



Financial Services
Sales Tax Division
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MEMORANDUM

CIGARETTES

Effective **June 26, 2022**, the City of Fort Collins removes the sales and use tax exemption for cigarettes. As of this date cigarettes are taxed at the City's regular sales tax rate of 3.85%.

Please note the first reporting period is June 2022 with a filing deadline of July 20, 2022.

[READ THE ORDINANCE HERE \(see sections 9 and 11\)](#)

Who is regulated by this ordinance?

This ordinance applies to all retailers of cigarettes engaged in business in Fort Collins.

What is the definition of cigarettes?

The definition of cigarettes is found in [Colorado Revised Statute \(C.R.S.\) § 39-28-202\(4\)\(a\)](#) (see page 718)

Why did the City make this change?

On March 28, 2019, [the Colorado legislature enacted HB 19-033](#), a law that gave home rule governments like The City of Fort Collins the right to impose a local sales tax on cigarettes.

How should cigarettes be reported on the City's sales and use tax return?

The City's sales and use tax exemption for cigarettes is effective June 26, 2022, therefore the month of June 2022 represents a hybrid reporting method.

For cigarette sales on or before June 25, 2022 cigarettes should be deducted from gross sales and reported on sales and use tax return **line 3F, Sales of gas/cigarettes**. For cigarette sales on or after June 26, 2022 cigarettes should be included in **line 1, Gross Sales and Service** with no portion of the cigarette sales deducted in **lines 3A – 3M**.

Effective July 1, 2022, the City's sales and use tax return will be modified where line 3F deducts "Sales of gasoline or motor fuel."

Please contact the Sales Tax Department at salestax@fcgov.com or by phone at 970-221-6780 with any questions.