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## Tax Compliance Guide

### Prior Use of Property Topic 312

(10/2006)

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The *Westminster Municipal Code* imposes a use tax upon the privilege of using, storing, distributing, or otherwise consuming tangible personal property and certain taxable services in the City. If Westminster sales tax is not paid to a vendor licensed and authorized to collect the same at the time of purchase, then a use tax must be remitted directly to the City. Credit may be taken against Westminster use tax for legally imposed sales or use taxes paid to other municipalities. Such credit may not exceed the Westminster use tax due.

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### Automotive Vehicles

Automotive vehicles are exempt from City use tax if, at the time of purchase, the owner was a non-resident and the vehicle was properly registered, titled, and licensed outside the City. If the owner was not a natural person, but a business, the vehicle must have been primarily garaged and maintained outside the City. This exemption does not apply to leased vehicles.

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### Construction Equipment

Construction equipment is subject to use tax on the full purchase price paid regardless of its age or value at the time of first use in the City. Credit is allowed for legally-imposed sales/use tax paid to another municipality to the extent of the Westminster use tax due. Construction equipment must be declared to the City prior to location in Westminster. If the equipment is located in the City for less than 30 days, and the owner declares it in advance, it may be subject to a pro-rated use tax amount.

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### Business Relocation

Tangible personal property, *other than described above*, is subject to use tax unless it was used for its intended purpose for at least 6 months prior to a taxpayer's re-location into the City. Credit is allowed for legally-imposed sales/use tax paid to another municipality to the extent of the Westminster use tax due. This exemption does not apply to taxpayers with multiple locations who transfer equipment from a location outside the City to an existing location within the City.

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### Examples

1. Company A was previously located outside of the Westminster. Having a need to expand, Company A leased office space in Westminster. Company A intended to move most of its current furniture and equipment, which had been in use for several years, into Westminster. Also, in anticipation of the move, it has several pieces of new equipment delivered to its current location. This equipment was not used prior to moving into Westminster. Company A need not remit use tax on its current furniture, but must remit use tax on the new equipment delivered and temporarily stored outside the City.
2. Company B has commercial locations in several cities including Westminster with its corporate headquarters in unincorporated Arapahoe County. When Company B purchases furniture for its headquarters, they do not pay any municipal sales or use tax. After using the furniture at their headquarters for a year, Company B decides to move it to the Westminster office and purchase new furniture for headquarters. Company B must pay Westminster use tax on the full purchase price paid for the old furniture upon locating it in Westminster.

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### Related Topics

Construction - Equipment  
Previously Paid Sales/Use Tax

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### Citations

*Westminster Municipal Code*  
§ 4-2-3. Rate; Imposition and Collection; Distribution  
§ 4-2-7. Exemptions from Use Tax

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT WESTMINSTER TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE WESTMINSTER MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.