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## CONSIGNMENT SALES

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.

Any seller who takes goods on consignment must collect sales tax on the full sales price when the goods are sold at retail. Even though the seller (the consignee) may be acting as an agent in selling goods for the consignor, this does not relieve the consignee of the responsibility to collect and remit the sales tax. The City of Fort Collins Sales and Use Tax Ordinance defines the terms "retailer" and "vendor" to include any person who sells goods as an agent for another person or entity (principal) and imposes on them the duty to obtain a sales tax license and to collect and remit sales tax, whenever the principal is not licensed or fails to collect sales tax.

### EXAMPLES

1. Hernando has a retail outlet for goods made by local artisans. The craftspeople place their goods on consignment to be sold to the general public. As the retailer, Hernando must collect sales tax on the sales of the consigned goods.
2. Meghan operates an auction house and takes goods on consignment from businesses seeking to dispose of outdated or overstocked items, estates needing to liquidate assets such as furniture, etc., or anyone with items they want to sell. As the retailer, Meghan must collect sales tax on the sales of the consigned goods.

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

Section 25-71	Definitions.
Section 25-116	Collection of tax.
Section 25-123	Remittance of sales tax collected by retailer.
Section 25-124	Remittance of use tax.

June 21, 2018