

State and State-Administered Lodging Taxes

Colorado sales tax (2.90%) is imposed on rooms and accommodations.

Colorado sales tax applies to the furnishing of any regular sleeping room or unit which is a part of a hotel, apartment hotel, inn, lodging house, guest house, motor hotel, motel, mobile home, dude ranch or guest ranch, for which a charge is made for its use. Colorado sales tax also applies to the furnishing of space in any auto camp, or trailer court or park, under any concession, permit, right to access, license to use, or any other agreement by or through which any such space may be used or occupied.

The rental of rooms and accommodations are exempt from sales tax if they are rented by:

- ❖ A governmental entity operating in its governmental capacity;
- ❖ A charitable organization in the conduct of its regular charitable functions or activities; or
- ❖ An individual who is a permanent resident and who enters into a written agreement for occupancy of the room or accommodations for a period of at least 30 consecutive days.

Rooms & accommodations are subject to state-administered local sales tax.

- ❖ Cities, counties, and special districts in Colorado can also impose tax on sales made within their boundaries. The Department of Revenue administers and collects most of these local sales taxes.
- ❖ In general, state-administered local sales taxes apply to the same sales as the state sales tax. That includes the furnishing of rooms and accommodations within the local taxing jurisdiction.
- ❖ State and state-administered local sales taxes on rooms and accommodations are administered like other the sales taxes. They are reported through the state sales tax return (DR 0100, Revenue Online, or SUTS). The Department handles licensing, return processing, local distribution, collections, and audits.

Counties & certain special districts may impose additional taxes.

The Department also administers the county lodging, local marketing district, and visitor benefit taxes.

- ❖ Counties may impose a county lodging tax on the rental of rooms and accommodations subject to the state sales tax. County lodging taxes are reported on a quarterly basis on a special return (DR 1485).
- ❖ A local marketing district may be established by one or more counties, cities and counties, or municipalities upon a petition by commercial real estate owners. Local marketing districts may impose a marketing and promotion tax on the rental of rooms and accommodations subject to the state sales tax. Local marketing district taxes are reported on a special return (DR 1490).
- ❖ County lodging taxes, and local marketing district taxes, are subject to the same exemptions as the state sales tax on rooms and accommodations.
- ❖ Though none currently do, regional transportation authorities may impose a visitor benefit tax “on persons who purchase overnight rooms or accommodations in any amount that would not cause the aggregate amount of the visitor benefit tax and any lodging tax imposed on such overnight rooms or accommodations to exceed two percent of the price of such overnight rooms or accommodations.”

