

## FAQ #4— COMMON SALES TAX DEDUCTIONS: OUTSIDE OF CITY SHIPMENTS & TRANSPORTATION

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*This FAQ discusses common questions related to line 3c on the City of Aspen's sales tax returns.*

### *Required Documentation*

Out of city shipments are a common deduction on City of Aspen sales tax returns. Every taxpayer is responsible for ensuring the information presented on their sales tax return is accurate.

To properly verify an out of city shipment, shipping documents (i.e., via common carrier, such as UPS or Fedex.) must be easily traced to the appropriate invoice. Shipping receipts should include the individual and/or company where the item was shipped, address, and date of shipment. Typically, these shipments are insured and the insured value is indicated on the shipping record.

The invoice should include the purchaser's name and shipping address. Any shipping charge should be separately stated on the invoice. Invoices from the shipper must be available for three years should your business be selected for a sales tax audit by the City of Aspen's Finance Department.

### *City Boundaries*



If you are making a delivery and are uncertain if the address is located within Aspen city limits, the Colorado Department of Revenue ("CDOR") has an excellent resource available online which will provide you with the appropriate tax rate for that address.

Go to: [www.colorado.gov/revenue](http://www.colorado.gov/revenue). On the left side of the webpage, click on "Sales Tax Information" under Online Services, and choose local taxes by addresses. Follow the link to either of the electronic address databases.

You may also purchase a map from the City's GIS Department which will provide the city boundaries. An 8.5x11" or 11x17" map costs \$12.12 and a 34x44" map costs \$32.50. The fees include tax.





## *Transportation Charges*

The transportation of tangible personal property between a retailer and purchaser is a service presumed to not be subject to City of Aspen sales tax. Transportation charges are not taxable if they are both (1) separable from the sales transaction, and (2) stated separately on a written invoice or contract.

Transportation charges, as defined by the Colorado Department of Revenue, include carrying, handling, delivery, mileage, freight, postage, shipping, trip charges, or other similar charges or fees.

### **ATTENTION:**

#### **Sales/Use Tax Class in Glenwood Springs**

The Colorado Department of Revenue offers a three-hour business tax class regarding the laws surrounding state sales and use taxes applicable to businesses conducting sales in Colorado. Topics covered in this class include:

- overview of sales/use tax liabilities
- state sales tax licenses
- working with tax-exempt transactions
- sales/use tax collection for state-collected jurisdictions
- general guidelines for filing sales/use tax returns
- available resources/electronic services

**Glenwood Springs:** Friday, February 11  
10 a.m. to 1 p.m.  
Glenwood Springs, CO

Continuing Professional Education (CPE) credits and training materials are available. For more information and to sign up for this class or other classes offered by the Colorado Department of Revenue, visit [www.TaxSeminars.state.co.us](http://www.TaxSeminars.state.co.us)

## *Examples*

### Example #1

Susan purchases a piece of jewelry from a licensed Aspen retailer and has it shipped to her home in New York. The invoice indicates that the item will be delivered and also includes Susan's name and mailing address in New York. Susan is charged a small shipping charge, which is separately stated on the invoice. The shipping charge is not subject to Aspen sales tax.

### Example #2

Charlie lives in Aspen and buys a collectible at a licensed Aspen retailer. The retailer offers free delivery to Charlie's home, which he accepts. The retailer must charge 9.0% sales tax on this purchase as the collectible is being delivered within Aspen city limits and would not meet the exemption.

### **Did you know?**

You can receive these FAQ's electronically. Help save paper and sign up by sending us your business name, contact name, and email address to [aspen\\_sales\\_tax@ci.aspen.co.us](mailto:aspen_sales_tax@ci.aspen.co.us).