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## **BARBERS AND BEAUTY SHOP OPERATORS**

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.

Barbers, beauty shop operators, and other personal service proprietors, are the consumers of the supplies and other property used in performing their services. If sales tax is not paid at the time the supplies are purchased, the barber or beauty shop operator must report the items on the sales and use tax return and remit use tax. This includes when the item is taken out of inventory.

Barber shops and beauty parlors are primarily engaged in rendering services and their sales of services are usually not considered subject to the sales tax. Sales of tonics, skin preparations, and other cosmetics when made by the bottle, jar or package are sales of tangible personal property and subject to the tax.

In the case of "booth" rentals, where a cosmetologist rents space in a shop, each cosmetologist must have a sales and use tax license.

### EXAMPLES

1. Raphael is an employee of Blown Away. Blown Away would be responsible for obtaining a sales and use tax license. They would need to collect sales tax on any products sold and remit use tax on any products taken out of inventory and used in performing their service. Raphael would not be required to be licensed.
2. Monika rents a space at Knots Hair. Both Monika and Knots Hair would be required to obtain a sales and use tax license. They would need to collect sales tax on any products sold and remit use tax on any products taken out of inventory and used in performing their service.

### CITY OF FORT COLLINS SALES AND USE TAX ORDINANCE

Section 25-73	Imposition of the sales tax.
Section 25-74	Imposition of the use tax.
Section 25-116	Collection of tax.
Section 25-123	Remittance of sales tax collected by retailer.
Section 25-124	Remittance of use tax.

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