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## Tax Compliance Guide

*Delivering exceptional value and quality of life*

### Construction – Sign Permits Topic 360

Visit our website:

<http://www.cityofwestminster.us>

(10/2006)

[File Returns](#) ∞ [Obtain Forms](#) ∞ [Find Information](#)

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*NOTE: THIS INFORMATION IS PROVIDED BY THE SALES TAX DIVISION. PLEASE DIRECT ANY QUESTIONS REGARDING SALES AND USE TAX TO THAT OFFICE AT (303) 658-2065*

#### § 4-2-6. Exemptions from Sales Tax

Signs, even when affixed to real property, are considered completed units of tangible personal property. As such, the purchase price paid for a sign is subject to sales tax. Sign companies must obtain a City sales/use tax license and collect sales tax on signs sold in the City. Sign companies may not sell signs on a lump-sum contract basis.

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.

The *Westminster Municipal Code* defines the taxable purchase price to include the gross value of all materials used, labor and services performed and the profit thereon. Additionally, charges for freight, delivery, and transportation are also part of the taxable purchase price. Charges for installation labor may be excluded from the taxable purchase price if they are separately stated on the invoice. Charges for fabrication or manufacturing labor are taxable even when separately stated.

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### Contact Us

For additional assistance, please contact us:

City of Westminster  
Sales Tax Division  
4800 West 92<sup>nd</sup> Avenue  
Westminster, CO 80031

**Phone:** (303) 658-2065

**Fax:** (303) 706-3923

Sign companies must report and pay use tax on the cost of construction materials and supplies used during the installation process. An estimated pre-payment is not collected when a building permit is issued. As such, the actual use tax due must be reported on the periodic City sales/use tax return (line 8).

Administrative offices are open Monday through Thursday from 7:00a.m. to 6:00p.m. (closed Friday).

**E-mail address:** [salestax@cityofwestminster.us](mailto:salestax@cityofwestminster.us)

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### Examples

1. Sign Company fabricates an electric sign for a Westminster business. Sign Company charges the business \$5,000 for the sign plus \$700 for installation which is separately stated on the invoice. As part of the installation Sign Company does the electrical work using \$100 in electrical construction materials. Sign Company must collect and remit sales tax on the \$5,000 charge for the sign. Additionally, Sign Company must remit use tax on the \$100 in construction materials used on the job.

**Website:** <http://www.cityofwestminster.us>

From the Business menu, choose Tax and License Toolbox

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### Citations

*Westminster Municipal Code*

§ 4-1-5. Retailer Responsible for the Collection & Payment of Tax

§ 4-2-2. Words & Phrases Defined

§ 4-2-3. Rate; Imposition and Collection; Distribution

§ 4-2-5. Transactions & Items Subject to Tax