



Financial Services
Sales Tax Division
215 North Mason Street, 2nd Floor
P.O. Box 580
Fort Collins, CO 80522
970.221.6780
970.221.6782 - fax
fcgov.com/salestax

ENGAGED IN BUSINESS

This tax guide is prepared and published for the information of the general public and all persons in business pursuits who would be required to make payment of Sales Tax or Use Tax under provisions of Chapter 25, Article III of the Code of the City of Fort Collins (the "Tax Code"), as well as for the guidance of the City employees whose responsibility it is to collect the taxes imposed by the Tax Code and the enforcement thereof. The following guide is exactly as it says, a GUIDE, and not to be relied upon as an official interpretation of the Tax Code applicable in all circumstances. Instead, specific reference should be made to the Tax Code and related ordinances for what is required in any particular circumstance.

Engaged in business in the City means performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for storage, use or consumption within the City.

Engaged in business in the City includes, but is not limited to any one of the following activities:

1. Directly, indirectly, or by a subsidiary maintains a building, store, office, salesroom, warehouse or other place of business within the taxing jurisdiction;
2. Sends one or more employees, agents or commissioned sales persons into the taxing jurisdiction to solicit business or to install, assemble, repair, service, or assist in the use of its products, or for demonstration or other reasons;
3. Maintains one or more employees, agents, or commissioned sales persons on duty at a location within the taxing jurisdiction;
4. Owns, leases, rents, or otherwise exercises control over real or personal property within the taxing jurisdiction;
5. As a retailer, who has a physical presence in the State of Colorado, making more than one (1) retail sale of tangible personal property, products or services within a twelve (12) month period, where the property or product is delivered by any means, including common carrier, to a location within the City, or the service rendered occurs within the City; or
6. Makes retail sales sufficient to meet the definitional requirements of *economic nexus*.
 - *Economic nexus* shall mean the connection between the City and any retailer not having a physical nexus in the State of Colorado, which connection is established when the retailer meets any one of the following criteria:
 - (1) In the previous calendar year, the retailer has made retail sales of goods or services delivered into the State of Colorado exceeding the amount specified in C.R.S. § 39-26-102(3)(c), as amended; or
 - (2) In the current calendar year, ninety (90) days has passed following the month in which the retailer has made retail sales into the State of Colorado exceeding the amount specified in C.R.S. § 39-26-102(3)(c), as amended.
 - (3) This definition does not apply to any person who is doing business in this state but otherwise applies to any other person.

Businesses that meet this definition are required to be licensed in the City of Fort Collins.



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EXAMPLES

1. ABC Draperies is located outside of Fort Collins but has employees performing sales, installation, and delivery services in Fort Collins in connection with retail sales. ABC Draperies is engaged in business within Fort Collins and is required to be licensed to collect and remit Fort Collins sales tax.
2. Lana's of Beverly Hills, an out-of-state mail order catalog business selling women's apparel, sells and ships merchandise nation-wide, including Fort Collins. Lana's does not fit the definition of "engaged in business in the City." However, Lana's is planning to construct a showroom in Fort Collins where customers can attend fashion shows and place orders. The merchandise will continue to be shipped from its Beverly Hills store. Once the showroom is built, Lana's will fit the definition of "engaged in business in the City" and must become licensed to collect and remit Fort Collins sales tax on their deliveries into Fort Collins.

CITY OF FORT COLLINS SALES AND USE TAX ORDINANCE

Section 25-71	Definitions
Section 25-73	Imposition of the sales tax
Section 25-74	Imposition of the use tax
Section 25-91	Sales/use tax license required

March 23, 2023