

SALES & USE TAX INFORMATION GUIDE

Revised July 2006



**Customer Service Division
250 North 5th Street
Grand Junction, Colorado 81501
(970) 244-1521
*debbieo@gjcity.org***

Introduction


Greetings from the City of Grand Junction. This information guide has been prepared to assist your business in understanding and complying with the City's Sales & Use Tax Ordinance.

This information guide describes the nature of sales and use taxes, the types of transactions that are taxable or exempt under Grand Junction's ordinance, and what must be done to comply with the law.

This information is intended to supplement the City Sales and Use Tax Ordinances. It is not intended to replace the detailed requirements of the ordinance and accompanying rules and regulations. The law will prevail in any case of a conflict between the Council adopted ordinance, rules and regulations, and this booklet. For a complete copy of the Sales and Use Tax Ordinance, please contact the Customer Service Division at (970) 244-1521. When contacting the division, please give a brief description of your business operations, so that we may inform you of any special regulations which may apply to your business.

If you have any questions about the information covered in this booklet, or if you need assistance with your sales and use taxes, you may telephone, personally visit, or write the division for assistance at the address and telephone number below.

WE WELCOME AND ENCOURAGE YOUR INQUIRIES



**City of Grand Junction
Customer Service Division
250 North 5th Street
Grand Junction, CO 81501
(970)244-1521
*debbieo@gjcity.org***

Table of Contents

City of Grand Junction Resources

Other Resources

Sales Tax

- Who must obtain a City Sales/Use Tax License
- Who must collect City sales tax
- Collection of excess City sales tax
- Collection of Colorado State and Mesa County sales tax
- On what items should the seller be collecting tax
- On what items should the seller NOT be collecting tax

USE TAX

- General Examples

OF SPECIAL INTEREST

- Reporting periods and filing due dates
- Licensed businesses must file a return whether or not tax was collected
- Completing the Sales and Use Tax Form
- Business changes
- Taxation of construction materials and equipment
- Lodging tax
- Motor vehicle use tax
- Liquor licensing
- Peddlers/solicitors & special event licensing requirements
- Not-for-profit organizations
- Zoning information
- Standardization and simplification measures

CHECK LIST FOR STARTING A NEW BUSINESS

ADDITIONAL INFORMATION



City of Grand Junction Resources

CUSTOMER SERVICE DIVISION

Sales & Use Tax Licenses
General Use Tax
Building Use Tax
Motor Vehicle Tax
Lodging Tax

(970)244-1521
250 N. 5th Street
Grand Junction, CO 81501
debbieo@gjcity.org

CITY CLERK'S OFFICE

Liquor & Beer (including special event)
Liquor & Beer (Occupational Tax License)

(970)244-1509
250 N. 5th Street
Grand Junction, CO 81501
juanitap@gjcity.org

DOWNTOWN DEVELOPMENT AUTHORITY

(Events taking place in the Downtown Shopping Park,
Main Street between 2nd & 7th Streets)

Pedestrian Vendor
Kiosk
Mobile Cart
Sidewalk Restaurant
Festivals
Street Dances

(970)256-4134
Whitman School Building
248 S. 4th Street
Grand Junction, CO 81501
dda@gjcity.org

COMMUNITY DEVELOPMENT

Home Occupation Permit
Zoning Verification
Fence Permits
Sign Permits
Address Verification
Planning Clearance for Building Permits

(970)256-4039
250 N. 5th Street
Grand Junction, CO 81501
CommDev@gjcity.org

MESA COUNTY BUILDING INSPECTION DIVISION

Building Inspection
Building Permits
Contractor's License

(970)244-1631
P.O. Box 20,000
750 Main Street
Grand Junction, CO 81502
blee@co.mesa.co.us



Other Resources

For business information on a Federal level, including income, payroll, and excise tax matters, contact:

INTERNAL REVENUE SERVICE

4th & Rood Avenue
Grand Junction, CO 81501
(800)829-1040
www.irs.ustreas.gov



The Colorado Office of Economic Development has many resources available for assisting both start-up and existing businesses in the State of Colorado. Publications include a small business Start-Up Kit, and the Colorado Business Resource Guide.

COLORADO OFFICE OF ECONOMIC DEVELOPMENT

Colorado Small Business Development Center, Business Assistance Center
1625 Broadway, Suite 1710
Denver, CO 80202
Hotline 303-592-5920
www.state.co.us/oed/sbdc

The Colorado Department of Revenue will assist you with any questions that concern County and State Sales/Use Taxes or other State taxes.

COLORADO DEPARTMENT OF REVENUE

Taxpayer Service
State Building
222 S. Sixth Street
Grand Junction, CO 81501
(970) 248-7140

or

Taxpayer Service Division

Call Center for Colorado
Taxes: (303) 238-SERV
(7378)

or

www.revenue.state.co.us

For assistance with business matters and information about doing business in the Grand Junction area, contact:

GRAND JUNCTION CHAMBER OF COMMERCE

360 Grand Avenue
Grand Junction, CO 81501
(970) 242-3214

www.gjchamber.org

SMALL BUSINESS DEVELOPMENT CENTER

2591 B 3/4 Road
Grand Junction, CO 81503
(970) 243-5242



City of Grand Junction

Sales & Use Tax Guide

Sales Tax

WHO MUST OBTAIN A CITY SALES OR USE TAX LICENSE

Any person engaged in business in the City must obtain a City sales tax license for each retail establishment prior to conducting business. “Engaged in business in the City” means performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for storage, use or consumption within the City. Examples include but are not limited to:

- Maintaining a place of business within the City;
- Sending employees, agents, or sales persons into the City to solicit business, or to install, assemble, repair, or service its products.
- Maintaining one or more employees, agents or sales persons at a location within the City.
- Owning, leasing, renting, or exercising control over real or personal property within the City.
- Making more than one delivery into the City within any twelve-month period.

NO LICENSE IS TRANSFERRABLE. Business establishments located outside the incorporated city limits who sell tangible personal property to Grand Junction businesses or residents at retail, and have the items delivered to the in-city location must obtain a Sales Tax License. These businesses must collect and remit the City’s 2.75% sales tax on the retail sales, leases, or rentals of tangible personal property, and taxable services. To obtain a Sales or Use Tax License, the business must complete and submit a City Sales Tax Application for each business location. A one-time nonrefundable application fee of \$10 must accompany each Sales Tax Application. These licenses are automatically renewed annually and are valid until the business is discontinued, sold, or the license is revoked or cancelled. Businesses located within the City must also obtain zoning verification and approval from the City of Grand Junction Community Development Department. The Community Development Department reviews each Sales Tax Application for proper zoning and approval before a license will be issued.

For licensing information & applications, contact:

City of Grand Junction
Customer Service Division
250 North 5th Street
Grand Junction, CO 81501
(970)244-1521

For zoning verification, contact:

City of Grand Junction
Community Development
250 North 5th Street
Grand Junction, CO 81501
(970)256-4039

Upon receipt of the completed application and \$10.00 fee, a City Treasurer’s receipt will be issued. This receipt will suffice as a license until an actual license is issued. The City license will be mailed within two to four weeks. **Each license must be posted in a conspicuous place at the business for which it is issued, so that customers can verify that the business is authorized to collect tax.**

WHO MUST COLLECT CITY SALES TAX

Every retail business engaged in business in the City must collect the 2.75% City sales tax on the purchase price paid or charged for tangible personal property and certain services that are taxable under the City Sales and Use Tax ordinance when they are purchased, leased, rented, or sold at retail in the City of Grand Junction. Wholesalers, as defined in Chapter 34 of the City Code, are exempt from the collection of the City sales tax.

Sales Tax

If the purchaser takes possession of the taxable item at the seller's business location in the City of Grand Junction, the seller must collect Grand Junction City sales tax, regardless of where the purchaser resides or intends to use the item, with the exception of motor vehicles.

Motor vehicles are taxed through the registration process (see information on motor vehicles on page 12). If the motor vehicle is registered in a location other than the City of Grand Junction, no Grand Junction sales tax should be collected.

If delivery of an item by common carrier, parcel post, or the seller's vehicle is required to complete a sale, the destination determines which, if any, local sales taxes you must collect. The City of Grand Junction has an address guide available which will help you determine if the delivery address is inside the City limits and therefore if City sales tax should be collected as part of the sale.

Please be advised that whenever a sale of tangible personal property or service that is taxable under the ordinance is delivered, picked up, or maintained within the City, the City sales tax is applicable unless the seller has obtained verification of the tax exempt status of the purchaser. All exemption verification must be maintained on file by the seller.

In most cases, the law requires that sales tax be separately stated on all invoices, billings, and business records. Also, if a sale is made which contains both taxable and nontaxable items, these must be separately stated or the full amount of the invoice is subject to City sales tax.

It is illegal to advertise that sales will be tax-free or absorbed by the seller. Violation could subject the seller to penalties.

The City Sales and Use Tax Ordinance states that if a dispute arises between the purchaser and seller as to whether or not any sale, service, or commodity is exempt from taxation, the seller shall collect, and the purchaser shall pay the tax. The purchaser thereafter may apply to the Finance Director for a refund of such taxes, and it is then the duty of the Finance Director to determine the status of the exemption.

COLLECTION/REFUND OF CITY SALES TAX

All City sales tax collected by the seller must be remitted to the City. Collection and remittance of tax is a public trust under the code; this includes City sales tax that may be collected in error. If an error occurs then the purchaser's recourse is to apply to the City for a refund.

COLLECTION OF COLORADO STATE AND MESA COUNTY SALES TAX All Colorado State and Mesa County sales taxes are remitted to the Colorado Department of Revenue.

Sales Tax

ON WHAT ITEMS SHOULD THE SELLER BE COLLECTING TAX?

The City of Grand Junction, under the provisions of its Home Rule Charter and authority to enact law, collects its own sales and use tax and generally determines what transactions will be subject to taxation within the City. As a general rule, unless otherwise specifically exempted from taxation, all tangible personal property that is sold, leased, or rented is subject to tax. Sales tax should be charged by the seller and paid by the purchaser. Listed below is a partial list of items and transactions subject to the Grand Junction sales and use tax of two and three quarters percent (2.75%) which may differ from the State of Colorado, or other Colorado Home Rule Municipalities.

- Tangible personal property that is sold, leased or rented, whether or not such property has been included in a previous taxable transaction.
- Food or drink served or furnished in or by restaurants, cafes, cafeterias, and other like places of business at which prepared food or drink is regularly sold for immediate consumption.
- Lodging services or similar type accommodations of less than 30 days, plus an additional “Lodging Tax” of three percent (3%).
- Telecommunications services.
- Gas and electricity for commercial users and restaurants.

Again, this is only a partial listing. If starting a new business or purchasing an existing business, please contact the City of Grand Junction, Customer Service Division (970) 244-1521 to determine the taxability of your products and/or services.

ON WHAT ITEMS SHOULD THE SELLER **NOT BE COLLECTING TAX?**

Below is a partial listing of items/transactions which are exempt from sales/use tax. If you have questions about, or think that exemptions from collecting tax may apply, then contact our office for further information and explanation.

- Medical supplies (see definition in Sales & Use Tax Ordinance)
- Prosthetic devices (see definition in Sales & Use Tax Ordinance)
- Cigarettes
- Direct sale to charitable organization when billed to and paid for by the charitable organization.
- Food for home consumption
- Feed for livestock, poultry, or horses
- Wholesale sales
- Seed and orchard trees
- Labor sold with tangible personal property, but only if labor is stated separately on invoice; except labor used in or necessary in manufacturing, fabricating, or processing is not exempt
- Farm implements, and parts and accessories for the same
- Newspapers
- Tangible personal property sold through coin-operated devices for a price of fifteen cents (\$.15) or less
- Forty-eight percent (48%) of factory-built housing, as defined in Section 24-32-703(3) C.R.S.
- Transportation charges (freight) sold w/tangible personal property, but only if separately stated on invoice, and optional to the customer.

Use Tax

Use Tax

The City use tax of two and three quarters percent (2.75%) is due from each business located within the City limits on the purchase price paid for all tangible personal property used in business operations. Common items include fixtures, furniture, equipment and supplies. Use tax is due ONLY on tangible personal property for which a legally charged City sales tax has not been paid. The City use tax also applies to those services which are taxable in the City such as telecommunications, lodging, electricity, gas and other energy sources for commercial uses.

The use tax represents a complement to the City sales tax and is imposed only when the appropriate City sales tax has not been paid on the same transaction. The exception to this is inventory that is held for resale by the business. Such property is not subject to use tax unless it is removed from inventory and used or consumed by the business.

To pay use tax due, businesses that are currently licensed within the City should compute the dollar amount of purchases subject to use tax and report the amount on their next Grand Junction Sales/ Use Tax Return (Line 10). Those businesses that are not licensed with the City for sales tax must contact the City to obtain a Use Tax Filing Form.

Those businesses located in the City of Grand Junction which are in the process of being licensed, whether newly established or resulting from the purchase of an existing business, will receive an Initial Use Tax Return along with instructions during the initial application process. After completing and submitting this Form, along with any use tax due, all future use tax liability must be reported and paid on the regular City Sales/Use Tax Return.

Use tax is due on tangible personal property acquired with the purchase of an existing or ongoing business, based on the allocated acquisition cost as stated in the purchase agreement. Assets may not be valued at less than the current fair market value. If the purchase agreement does not itemize the tangible personal property with an allocated or appraised cost, then use tax is due on the book value established for depreciation purposes for Federal income taxes. Use tax resulting from an acquisition should be filed and paid on the Initial Use Tax Return.

- **NO USE TAX SHALL BE DUE ON ITEMS FOR WHICH A MUNICIPAL SALES TAX EQUAL TO OR GREATER THAN 2.75% HAS ALREADY BEEN LEGALLY PAID**
- **NO USE TAX SHALL BE DUE ON ITEMS THAT HAVE BEEN OWNED BY THE BUSINESS FOR THREE YEARS OR LONGER**



Use Tax

USE TAX EXAMPLES

The following examples, though basic, illustrate the application/non-application of the two and three quarters percent (2.75%) Grand Junction use tax on taxable purchases by businesses located inside City limits.

- 1) **Purchase of an office desk** from a Denver vendor who delivers the desk to a business location in Grand Junction. Invoice might show:

I -Oak Desk	\$150.00
State Sales Tax (2.9%)	<u>4.35</u>
TOTAL	\$154.35



The invoice does not include any Grand Junction tax, therefore; a 2.75% use tax is due to the City in the amount of a \$4.13 ($\$150 \times .0275$).

- 2) **Purchase of a personal computer.** Invoice might show:

1 -Personal Computer	\$850.00
1 -Word Processing Software	200.00
I- -A/R Package	<u>75.00</u>
TOTAL	\$1,125.00



Once again, the invoice does not include any City tax. Therefore, a 2.75% use tax to the City of Grand Junction of \$30.94 ($\$1,125 \times .0275$) is due. (Note: Software as a tangible product is subject to Grand Junction City sales tax.) Additionally, no State sales tax was charged in the above example, so use tax is due to the State also. Contact the State Department of Revenue regarding State taxes.

- 3) **Purchase of a cash register** from an out of state vendor who ships the register to a business located in Grand Junction. Invoice might show:



1 - Cash Register	\$320.00
State Sales Tax (2.9%)	<u>9.28</u>
TOTAL	\$329.28

This invoice does not include any Grand Junction tax. Therefore, a 2.75% use tax is due to the City of Grand Junction in the amount of \$8.80.

Use Tax

4) Lease of a photocopier machine. Monthly invoice might show:

Lease Payment (June)	\$129.50
Sales Tax (State 2.9%)	3.76
Sales Tax (County 2.0%)	2.59
Sales Tax (City 2.75%)	<u>3.56</u>
	\$139.41

Any lease of tangible personal property is considered an incremental purchase of that property for sales tax purposes and tax is due on each payment. This invoice includes the 2.75% Grand Junction sales tax, therefore, NO use tax would be due the City.

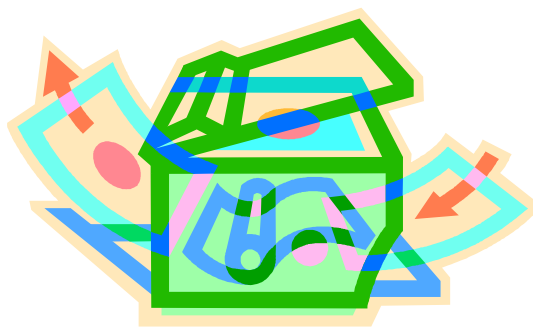
5) Purchase of office equipment from a store in Fruita which was picked up at the store. Invoice might show:

6-Appointment Books	\$1,000.00
Sales Tax (Fruita 2%, State 2.9%, County 2%)	<u>69.00</u>
	\$1,069.00

Since the City allows a credit against tax paid to another municipality, use tax would only be due on the difference between Fruita's rate of 2% and the City's rate of 2.75%, (.75% of the purchase price of \$1,000.00 which would equal \$7.50).

If, for example, a Grand Junction business purchases office supplies or equipment from a Denver vendor or any vendor located in another city to be used by his business, and the Denver (or other) vendor delivers the goods, NO Denver (or other) city's sales tax should be billed or paid. A use tax is due to the City of Grand Junction from the purchaser. However, if the Denver (or other) city vendor has a Grand Junction Sales Tax License, and bills and collects the Grand Junction sales tax on the delivery of such goods, then No Grand Junction use tax is due from the purchaser.

If you are not certain that the appropriate sales tax is being charged, or if Grand Junction use tax is due, call the Grand Junction Customer Service Division for assistance. Our staff will be pleased to assist you in making the proper determination and will work with all parties involved.



Of Special Interest

REPORTING PERIODS AND FILING DUE DATES

Due dates for filing returns and paying tax are the 20th day of the month following the reporting period. Any due date which falls on a Saturday, Sunday, or legal holiday recognized by either the Federal government or State of Colorado, shall be extended to the first business day following such weekend or holiday. Returns and payments received or postmarked after the 20th will be considered late and subject to penalty and interest assessments. A return must be filed even if no tax is due. Reporting periods are as follows:

- A taxpayer whose average monthly tax due over the last completed fiscal year is less than fifteen dollars (\$15), shall file a return and pay tax annually;
- A taxpayer whose average monthly tax due over the last completed fiscal year is less than three hundred dollars (\$300), shall file a return and pay tax quarterly;
- A taxpayer whose monthly tax due over the last completed fiscal year is three hundred dollars (\$300) or more, shall file a return and pay tax monthly;
- The reporting period for a Final Return shall end on the date of the transfer of ownership of the business;
- The reporting period for an Initial Use Tax Return shall be the calendar month of the date of sale if a business was purchased or opening day of business, if a business is new.

Once a reporting period is established for monthly, quarterly, or annual accounts, the taxpayer must remit returns and taxes by the 20th of the month following the reporting period established. In order to change a reporting period, the taxpayer must submit in writing to the City Customer Service Division, a request for change. The City will review the account and either deny or approve the request.

LICENSED BUSINESSES MUST FILE A RETURN WHETHER OR NOT TAX WAS COLLECTED

Licensed businesses will annually receive a booklet which contains the forms needed to report and pay the City of Grand Junction sales and/or use taxes for the current calendar year. The Sales Tax Returns are printed with your business account number, name, the period covered, and the due date of the returns. These Returns are placed in the booklet in the order in which they should be used. Please be careful to use the return which corresponds to the period for which you are filing.

As compensation for collecting and remitting the City sales tax, each licensed retail business is allowed to deduct a vendor's fee from the sales tax calculated to be due and owing. The vendor's fee is three and a third percent (3.333%) of the sales tax due, however, the vendor's fee is not allowed when the return and payment are filed late. No vendor's fee is allowed on use tax due.

If a retail business fails to file the City Sales and Use Tax Return on time and pay the proper tax due, a notice will be sent to the business' last address of record. If the business still fails to report and pay taxes due, legal proceedings including assessment, seizure, lien, and cancellation of license may occur.

A BUSINESS MUST FILE A RETURN EVEN IF THEY HAVE NOT MADE SALES DURING THE TAX PERIOD OR HAVE NO SALES OR USE TAX TO REPORT OR PAY

Of Special Interest

COMPLETING THE SALES AND USE TAX FORM

Please review the special instructions provided in the form booklet when completing the Sales and Use Tax Return.

BUSINESS CHANGES OR CLOSURES

If one or more of the following occurs: 1) business moves 2) mailing address changes 3) business or trade name changes 4) business is sold 5) corporation merges with another corporation 6) no longer in business, you must inform the Customer Service Division of such changes by completing the section(s) on the back side of any return or the pink Account Change Form or Closure Form. If the business ownership changes, the new owner cannot use the previous owner's reporting forms. The new owner must apply for his/her own account number and personalized forms. Furthermore, a vendor selling or closing his business must file a Final Sales Tax Return.

TAXATION OF CONSTRUCTION MATERIALS AND EQUIPMENT

Due to the specialized rules and regulations regarding taxation of construction materials and equipment, the City has prepared a "Construction Industry Tax Guide" which is available upon request. If your company is involved in construction activity, please request a copy of that guide.

LODGING TAX

On and after January 1, 1990, an excise tax of three percent (3%) has been levied upon the entire amount charged to any person for the right to use or possess, for consideration any room or rooms for temporary occupancy in a hotel, motel, ranch, mobile home park etc., for a period of less than thirty consecutive days. This tax is in addition to and does **NOT** replace the sales tax of two and three Quarters percent (2.75%) on lodging services imposed by Chapter 34 of the City Code. Payment of the Lodging tax is due on or before the twentieth (20th) day of the month following the reporting period (same as sales tax). The tax should be listed on Line 5B of the Sales/Use Tax Return. Banquet and meeting room rental are not subject to the tax.

MOTOR VEHICLE USE TAX

The City use tax of two and three-quarters percent (2.75%) also applies to vehicles. Those vehicles required by State law to be registered or titled, for which City sales tax has not been paid at the time of purchase, are subject to City use tax. Payment of the motor vehicle use tax is made through the Mesa County Motor Vehicle Department at the time the vehicle is titled and registered. The determination of vehicle registration requirements for individuals shall be the same as for the determination of residency for voter registration purposes. The determination of vehicle registration requirements for a vehicle which is owned by any person and operated primarily for business purposes shall be based on the address from which such motor vehicle is principally operated or maintained.

LIQUOR LICENSING

The City Clerk's Office administers liquor and beer licenses. To verify the rules and regulations involved with selling liquor, contact the City Clerk's Office at (970)244-1509.

Of Special Interest

PEDDLERS/SOLICITORS & SPECIAL EVENT SALES TAX LICENSING REQUIREMENTS

Any person going door to door without an appointment, soliciting sales or taking orders for sales of goods, magazines, tangible or intangible property, services, etc. is required to obtain a Sales Tax License. Any person selling in a one-time event is also required to license with the City. The City does have a Special Event License available for periods of 7 days or less. Otherwise, 8 to 30 day operations require a Temporary Sales Tax License for a fee of \$10 and a tax deposit. A temporary license is good for 30 days.

Where a No Solicitors sign has been placed, no peddler or solicitor shall go upon any premises.

NOT-FOR-PROFIT ORGANIZATIONS

Not-for-profit organizations may or may not be required to be licensed with the City and collect sales tax. Please call the City at (970) 244-1520 to determine if your not-for-profit organization needs to be licensed.

ZONING INFORMATION

Zoning is very important. If you are incorrectly conducting business within a zone not designated for such use, penalties may apply.

If you are a new business or a relocated business and are unsure of your zoning, it is recommended that you review the following requirements prior to investing your time and money:

1. Are you zoned correctly?

Even if there is a similar business existing next door, it is necessary to verify zoning, as zone districts and regulations may vary from lot to lot and use to use.

2. Home Occupations:

Using your home for business purposes is allowed in certain cases, however; the guidelines are strict. A home occupation permit is required and a fee may be due.

3. Signage:

A sign permit is required for all new signs, which includes the alteration of sign faces by painting or overlay. Permits must be obtained by a licensed sign contractor. The City does not allow portable signs or signs that flash, move, blink, change color, chase, or have other animation effects. Wind-driven signs which includes banners are allowed by Special Events Sign Permits only, and are limited in the number of days they can be displayed.

4. Fences:

Prior to erecting a fence, a permit is required.

For clarification in any of the above matters or any other zoning questions, please call the Community Development Department at (970)256-4039.

Of Special Interest

STANDARDIZATION AND SIMPLIFICATION MEASURES - EFFECTIVE 1992

The City of Grand Junction along with all other home rule municipalities throughout the State of Colorado, who administrate their own sales tax collections, have adopted a number of standardization and simplification measures. The key measures listed below were developed through the cooperative effort of the Colorado Association of Commerce and Industry, the Denver Chamber of Commerce, and the Colorado Municipal League.

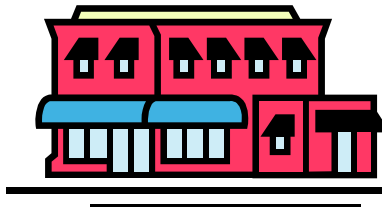
- Standardized Sales Tax Definitions
- Procedures for Coordinated Local Audits
- Standardized Refund Practices
- Standardized Dispute Resolution Procedures
- Centralized Clearinghouse For Home Rule Sales Tax Information
- Permanent Joint Committee Of Business and Municipal Officials
(The next simplification will be filing of returns on-line.)

For detailed information and explanation of these measures, contact the City of Grand Junction's Customer Service Division.



Checklist for Starting a New Business

- Define the product or services you will provide.
- Seek financial and management advice (business organizations, professionals, the Small Business Administration, Chambers of Commerce, trade associations, etc. See page 4 for some resources.
- Decide on a legal structure (sole proprietorship, etc.) and select a business name. See page 4 for some resources.
- Develop a sound business plan, including: goals, a financial plan (including profit & loss projections), identify loan requirements, and a marketing plan – who to sell to, advertising methods, and cost.
- Find the best location.
- Consult with local City and County government offices for information on special business regulations, sales/use taxes, personal taxes, & building and zoning restrictions affecting your business. See page 3 for resources.
- Understand federal and state tax laws. For information, contact the Internal Revenue Service, and the Colorado Department of Revenue. See page 4 for resources.
- Contact the Secretary of State’s Office at 1-303-894-2200 or www.sos.state.co.us if your business is a corporation or limited partnership, or to register a trade name.
- Get a Colorado Sales Tax Application Form from the Department of Revenue if you sell “tangible” property. Call 248-7140 for additional information.
- Get a City of Grand Junction Sales Tax Application Form from the City Sales Tax Division if you have a retail business located in Grand Junction, and/or make taxable sales in the City. Call 244-1521 for additional information, or visit the City’s website at www.gjcity.org.



Additional Information

IF YOU WILL HAVE ONE OR MORE EMPLOYEES, YOU MAY WANT TO OBTAIN A COLORADO BUSINESS START-UP KIT, (303) 592-5920.

The Colorado Business Start-Up Kit contains information sheets and the following forms:

Internal Revenue Service Form for Federal Identification Number

Department of Revenue's Form for Withholding Tax Accounts

Division of Employment Form U1TL-1 for Unemployment Insurance Registration, (970) 248-7343

Workers' Compensation - a private insurance carrier, or the State Compensation Insurance Fund Form

Call the Department of Labor & Employment, (303) 318-8441 for Wage-and-Hour Posters and minimum wage laws.

Call the Civil Rights Commission, (303) 894-2997 or 1-800-262-4845 for antidiscrimination posters.



