

CITY OF GRAND JUNCTION  
SALES AND USE TAX ORDINANCE #2551  
ADMINISTRATIVE REGULATIONS

REGULATION 34-106

\*\*\* ANNUAL USE TAX \*\*\*

[95-03]

**USE TAX**

Use tax is the tax levied by the City on the use, storage, or consumption of taxable property or services inside the City limits. Use tax is paid by the user ONLY WHEN City **sales tax** was **not paid** to the seller. Businesses who do not have a sales tax license with the City remit use tax due once each year.

**RATE, CALCULATION, CREDITS, AND EXEMPTIONS**

The City's use tax rate is 2.75% (the same as the sales tax rate). Use tax due is calculated as 2.75% of the purchase price of items used, stored, kept or consumed in business operations. (Again, use tax only applies to those purchases on which City sales tax was not paid.)

**NOTE:** The purchase price before any State or County taxes are added should be used when calculating the amount due. Annual use tax is the sum of all use tax due on purchases for the filing year which is the calendar year January 1<sup>st</sup> through December 31<sup>st</sup>.

If sales taxes are paid to another municipality, a credit of up to 2.75% can be applied against Grand Junction use tax owed on that purchase.

Items that are exempt from City sales tax are also exempt from City use tax.

**ANNUAL RETURN AND MID-YEAR REMINDER MAILINGS**

Annual City use tax returns and instructions are mailed in December of the filing year and are due by January 20th of the following year. For example, the return for 1995 would be mailed in December, 1995 and due by January 20, 1996. Annual returns are mailed to a pre-determined list of service industry businesses. **NOTE:** If a business is not on this list, it **does not** relieve that business of the requirement to file use tax due pursuant to Chapter 34 of the City's code of ordinances. It is the duty of each business to file use taxes whether or not the City contacts the business.

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Mid-year reminders are also mailed to the same businesses. The reminders are mailed in June or July of the filing year and discuss the filing requirements for that year. They also explain the use tax giving example calculations and record keeping suggestions.

**FILING REQUIREMENTS**

**IF** use tax due for any one business is less than \$50.00, that business is not required to file the annual use tax return or pay the use tax due. If an annual use tax return is not filed with the City, the City will assume that the use tax liability, if any, falls below the minimum of \$50.00; the business assumes the risk of any error since penalties and interest apply to any amount which are due but late. All individuals and businesses are and remain responsible for determining and paying any tax liability.

The foregoing regulation, having been duly promulgated and the public having had opportunity to comment on the propriety of said regulation after public notice, is hereby adopted and is deemed effective this 29<sup>th</sup> day of December 1995.

/s/ Ron Lappi  
Ronald M. Lappi  
Finance Director  
City of Grand Junction