods delivered into the city. The remaining Home Rule cities have no such requirement.

Will we need a sales tax license for each jurisdiction in which we must collect tax?

That depends on whether the jurisdiction is state-collected or self-collected (Home Rule). If state-collected, Tax Services will add non-physical locations within CSU’s Revenue Online account as needed. If the jurisdiction is self-collected and sales tax collection is required, then yes, Tax Services will need to apply for a sales tax license in each of the Home Rule cities where sales tax is collected.

What about adding sub-object codes in Kuali?

The sub-object codes that we anticipate will be commonly used have been added in Kuali and are listed on Tax Services website under the Sales Tax accordion. There is a tab on the spreadsheet for cities and a tab for counties. If you do not see a city or county that you think should be added, please contact Tax Services for assistance.

How do we know which sales tax rates to use?

The Colorado Department of Revenue has provided free Sales Tax Rate lookup tools on its website for retailers to use to determine appropriate rates, including SOVOS Lookup by Address tool: https://portal.taxify.co/Web/Public/CO.aspx

Please contact Tax Services with any questions you may have.