

CITY OF COLORADO SPRINGS TAX GUIDE

ENGAGED IN BUSINESS

DEFINITION

"Engaged in business in the City" means performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for use, storage, or consumption within the City. Engaged in business in the City includes, but is not limited to, any one of the following activities by a person:

- A. Directly, indirectly, or by subsidiary maintains a building, store, office, salesroom, warehouse or other place of business within the taxing jurisdiction;
- B. Sends one or more employees, agents or commissioned sales persons into the taxing jurisdiction to solicit business or to install, assemble, repair, service or assist in the use of it's products, or for demonstration or other reasons;
- C. Maintains one or more employees, agents or commissioned sales persons on duty at a location within the taxing jurisdiction;
- D. Owns, leases, rents or otherwise exercises control over real or personal property within the taxing jurisdiction; or
- E. Makes more than one delivery, other than by common carrier, into the taxing jurisdiction within a twelve (12) month period.

Any retailer who is engaged in business in the City must be licensed and must collect sales tax on all taxable retail sales.

Retailers or other persons who are engaged in business within the City also have the responsibility of paying sales or use tax on the purchase of tangible personal property or taxable services if the items are used, stored, consumed or distributed within the City.

EXAMPLES

1. ABC Draperies is located outside the City, but ABC employees are taking measurements, installing and delivering tangible personal property into Colorado Springs. ABC Draperies is engaged in business within City and is required to obtain a City retail license and collect and remit City of Colorado Springs Sales Tax.

2. Lana's Boutique of Denver, an out-of-city mail order catalog business, sells women's apparel, and delivers nationwide by common carrier, including into the City of Colorado Springs. Lana's does not fit the definition of "engaged in business in the City" and therefore is not required to be licensed with the City. However, Lana's is planning to construct a showroom in City of Colorado Springs where customers can attend fashion shows and place orders. The merchandise will continue to be shipped from its Denver store. Once the showroom is built, Lana's will fit the definition of "engaged in business in the City" and must obtain a license and collect and remit City sales tax on their retail sales delivered into the City of Colorado Springs.

RELATED TAX GUIDE TOPICS

Sales Tax
Use Tax

CS Code Section 2-7-102: LEGISLATIVE INTENT
CS Code Section 2-7-104: WORDS & PHRASES DEFINED; BUSINESS, ENGAGED
BUSINESS IN THE CITY
CS Code Section 2-7-106: STATUTE OF LIMITATIONS
CS Code Section 2-7-201: IMPOSITION OF TAX
CS Code Section 2-7-301: LEVY OF TAX IN GENERAL
CS Code Section 2-7-311: SALES MADE OUTSIDE THE CITY
CS Code Section 2-7-312: TANGIBLE PERSONAL PROPERTY
CS Code Section 2-7-409: DELIVERIES TO NONRESIDENTS OUTSIDE THE CITY

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT CITY OF COLORADO SPRINGS TAX CODE FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE CITY OF COLORADO SPRINGS SALES AND USE TAX ORDINANCE.

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