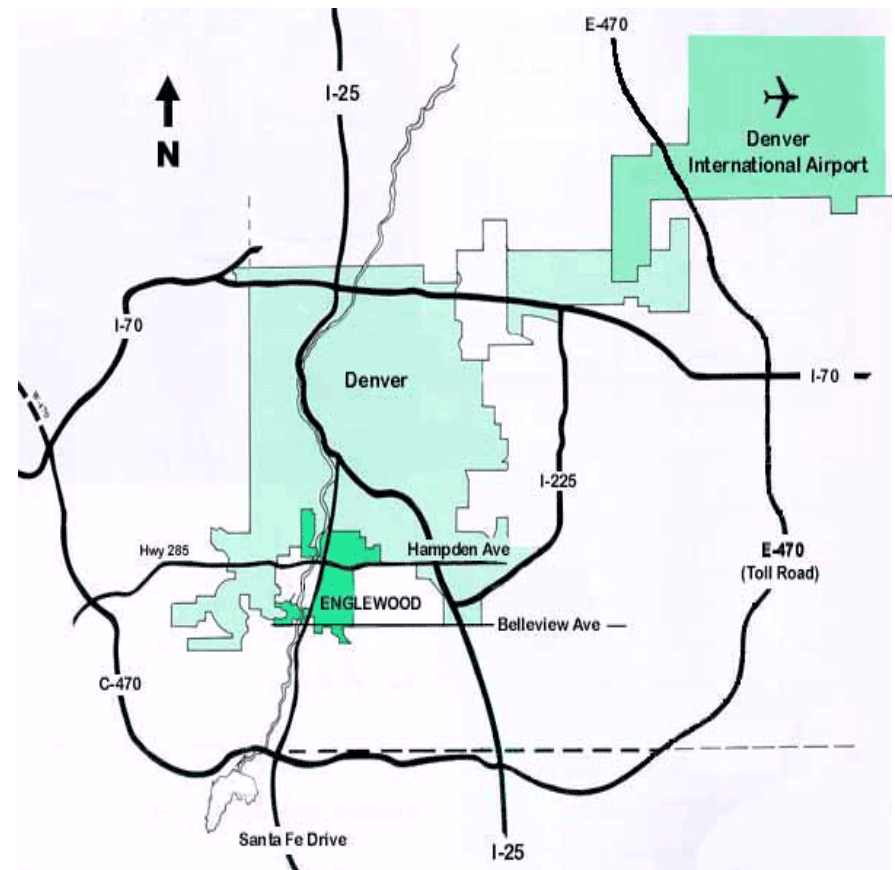


City of Englewood, Colorado
Tax Seminar Presentation

Located on the southern border of Denver, Colorado's capital city, Englewood is approximately seven square miles and home to approximately 30,000 residents.

Due to easy access to two light rail train stations and the state and interstate highway system, Englewood's location offers short and convenient commutes to destinations within the Denver Metro Area and the rocky mountain range. The Englewood's mixed housing and retail environment encourages a pedestrian-friendly community. The City's economy is comprised of retail, industrial, manufacturing, healthcare and service sectors.

The City of Englewood's services are dependent, in part, on tax revenues received. We recognize the importance of providing adequate levels of service and infrastructure while maintaining a fair tax structure. The overall tax structures of Colorado and metro Denver rank among the lowest in the nation.



Presentation Outcomes

- Increase Compliance With Englewood's Tax Laws And Procedures.
- Provide Sources Of Information & Guidance.
- Ensure Taxes Are Filed Correctly The First Time.
- Allow Taxpayers To Spend Less Time And Effort On Tax Issues, More Time Managing Their Business.



Resources



- City of Englewood website: www.Englewoodgov.org
- Sales and Use Tax webpage: www.Englewoodgov.org/sales-tax
- City of Englewood Sales and Use Tax Compliance and Licensing Office
Phone Number: 303-762-2422 or revenue@englewoodgov.org
- Monthly Tax Seminars located in the Library's Perrin Room
<http://www.englewoodgov.org/inside-city-hall/city-departments/financial-services/sales-and-use-tax/sales-tax-seminars>
- Colorado Dept of Revenue – Current Tax Rates by Jurisdiction
Website address: www.colorado.gov/revenue/tax

Home Rule City

- The City of Englewood administers its own laws, rules and regulations. (**This presentation addresses only Englewood's Laws and Rules.**)
- Any taxes owed to Englewood are paid directly to Englewood.
- Disclaimer: The rates shown in this presentation are effective only based upon the date published. Please verify rates at the time of sale at www.Colorado.gov/tax.



Overview of Retail Taxes/Fees Collected

- Sales Tax Rate – 3.8%
- Use Tax Rate – 3.8%
- Lodger's Tax Rate – 2.0%
- Englewood Basic Local Exchange Services
Business and Occupation Tax - \$.55 per phone
line
- Pawn and Purchaser of Valuable Articles
Transaction Fee - \$.30 per transaction



Englewood, CO ZIP CODE

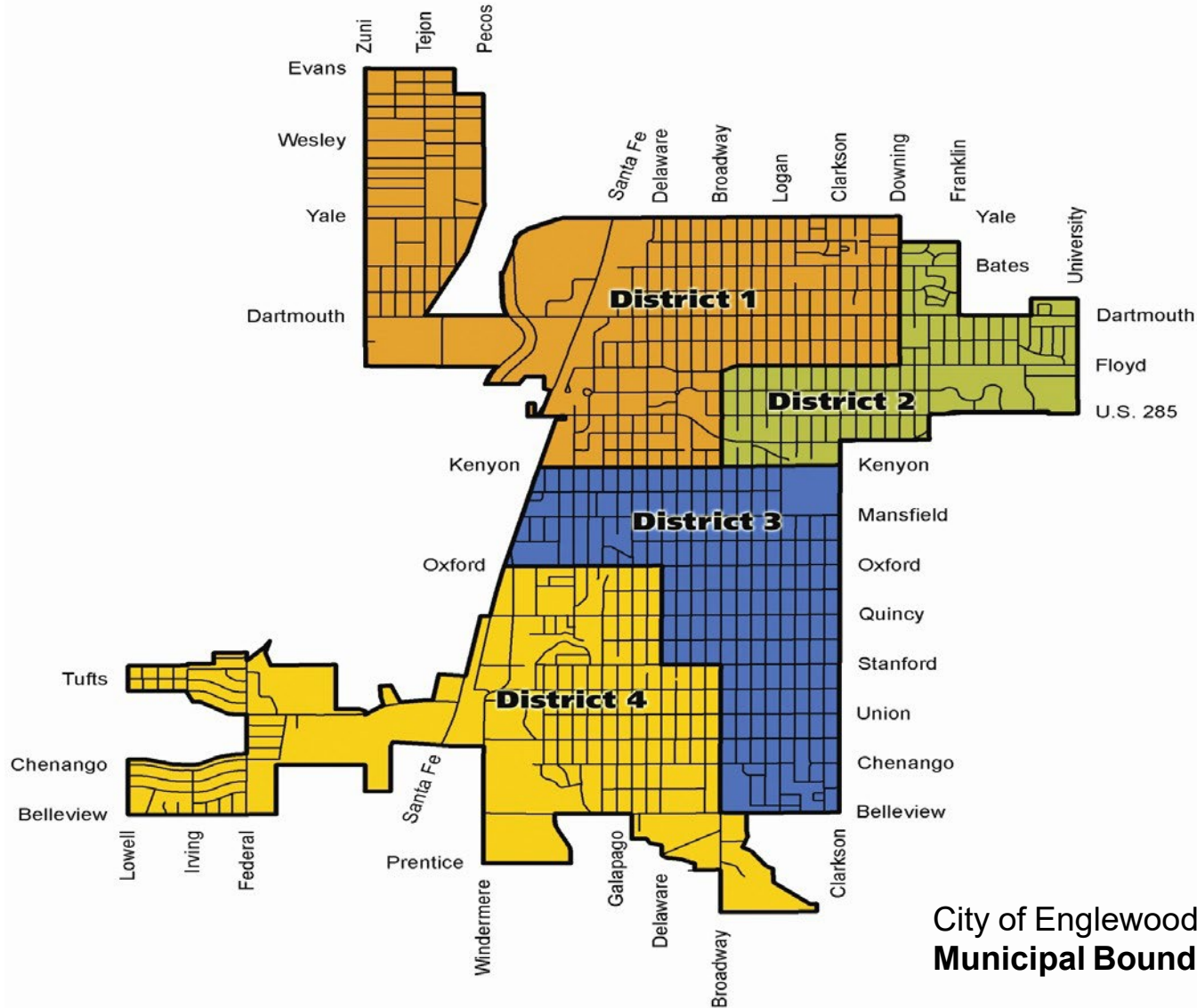
The U.S. Postal Service (USPS) has designated some areas with certain zip codes as being in Englewood which are not within the City of Englewood's corporal boundaries.

The following list provides USPS Zip Codes and the areas they cover:

<u>Zip Codes</u>	<u>Jurisdiction</u>
80150 and 80151:	City of Englewood's Main Post Office and Annex Post Office (i.e. Post Office Boxes)
80110 and 80113:	City of Englewood, City of Sheridan, and City of Cherry Hills Village

Please Note: The following zip codes are not within the municipal boundaries of the City of Englewood

80111 and 80112: Unincorporated Arapahoe County, Unincorporated Douglas County, City of Cherry Hills Village, City of Greenwood Village and City of Centennial



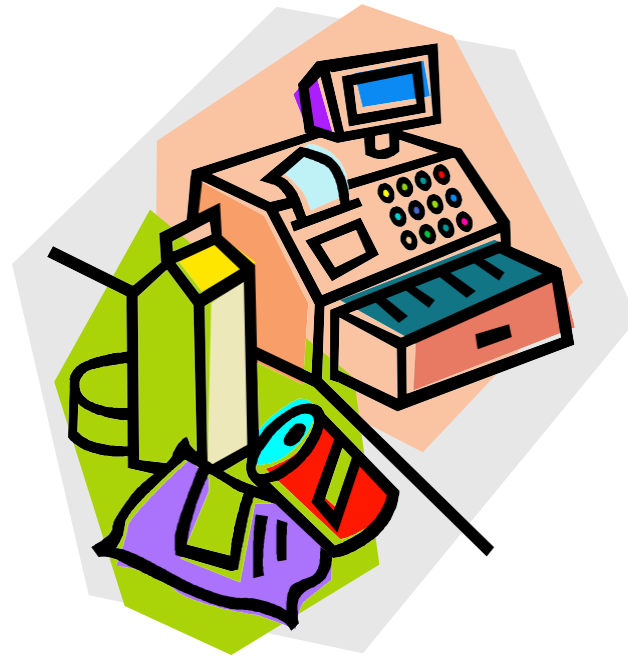
City of Englewood, Colorado
Municipal Boundaries

How to find whether an address is in Englewood?

Resources available on the Sales and Use Tax web page: <http://www.Englewoodgov.org/sales-tax>

- Colorado Address Locator – Third Party Database, free of charge service: www.Colorado.ttr.services
- City Street Guide – pdf copy

SALES TAX



City of Englewood Total Retail Sales Tax Rate – 8.05%

State of Colorado	2.90%	} Remit Tax Collected to <u>Colorado Department of Revenue</u> (4.25%)
Regional Transportation District (RTD)	1.00%	
Scientific & Cultural Facilities District (SCFD)	0.10%	
Arapahoe County Open Space	0.25%	
City of Englewood	3.80%	→ Remit Tax Collected to <u>City of Englewood</u> (3.80%)
Total Retail Sales Tax Rate	8.05%	

Sales Tax

Overview

- ❖ The Englewood Revised Municipal Code imposes tax on the purchase price paid on retail sales, leases and rentals of tangible personal property and certain services.
- ❖ The sales tax collected by retailers for the City of Englewood is public money. The retailer must hold and pay the tax when due to Englewood on the sales tax returns. Sales tax is also known as a “trust” tax.



Am I required to collect sales tax?

- ❖ Yes, if you are engaged in business in Englewood (performing any activity in connection with selling, leasing or delivering) a sales tax license is required.
- ❖ Englewood Municipal Code Title 4 Chapter 4 provides the legal basis for the administration of the Sales, Use and Lodger Tax.

Sales Tax

Imposition of Tax

1. Tangible Personal Property (TPP)
2. Telephone & Telecommunications Services
3. Coal, Petroleum, Electricity, Gas, etc.
4. Food & Drink
5. Information and Entertainment
6. Data Processing Equipment and Programs

Tax Return Overview

- Englewood Tax & Business Registration Portal
 - <https://englewood.munirevs.com/>
 - There is a \$25.00 manual filing fee for any paper filings of returns, applications, or other documents, that is able to be filed through the portal above.

Return Basics

- Identify required fields to be completed.
- Provide helpful hints in completing the return to avoid common mistakes.

REMITTANCE COPY

City of Englewood Sales & Use Tax & Lodgers Tax

P.O. Box 2900 Englewood, Colorado 80150-2900

(303) 762-2422

Period:	Due:	Account:		
1.	Gross Sales & Service		5A.	City Sales Tax 3.5% of line 4
2A.	Add: Bad Debts Collected		5B.	Lodgers Tax-Gross Rental _____ X 2%
2B.	Total 1 & 2A			
3.	A. Non-taxable Service		6.	Add: Excess Tax Collected
	B. Sales for Resale		7.	Adjusted City Tax (add Lines 5A, 5B & 6)
D	C. Shipped Out of City		8.	
E	D. Bad Debts		9.	TOTAL SALES TAX
D	E. Trade-ins for Resale		10A.	Amount Subject to Use Tax _____ x 3.5%
U	F. Gas & Cigarettes		10B.	Additional Use Tax
C	G. Gov., Religious & Charitable		11.	Total Tax Due (add lines 9, 10A & 10B)
T	H. Returned Goods		12.	Penalty 10% if filed late
I	I. Prescriptions			Interest 1% per month if filed late
O	J. Other Deductions (Explain)		13.	TOTAL TAX, PENALTY & INTEREST DUE
N	K. Groceries		14.	A. Add:
S	L.			B. Deduct:
	M.			<i>Use line 14A or 14B only if you have received notification from the City</i>
	TOTAL DEDUCTIONS			
4.	NET TAXABLE		15.	TOTAL DUE & PAYABLE:

Business Name: _____

DBA: _____

Address: _____

City State Zip: _____

Signed _____

Title _____

Phone: _____ Date: _____

Check here if changes to: (a) location address or (b) mailing address

Business CLOSED Date: _____

Please note changes on back of form.

Separate at perforation ⇄

Separate at perforation ⇄

Separate at perforation ⇄

Separate at perforation ⇄

Remittance Copy – Required Fields

Period:	Due:	Account:	(303) 762-2422
1. Gross Sales & Service			5A. City Sales Tax 38% of line 4
2A Add: Bad Debts Collected			5B. Lodgers Tax-Gross Rental _____X2%
2B Total 1 & 2A			

Period: Period for which the tax is being reported.

Due: Date the tax is due (usually the 20th day of the month following end of the reporting period).

Account: Account number assigned by the City of Englewood.

Important: In order to receive proper credit, this information must be on form when filing.

Remittance Copy – Required Fields Continued

	M.				<i>Use line 14A or 14B only if you have received</i>	
	TOTAL DEDUCTIONS				<i>notification from the City</i>	
4.	NET TAXABLE			15.	TOTAL DUE & PAYABLE:	

Business Name:

DBA:

Address:

City State Zip:

Signed _____

Title _____

Phone: _____ Date: _____

Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Business Name:

Name of the Business

DBA:

Trade of the Business

Address, City, State, Zip:

Mailing address of the Business

Important: This information is required and must be provided on the form when filing.

Remittance Copy – Required Fields Continued

	M.				<i>Use line 14A or 14B only if you have received notification from the City</i>	
	TOTAL DEDUCTIONS					
4.	NET TAXABLE			15.	TOTAL DUE & PAYABLE:	

Business Name:

DBA:

Address:

City State Zip:

Signed _____
 Title _____
 Phone: _____ Date: _____

Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Signed: Legible signature by the person responsible for the return.

Title: Title of the person signing the return.

Phone and Date: Please provide the contact number and the signature date of the person completing the return.

Important: This information is required and must be provided on the form when filing.

Remittance Copy – Sales Information

1.	Gross Sales & Service		
2A .	Add: Bad Debts Collected		
2B .	Total 1 & 2A		

1. Gross Sales & Service: Total amount billed to customers for the reporting period (month, quarter, year). Please do not include sales tax charged.

2A. Add: Bad Debts Collected: Taxable bad debts previously deducted on line 3D as a bad debt and eventually collected.

2B. Total 1 and 2A: Add lines 1 and 2A

Remittance Copy – Deduction Information

Review of Deductions: 3A through 3M

3.	A. Non-taxable Service	
	B. Sales for Resale	
D	C. Shipped Out of City	

3 A. Non-Taxable Service: Includes labor charges, maintenance fees, contracts service charges that do not include tangible personal property.

Important: These items must be separately stated on invoice. If combined with taxable items and billed as one total amount, then the total amount is TAXABLE.

Review of Deductions: 3A through 3M Continued

3.	A. Non-taxable Service	
	B. Sales for Resale	
D	C. Shipped Out of City	

3 B. Sales for Resale: Sales to customers who are in Businesses to resell those items.

Important: Obtain a copy of customers' Colorado sales tax license. These licenses may be called by various names like:

- a. Sales Tax License
- b. Resellers License
- c. Resale Certificate

It is sellers' responsibility to obtain this documentation. If no documentation is provided, the sales are taxable.

Review of Deductions: 3A through 3M Continued

3.	A. Non-taxable Service
I	B. Sales for Resale
D	C. Shipped Out of City

3 C. Shipped out of City: Point of Delivery to customer determines which jurisdiction's tax applies.

If delivered outside of the municipal boundaries of Englewood, City of Englewood's sales tax does not apply.

Review of Deductions: 3A through 3M Continued

E	D. Bad Debts	
D	E. Trade-ins for Resale	

3.D Bad Debts: Amount reported to Englewood as Taxable on a sales tax return for a prior period and determined to be not collectible and written off the books as a bad debt.

Do not include any amounts that were exempt from City of Englewood Tax.

Please keep appropriate documentation to support the deduction.

Review of Deductions: 3A through 3M Continued

E	D. Bad Debts	
D	E. Trade-ins for Resale	

3.E Trade-ins for resale: Amount of credit allowed on a sale for items taken in trade for later RESALE. (Note: this amount should also be included in gross sales.)

For example automobiles, appliances, etc.

Review of Deductions: 3A through 3M Continued

U	F. Gas & Cigarettes	
C	G. Gov, Religious & Charitable	
T	H. Returned Goods	

3.F Gas & Cigarettes:

Gas – fuel used to operate internal combustion engines is exempt.

Cigarettes only are exempt, all other tobacco products are taxable.

Review of Deductions: 3A through 3M Continued

U	F. Gas & Cigarettes	
C	G. Gov, Religious & Charitable	
T	H. Returned Goods	

3.G Gov., Religious and Charitable (Non profits- 501 (C)3 Corporations:

Sales made to these organizations for the normal functions and activities of these organizations are exempt.

Purchases must be paid for with organization's funds (organization's check or credit card), if you take cash, valid purchase order must be obtained.

Obtain copy of organization's Colorado Exemption Certificate.

Sellers' responsibility to document. If no documentation provided, sale is taxable.

Review of Deductions: 3A through 3M Continued

H. Returned Goods	
I. Prescriptions	
J. Other Deductions (Explain)	
K. Groceries	
L.	
M.	

3.H – Returned Goods: Items returned by customer and credit given and upon which Englewood sales tax was charged and reported on a prior period sales tax return.

3.I – Prescriptions: Prescription drugs and other medicals items specifically exempted in the Englewood Municipal Code section 4-4-4-3 Exemptions to Sales Tax A. 4.

“Sale of medicine, medical supplies, orthopedic braces and appliances, dental appliances, hearing aids, crutches, wheel chairs, eye glasses or other mechanical contrivances when purchased with a licensed practitioner's written prescription.”

3.J – Other deductions (Also Lines 3.L and 3.M): Non-taxable items that were not included on other lines like lottery tickets, fishing and hunting licenses, etc.

Review of Deductions: 3A through 3M Continued

K. Groceries	
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3.K – Groceries: Groceries, specifically, food for home consumption are not taxable.

Prepared, ready to eat food items (as in deli's and restaurant) are taxable.

Remittance Copy – Net Taxable

	TOTAL DEDUCTIONS		
4.	NET TAXABLE		

Total Deductions:

Add up the deductions listed on lines 3.A through 3.M and enter the total on this line.

4. Net Taxable: Subtract amount on Total Deductions line from amount on Line 2B. Enter the result on this line.

Remittance Copy – Sales and Lodgers Tax

5A.	City Sales Tax 3.5% of line 4	
5B.	Lodgers Tax-Gross Rental _____ X 2%	

5 A. City Sales Tax @ 3.8% of Line 4:

Multiply the amount on Line 4 by 3.8% (0.038). Enter the result on this line.

5 B. Lodgers Tax – Gross rental -----x 2%:

In the space provide, enter the amount of short term gross rentals (lodging for less than 30 day). Multiply this amount by 2% (0.02) and enter the result on this line.

Documentation must be kept on file for long term lodging rentals.

Remittance Copy – Total Sales and Lodgers Taxes

6.	Add: Excess Tax Collected	
7.	Adjusted City Tax (add Lines 5A, 5B & 6)	
8.		
9.	TOTAL SALES TAX	

6. Add: Excess Tax Collected: If actual tax collected is more than the amounts calculated on the sales tax returns, the amount in excess of the calculations is entered on this line.

7. Adjusted City Tax: Add the amounts on Lines 5A, 5B and 6 and enter the result on this line.

9. Total Sales Tax: Same as Line #7.



USE TAX



Use Tax Overview

Use tax is imposed if the following four conditions are met:

1. Items purchased are used, stored or consumed within the boundaries of Englewood.
2. The Buyer is the Final Buyer.
3. Item would be subject to Englewood sales tax.
4. Seller did not collect Englewood city sales tax or its equivalent rate at time of purchase

Why would city sales tax not be charged/collected at the time of purchase?

- Item picked up in unincorporated area. No city sales tax is applicable.
- Item ordered by phone, mail order, via internet and delivered to your location in Englewood. Vendor may not be licensed to collect Englewood tax and can not legally collect it.
- Vendor error.

Important: Check invoices to determine if sales tax was charged and if so, was a city tax charged.

Use Tax does not apply to inventory (items purchased to be sold to customers). Use Tax would apply if items are given away or pulled from inventory to be used by Business.

If city sales tax is charged and the city sales tax rate is equal to or greater than the Englewood rate of 3.8%, then no use tax is due.

Examples: Sheridan-3.5%, Denver-4.81%, Aurora-3.75%, etc.

Use Tax Example: Items picked up in another city and brought into Englewood

If City tax is charged and the City rate is less than the Englewood rate of 3.8%, use tax equal to the difference of the two rates is due. This amount is recorded on Line 10.B Additional Use Tax).

Englewood Sales Tax Rate	Other Local Jurisdictions Sales Tax Rate	Use Tax Due
3.8%	Littleton – 3.75%	0.05%
3.8%	Centennial – 2.50%	1.30%
3.8%	Lone Tree – 2.8125%	.9875%
3.8%	Unincorporated Arapahoe County – 0.00%	3.80%

Remittance Copy – Use Tax

10A.	Amount Subject to Use Tax	X3.8%	
------	---------------------------	-------	--

10 A. Amount subject to use tax x 3.8%:

In the space provided, please enter the amount of purchases for which city sales tax was not charged. This amount is subject to use tax.

Multiply this amount by 3.8% (0.038) and enter the result on this line.

Remittance Copy – Use Tax and Total Tax Due

10B.	Additional Use Tax	
11.	Total Tax Due (add lines 9, 10A & 10B)	

10.B Additional Use Tax: Calculate the additional use tax due and put the results on this line. For example, items picked up in a municipality with a City rate of less than 3.8%.

11. Total Tax Due (add lines 9, 10A & 10B): Add the amounts on lines 9, 10A and 10B and put the result on this line.

Remittance Copy – Penalty and Interest

12.	Penalty 10% if filed late
	Interest 1% per month if filed late

12. Penalty 10% if filed late:

If remitting tax after the date due, multiply line 11 by 10% (0.10) and enter the result on this line.

12. Interest 1% per month if filed late:

If remitting tax after the due date, multiply line 11 by 1% (0.01) for each month or part of a month that payment is late, and enter the result on this line.

Please Note: If filing is late, both Penalty AND Interest are due.

Remittance Copy – Total Tax Penalty and Interest Due and Add and Deduct Amounts

13.	TOTAL TAX, PENALTY & INTEREST DUE
14.	A. Add:
	B. Deduct:

13. Total Tax, Penalty & Interest Due: Add the amounts on lines 11 and 12 and enter the result on this line

14 A. Add:

B. Deduct:

Please use line 14A or 14B only if you have received notification from the City and instructed to do so.

Remittance Copy – Total Due & Payable

15.	TOTAL DUE & PAYABLE:
-----	---------------------------------

15. Total due and Payable:

ADD the amounts on line 13 and 14A or 14B, and enter the results on this line.

	M.				<i>Use line 14A or 14B only if you have received notification from the City</i>
	TOTAL DEDUCTIONS				
4.	NET TAXABLE			15.	TOTAL DUE & PAYABLE:

Business Name:

DBA:

Address:

City State Zip:

Signed _____
 Title _____
 Phone: _____ Date: _____

Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Please remember to: SIGN and DATE the return, AND provide the preparer's Phone Number.

Remittance Copy – Check Box for Account Changes

Business Name:

DBA:

Address:

City State Zip:

Signed _____

Title _____

Phone: _____ Date: _____

Check here if changes to location or mailing address, or closure. Please note changes on back of form. Thank You.

Please indicate if there are any changes and note the changes on the back of the form.

If the business activity has ceased within the city limits of Englewood, please indicate effective date.

Other Taxes and Fees

- Basic Local Exchange Business & Occupation Tax (Telecommunications) - \$0.55 per phone line

EMC Title 4 Chapter 5 - ENGLEWOOD BASIC LOCAL EXCHANGE SERVICES BUSINESS AND OCCUPATION TAX

- Pawn Transaction Fee - \$0.30 per Pawn Transaction

EMC Title 5 Chapter 15 - PAWNBROKERS AND SECONDHAND DEALERS

QUESTIONS



Please contact us...

Phone – 303.762.2422

Email – RevenueDiv@englewoodgov.org

Please let us know if this presentation was helpful or what additional information we may provide. Thank you!