

Instructions for Sales & Use Tax Return

General Instructions

Purpose of Form

This form is used for taxpayers to report sales and use tax liabilities pursuant to Chapter 2 of Title IV of the *Westminster Municipal Code* ("W.M.C." or "Code"). This form should not be used to report liabilities for other tax types, such as admissions or accommodations taxes.

Certain types of use tax liabilities require special returns. New businesses located in the City must file an Initial Use Tax Return. Construction contractors must report use tax due on projects requiring a City building permit using a Construction Project Cost Report. Construction equipment must be reported on a Construction Equipment Declaration.

Due Date

Sales & use tax returns must be filed on or before the 20th of the month following the end of a reporting period, even if no tax is due. Returns filed by mail must be **postmarked** by the due date. Refer to the face of the return for the reporting period and due date.

Mailing Address for Returns

Mail completed tax returns with payment to:

Sales Tax Division
City of Westminster
PO Box 17107
Denver, CO 80217-7107

Amended Returns

If you are amending a previously filed return, please print the phrase "AMENDED RETURN" clearly in the upper right corner. Make sure that the period covered and due date match those of the original return. Complete the return with the correct figures. File the amended return with a copy of the originally filed return.

Any tax not reported or paid by the due date is subject to a 10% penalty (minimum of \$15). Interest also accrues in whole month increments at the rate of 1% until the tax deficiency is paid. Additional penalties will apply for repeated delinquency. Overpayments must be accompanied by a signed Claim for Refund form.

Reminders

Zero liability returns required. A return must be filed even if no tax is due. Report the proper amount of sales and deductions (including service sales) even if you made no taxable sales. All businesses, including those that do not make taxable sales, will likely have a use tax liability.

Consolidated filing not permitted. Taxpayers must make a separate return for each location/account with the City. Taxpayers located within the City also making catalogue or Internet sales may not combine such sales with those sales made from City locations. A separate tax account for all catalogue, Internet, and out-of-city sales must be established. All returns may be paid with a single check.

Electronic filing available. Current sales and use tax returns can be filed online using the F.A.S.T. Filing system. Taxpayers can file a zero liability return, or file and pay a return using ACH debit. Visit the City website for details.

Verify the reporting period and due date. Please check the return form to ensure you are using the return which corresponds with the reporting period for which you are filing. You may obtain a blank return on the City website.

Do not attach enclosures. Mail the completed and signed return in the envelope provided. Do not staple the check or other attachments to the return.

Signature required. The person completing the return on behalf of the taxpayer must sign and date the form at the bottom. A printed name is also required. If the taxpayer is not a natural person, the title of the officer or agent completing the form on behalf of the taxpayer must also be printed on the form. Forms without a signature may be returned and may not be considered timely filed.

Specific Instructions

Line 1 – Gross Sales and Service. Report all sales during the reporting period covered. Include all sales, whether or not taxable, including but not limited to, retail sales, wholesale sales, consignment sales, sales delivered outside the city, service sales, and rental and lease receipts.

Line 2 – Bad Debts Collected; Total Gross Sales.

- A) Enter the amount of bad debts deducted on line 3D of this return or any previously filed return which were subsequently collected.
- B) Add line 2A to line 1 and enter the total on this line 2B.

Line 3 – Deductions.

- A) *Non-taxable Service Sales* – Enter the amount of separately stated service sales not subject to tax under the Code.
- B) *Wholesales* – Enter the amount of sales to licensed retailers, jobbers, dealers or wholesalers for resale. Sales by wholesalers to consumers are not exempt. Sales to non-licensed retailers or wholesalers are not exempt. Include sales exempted under paragraphs 11 through 22 inclusive of W.M.C. § 4-2-6(A).
- C) *Out of City Sales* – Enter the amount of sales delivered to purchasers outside the City provided that both of the following apply: (1) the sale is to a purchaser who is a nonresident of Westminster; and (2) delivery is made by common carrier, conveyance of the seller, or by mail to a location outside the City.
- D) *Bad Debts* – Enter the amount of previously reported taxable sales which were found to be worthless and were properly charged off for federal income tax purposes.



Retailers must be able to show clearly that the debts are worthless. Receivables sold to and sales financed by persons other than the taxpayer are not eligible for bad debt tax recoveries.

- E) *Trade-ins* – Enter the fair market value of property exchanged at the time of the sale that will be sold thereafter in the usual course of your business.
- F) *Gasoline* – Enter the amount of sales of exempt motor fuel. Note that certain special fuels are not exempt from tax.
- G) *Government and Charitable Organizations* – Enter the amount of qualifying sales to the United States; the State of Colorado; its departments, institutions, and political subdivisions; and approved charitable organizations billed to an paid for directly by the agency or organization.
- H) *Returned Goods* – List the amount of taxable sales returned by the purchaser when the price and the tax collected were refunded in cash or by credit.
- I) *Prescription Drugs and Prosthetic Devices* – List the amount of qualifying sales of prescription drugs and prosthetic devices.
- J K L) *Other Deductions* – List other allowable deductions or exemptions not covered on lines 3A through 3I. List a description of the amount deducted on the space provided.



Most allowable deductions are covered on lines 3A through 3I. Taxpayers are encouraged to contact the Sales Tax Division prior to listing other deductions to avoid improperly deducting taxable sales. Note that retailers are responsible for the proper collection and payment of tax and will be liable for improper exemptions.

Total Deductions – Add together lines 3A through 3L and enter the total on this line 3.

Line 4 – Net Taxable Sales and Service. Subtract line 3 from line 2B and enter the difference on this line 4. This is the amount of taxable sales and service.

Line 5 – City Sales Tax. Multiply line 4 by the applicable sales tax rate listed on this line 5. Enter the product on this line 5.

Line 6 – Excess Tax Collected. If the City sales tax collected exceeds the tax computed on line 5, subtract the amount listed on line 5 from the total City sales tax collected and enter the difference on this line 6. Sales taxes are held in trust by the retailer and must be turned over to the City even if they were collected in error. Do not include other home-rule city, state, and other state collected taxes in this computation.

Line 7 – Total City Sales Tax. Add line 6 to line 5 and enter the total on this line 7.



The vendor's fee previously deducted on line 8 was repealed for tax periods beginning January 1, 2011. The total amount of sales tax calculated on line 7 must be remitted to the City.

Line 8 – City Use Tax. Enter the total purchases subject to use tax in the space provided. You may compute this amount on Schedule B (see below). Compute the use tax due by multiplying this amount by the City use tax rate listed on this line 8. Enter the product on this line.

Line 9 – Total Tax Due. Add the total use tax due on line 8 to the total sales tax due on line 7 and enter the result on this line 9. This is the total tax due.

Line 10 – Penalty & Interest for Late Filing. If this return, and/or the payment of the tax computed herein, will not be postmarked on or before the due date, penalty and interest charges will apply. Penalty is 10% of the tax or \$15, whichever is greater.

Interest is calculated for each month or portion of a month that a tax deficiency remains unpaid. Interest accrues only in whole month increments.

Use the following table to compute the penalty and interest due, if any:

Penalty & Interest Computation Table (Optional)

i)	Enter the due date listed in the upper left corner of the return.	
ii)	Enter the date that the return and payment of the tax are estimated to be postmarked by.	
If the date on (ii) above is on or before the date on (i) above, enter a zero (0) on line 10. Otherwise, continue to (iii) below.		
iii)	Enter the amount listed on line 9 of this return (total tax due).	
iv)	Multiply the amount in (iii) above by 10% (0.10).	
If the amount on (iv) above is less than or equal to \$15, enter \$15 in the penalty section of line 10. If the amount on (iv) above is greater than \$15, enter the amount from (iv) above in the penalty section of line 10.		
v)	Enter the number of months between the due date from (i) above and the postmark date from (ii) above. Round up to the nearest whole month.	
vi)	Compute the monthly interest due by multiplying the tax due from (iii) above by 1% (0.01).	
vii)	Multiply lines (v) and (vi). Enter the total on the interest section of line 10.	

Line 11 – Total Due and Payable. Add the late filing charges, if any, from line 10 to the total tax due computed on line 9 and enter the result on this line 11. This is the total due. Make check or money order payable to City of Westminster.

Signature – After reviewing the form for accuracy, sign the form on the lower right of the reverse side. Print the company name if completed by a paid preparer. Print the phone number of the individual who completed the return. Print the title of the person who completed the return and the date it was completed.

Schedule A – Special Messages

Taxpayers needing to notify the Sales Tax Division of certain account changes may complete Schedule A. Specifically, changes of address or ownership and business closure may be reported. Additional filings with the Office of the City Clerk may also be required.

Business Closure

Taxpayers no longer engaged in business in the City, or at the location specific to this return, should check the first line under Schedule A. Indicate the date of closure under Discontinued Business Date. A final sales and use tax return must be filed through the date of closure within 10 days.

Taxpayers closed only temporarily must close their account and file a final return. The same account can be re-opened at a later date at no charge.

Business Acquisition/Change in Form

Sales and use tax licenses are not transferrable from one taxpayer to another. Similarly, certain changes in legal form also require the issuance of a new license. For example, a sole proprietorship that becomes a corporation will be issued a new license. The corporation must file a new *Business Registration* form with the City Clerk.

Taxpayers who sell out their business, or purchase another, have specific responsibilities to ensure all outstanding taxes are properly paid. Some sales, such as stock transfers, will not require a new license. Refer to *Tax Compliance Guide* topic 357 for additional information regarding business purchases.

Upon sale or change in legal form, check the first line under Schedule A. Indicate the effective date under Discontinued Business Date. A final sales and use tax return must be filed within 10 days of this date.

If the business is sold, the new owner must apply for a license with the City Clerk.

Change of Address

Keeping your address and contact information current is important for ensuring you receive forms and notices from the Sales Tax Division in a timely fashion.

Taxpayers needing to update address information should check the second line Schedule A on the front of the return and contact the City Clerk's office. Contact information is in the center box on the reverse side.

Additional account information can also be changed by sending the updated information in writing to the City Clerk's Office. Please include the applicable Westminster account number on all correspondence.

Taxpayers changing locations within the City or moving into or out of the City must also file with the City Clerk. Taxpayers locating within the City are required to apply in advance to ensure the location is approved for their proposed use.

Schedule B – City Use Tax

General Information

The *Westminster Municipal Code* imposes a use tax upon the privilege of using, storing, distributing or otherwise consuming tangible personal property or taxable services in the City. If Westminster sales tax is not paid to a vendor licensed and authorized to collect the same, 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 previously paid to other municipalities. Such credit may not exceed the Westminster use tax due.

Even businesses that do not make taxable sales will likely have a use tax liability. Refer to *Tax Compliance Guide* topic 313 for more information regarding use tax.

Specific Instructions

This Schedule B is optional and may be used to compute the total taxable purchases to be listed on line 8. Taxpayers are encouraged to complete Schedule B and maintain similar records of taxable purchases as evidence of remittance on specific transactions.

Additional schedules in the same format can be submitted with the return. Supplemental schedules must be 8 ½" by 11" in size and may be printed on both sides on white paper. Do not shade in any of the spaces. Do not staple supplemental schedules to the return. Schedules not conforming to these requirements will not be retained in City records.

For each taxable purchase, list the purchase date, the name of the vendor, a general description of the commodity purchased, and the taxable purchase price. Do not include non-taxable items in the purchase price.

At the bottom of the schedule, total the taxable purchases on line B. Enter this total in the space on line 10 for purchases subject to tax.



WESTMINSTER
COLORADO

Department of Finance
Sales Tax Division

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<https://www.cityofwestminster.us>