

# WHOLESALERS

All business activities in the City of Wheat Ridge must be licensed even if there are no retail sales.

## BUSINESS ACTIVITIES WITHOUT A CITY LOCATION

If you send representatives into the City to solicit business, repair, assemble, install or provide training on the use of your products you are considered engaged in business and must obtain a business/tax license. If you deliver products into the City in company vehicles more than once a year you must obtain a business/tax license.

## WHOLESALE VERSUS RETAIL

Wholesale sales are sales of goods to someone who is going to resell them usually to the end user. The issues are to determine exactly what is for resale and what is not and to document the exemption. Colorado Form DR-0563 is acceptable, as is any standard multi-jurisdictional resale exemption form.

Differences exist between the State and the City as to what are *not* resale items. For example, the City deems straws, napkins, bags, disposable flatware and drink lids taxable customer supplies used by a restaurant whereas the State might not. Other items wholesalers sometimes sell that are subject to tax are janitorial supplies, display equipment, office papers and promotional items.

## THE LICENSING PROCESS

Complete the Business/Sales and Use Tax License application.

- Fill in all the blanks.
- Complete the Lawful Presence Affidavit (see the explanation on the back panel).
- Submit with the fees indicated to the Tax Office.
- Subject to Zoning approval, the license will be sent to you in about 10 days.
- Renews yearly.

## COSTS (BUSINESS LICENSE ONLY)

- Application fees: \$0
- Licensing fees: \$20
- Expires December 31 of each year.

## ABOUT TAXES

The total rate in Wheat Ridge is 8.0% if your business is in Jefferson County, otherwise 7.5%:

- 2.9% State
- .5% County
- 1.1% Special Districts
- 3.5% Wheat Ridge

What's often overlooked is *use tax*.

- This is a make-up tax for purchases of items used in business on which no local tax or not enough local tax was paid.
- Use tax applies to the same things that sales tax does:
  - Office and operating supplies
  - Furniture
  - Equipment and tools
  - Phone and related services
  - Internet services
  - Leases and rentals of equipment
  - Software
  - Samples, at cost, either received or given
  - Shipping, delivery, fuel charges and handling associated with goods

## HOW TO REPORT

Tax is to be reported and remitted on or before the 20<sup>th</sup> of the month after the reporting period on the following schedule based on a 3.5% tax rate (City Code section 22-40-c):

Average Monthly Sales	Average Monthly Tax	Reporting Period
Over \$3,333	Over \$100	Monthly
\$667 - \$3,333	Over \$20 - \$100	Quarterly
Under \$667	Under \$20	Yearly

A paper form will be mailed if you request it on the application. Filing online is recommended. For payment by virtual check, go to [Salestaxonline.com](http://Salestaxonline.com). For payment by card, go to [salestax.ci.wheatridge.co.us/sts1](http://salestax.ci.wheatridge.co.us/sts1).