**Instructions for Initial Use Tax Return**

**General Instructions**

**Use Tax In General**

The Wheat Ridge Code of Laws imposes a use tax upon the use, storage, or consumption of tangible personal property located in the city and taxable services purchased or leased at retail and furnished within the city. If Wheat Ridge sales tax is not paid to a vendor licensed and authorized to collect the same at the time of purchase, then use tax must be remitted directly to the City.

Credit may be taken against Wheat Ridge use tax for legally imposed sales or use taxes paid to other municipalities. Such credit may not exceed the Wheat Ridge use tax amount.

For additional information regarding use tax, refer to the

Wheat Ridge Code, section 22-66.

**Purpose of Form**

The Initial Use Tax Return is required to be filed by any person who purchases or establishes a business in the City. Subsequent use tax liabilities are reported on the City of Wheat Ridge Sales/Use Tax Return, which is filed on a routine basis according to how much tax is owed on average.

**Purchase of Existing Business**. Tangible personal property and taxable services, except inventory held for lease, rental, or resale, which is acquired through the purchase or takeover of an existing business in the City, is subject to use tax. This tax is reported on the Initial Use Tax Return.

Use tax is due from the new owner even though the previous owner may have paid sales or use tax on the purchase of the property at the time of original purchase.

Purchasers of an existing business are encouraged to obtain a Certificate of Taxes Due from the City certifying the seller’s local tax status.

**New Businesses**. New businesses must report use tax on tangible personal property and taxable services, except inventory held for lease, rental, or resale, acquired prior to and during the start of business in the City. This tax is reported on the Initial Use Tax Return.

**Due Date**

The reporting period for Initial Use Tax returns includes all transactions prior to first day of operation and up through the last day of the month in which operation began. Returns are due the 20th of the month following the month in which business activity started. Returns filed by mail must be postmarked on or before the due date.

**Reminders**

**Ongoing filings required**. Use tax is due on start-up property and taxable services only one time. However, use tax liabilities may arise from future purchases of non- inventory tangible personal property and certain taxable services. Even service businesses that do not make taxable sales may have ongoing use tax liabilities. Ongoing use tax liabilities are reported on line 10 of the City of Wheat Ridge Sales/Use Tax Return. Be aware that inventory converted to any business use, including demonstration or donation, is subject to use tax.

**Specific Instructions**

**Lines 1-8 – Taxable Purchases**. List the total purchase price (including freight/shipping charges) subject to use tax, classifying purchases as closely as possible with the categories listed on lines 1-7. Purchases not resembling one of the categories listed may be listed on line 8, provided that a description of the purchases is listed on a supplemental schedule and submitted with the return.

**Line 9 – Total Taxable Amount**. Total the amounts listed on lines 1 through 8 and enter the result on line 9.

**Line 10 – Gross Use Tax Due**. Multiply the amount computed on line 9 by the applicable use tax rate listed on this line 10 and enter the product on line 10.

**Line 11 – Credit for Tax Paid**. Enter the amount of legally imposed sales or use taxes previously paid to Wheat Ridge or another municipality.

Only sales or use tax which is legally imposed and previously paid to Wheat Ridge or another municipality may be credited against use tax due. Sales or use taxes paid by the previous owner do not offset the current owner’s liability. Check also to ensure that credit is not being taken for state sales tax or other state collected taxes such as RTD, cultural district, football district, or county sales taxes. For additional information on previously paid sales or use tax, refer to the Wheat Ridge City Code, section 22-66.

**Line 12 – Net Use Tax Due**. If the amount on line 11 exceeds the total on line 10, enter a zero on line 12. Otherwise, subtract the amount listed on line 11 from the total listed on line 10 and enter the difference on line 12.

**Lines 13-14 – Late Filing Charges**. If the tax will be reported or paid after the due date, compute and add penalty and interest as follows:

13) Penalty – Multiply the amount on line 10 by 10%.

14) Interest - Interest accrues only in whole-month increments from the due date. Multiply the amount listed on line 10 by 1% and multiply this result by the number of months from the due date to the anticipated postmark date rounding up to the next whole month.

**Line 15 – Total Amount Due**. Add lines 12 through 14 and enter the total on line 15. This is the total to pay. Make check payable for this amount to the City of Wheat Ridge and mail the payment with the return to the address at the bottom of the return.

**Signature Required**. After reviewing the form for accuracy, sign and date the form. The person completing the return on behalf of the taxpayer must sign and date the form at the bottom. A printed name is also required. If the taxpayer is not an individual person, the title of the officer or agent completing the form on behalf of the taxpayer must also be printed on the form. Forms without a signature will be returned and may not be considered on time.



**Administrative Services Department**

**Sales Tax Division**

**7500 W. 2th Ave.**

**Wheat Ridge, CO 80033**

**303.235.2820**

**Initial Use Tax Return**

|  |  |
| --- | --- |
| Business Name | City License Number |
| Mailing Street or P.O. Box |
| Mailing City |
| Mailing State | Mailing ZIP |
| **This return is due on the 20th day of the month following the month in which business started in Wheat Ridge.** |

|  |  |
| --- | --- |
| DESCRIPTION | TAXABLE AMOUNT |
| 1 | OFFICE FURNITURE, SUPPLIES, AND EQUIPMENT: Computers, software, office furniture, office supplies, phones, printers, copiers, fax machines, etc. |  |
| 2 | RETAIL FURNITURE, EQUIPMENT AND FIXTURES: cash registers, counters, display racks and cases, shelving, booths, tables, chairs, restaurant furnishings, etc. |  |
| 3 | FOOD SERVICE PROCESSING EQUIPMENT AND SUPPLIES: coolers, freezers, ovens, fryers, mixers, knives, kitchen equipment and supplies, tableware, barware, linens, catering equipment, etc. |  |
| 4 | MANUFACTURING, WAREHOUSE AND SHOP EQUIPMENT: equipment, supplies, tools, compressors, conveyors, packaging equipment, balers, forklifts, machinery, etc. |  |
| 5 | MEDICAL TOOLS, EQUIPMENT, AND SUPPLIES: beds, chairs, disposable supplies, sterilization equipment, medical/dental tools, laboratory equipment, etc. |  |
| 6 | SIGNS AND OTHER OUTDOOR DISPLAYS |  |
| 7 | CLEANING, JANITORIAL, AND MAINTENANCE SUPPLIES |  |
| 8 | ALL OTHER TANGIBLE PROPERTY AND TAXABLE SERVICES: installation of phone equipment/apparatuses and installation and monitoring of alarm or security systems |  |
| 9 | TOTAL TAXABLE AMOUNT (sum of lines 1 through 8) |  |
| 10 | GROSS USE TAX DUE (line 9 x 3.5%) |  |
| 11 | CREDIT FOR TAX PAID TO WHEAT RIDGE OR OTHER CITIES |  |
| 12 | NET USE TAX DUE (line 10 minus line 11) |  |
| **LATE FILING CHARGES**Add if return will bepostmarked after the due date | 13 | LATE PENALTY (10% of line 12) |  |
| 14 | INTEREST ON LATE PAYMENT (1% of line 12 per month past due) |  |
| 15 | TOTAL AMOUNT DUE (sum of lines 12 through 14) |  |
| I certify that the information in this return is true and correct to the best of my knowledge. | Signature | Title |
| Printed Name | Date |