



COLORADO
Department of Revenue



Sales & Use Tax on Motor Vehicles

Sale & Use Tax Simplification Task Force

August 11, 2021

How and why are motor vehicles different?

- Sales taxes use the point of delivery as a proxy for the point of use or consumption.
- Motor vehicle purchases are high-dollar and low-frequency.
- Desire to be more precise in approximating the point of use by using garage address.
- Ability to use garage address by running collection through titling and registration process.

Dealer Collections

- Motor vehicle purchases are generally exempt from local *sales* taxes if the vehicle will be registered in a different locality than the delivery point.
 - When a vehicle is delivered at the dealership, the dealer must collect state sales tax and any local sales taxes for jurisdictions shared in common with the registration address.
- Local jurisdictions may impose a *use* tax upon vehicles registered in their locality.
- Clerk cannot issue a title until all applicable taxes (including home-rule sales and use taxes) are paid.
 - Most dealers also collect applicable use taxes and remit those to the clerk on behalf of the customer.
- We are starting to see some vehicles delivered to the purchaser at their home.

DR 0024 - Standard Sales Tax Receipt for Vehicle Sales

- All dealers are required to include a fully completed DR0024 in their title paperwork during the titling process
- Parts 2 and 3 address tax with the concept of columns denoting sales taxes collected/filed (left) and use taxes being paid at titling (right)

DR 0024 (10/24/19)
 COLORADO DEPARTMENT OF REVENUE
 Sales Tax Accounting Section
 Denver, CO 80261-0009
 (303) 238-5579 (7378)
 Colorado.gov/Tax

Standard Sales Tax Receipt for Vehicle Sales

This form is to be completed and used by dealers only. This form is not to be used by the general public.

Auto dealers must complete a *Standard Sales Tax Receipt for Vehicle Sales* (DR 0024) for each motor vehicle sale, unless the vehicle is sold to a lessor who will collect sales tax on the lease payments. A DR 0024 must also be completed by any dealer that sells wheeled trailers, semitrailers, manufactured homes, special mobile machinery, self-propelled construction equipment, or salvage vehicles.

Dealers must submit this completed form to the county clerk for the county in which the vehicle will be registered. Sections 39-26-113 and 39-26-208, C.R.S., requires the payment of all applicable sales and/or use taxes prior to the titling and registration of any motor vehicle.

Please see the instructions accompanying this form and Department publications *Sales & Use Tax Topics: Motor Vehicles* for additional guidance in completing this form.

This statement must be presented to the county clerk before title and/or registration can be issued.

Part 1. Dealer, Purchaser, and Vehicle Information			
Dealer Name FERRARI OF DENVER		Dealer Signature	
Dealer Address 1480 E COUNTY LINE RD HIGHLANDS RANCH CO 80126			
Dealer Number 8296		Dealer Invoice Number F991234	
Gross Sales Price 74,900	Gross Amount of Trade-in (if any) 0	Net Sales Price 74,900	Date of Sale 7/1/21
Model Year 1997	Make FERRARI	Model 550	Vehicle Identification Number ZFFZR49A0V0108708
Trade-in Model Year	Trade-in Make	Trade-in Model	Trade-in Vehicle Identification Number
Trade-in Model Year	Trade-in Make	Trade-in Model	Trade-in Vehicle Identification Number
Purchaser's Name SAMPLE CUSTOMER		Purchaser's Address 7758 BRAXTON DR, FOUNTAIN, CO, 80817	
Part 2. Sales/Use Tax on Vehicle Sale			
Dealer Colorado Sales Tax Account Number 12345678-0000		Dealer City Sales Tax Account Number (if applicable)	
Net Sales Price:	\$ 74,900	Tax Rate	
State		2.9%	\$ 2172.10
RTD/SCFD Name		%	\$
Statutory City Name (if applicable)		%	\$
Special District Name PIKES PEAK RTA		1.0%	\$ 749.00
County Name EL PASO		1.23%	\$ 921.27
Part 3. Sales/Use Tax Payment for Home Rule City (if applicable)			
Home Rule City (if applicable) Name FOUNTAIN		Tax Rate	
			Tax Remitted to City
Taxable Amount	\$ 74,900	2%	\$ 1498.00
Part 4. Total Amount Due with DR 0024			
Sum of amounts in Parts 2 and 3 under "Tax Remitted with DR 0024"			\$ 3168.27

DR 0024 Example

- In this example below focusing on Parts 2 and 3 of the DR0024, Ferrari of Denver has sold a vehicle - purchased at \$74,900 - to a customer residing in Fountain, CO
- Based on the information in our first slide, the dealer will reflect sales tax (jurisdictions in common) on the left while showing valid use taxes (jurisdictions not in common) on the right.
- Any owed use tax would be collected by county DMV when titling the vehicle. Money in the left column is what the dealership will remit to DOR when filing their sales tax return.

Purchaser's Name SAMPLE CUSTOMER		Purchaser's Address 7758 BRAXTON DR, FOUNTAIN, CO, 80817		
Part 2. Sales/Use Tax on Vehicle Sale				
Dealer Colorado Sales Tax Account Number 12345678-0000		Dealer City Sales Tax Account Number (if applicable)		
Net Sales Price:	\$ 74,900	Tax Rate	Sales Tax Remitted with DR 0100	Use Tax Remitted with DR 0024
State		2.9%	\$ 2172.10	\$
RTD/SCFD Name		%	\$	\$
Statutory City Name (if applicable)		%	\$	\$
Special District Name PIKES PEAK RTA		1.0 %	\$	\$ 749.00
County Name EL PASO		1.23 %	\$	\$ 921.27
Part 3. Sales/Use Tax Payment for Home Rule City (if applicable)				
Home Rule City (if applicable) Name FOUNTAIN		Tax Rate	Tax Remitted to City	Tax Remitted with DR 0024
Taxable Amount	\$ 74,900	2%	\$	\$ 1498.00
Part 4. Total Amount Due with DR 0024				
Sum of amounts in Parts 2 and 3 under "Tax Remitted with DR 0024"				\$ 3168.27

How does SUTS fit in?

- SUTS can currently give the retailer information on the sales tax applicable to any delivery address, including jurisdictions and rates.
 - Sales tax information is useful for dealers to determine shared jurisdictions for which the dealer must collect *sales* tax.
- We are working now on programming SUTS with *use* tax information for motor vehicles.
 - Dealers will be able to search for a registration address and determine the *use* tax applicable to motor vehicles registered at that address.
 - We anticipate this functionality will be available by fall.

Additional Resources

Motor Vehicle Tax website:

<https://tax.colorado.gov/motor-vehicle>

Motor Vehicle mailbox:

DOR_Motorvehicledistribution@state.co.us

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