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NEWSPAPERS, MAGAZINES, AND OTHER PUBLICATIONS

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.

The sale or purchase of newspapers is exempt from the City of Fort Collins sales and use tax. Newspaper is defined as a publication, printed on newsprint, intended for general circulation, and published regularly at short intervals, containing information and editorials on current events and news of general interest.

This exemption does not apply to magazines, trade publications, journals, credit bulletins, advertising inserts, circulars, directories, maps, classified ad publications, racing programs reprints, newspaper clipping and mailing services or listing, publications that include an updating or revision service or books or pocket editions of books.

The publisher shall pay sales tax upon all purchases of tangible personal property, except newsprint and printers ink, used in the production of the newspaper.

Magazines, periodicals, trade journals, and similar items, which do not qualify as newspapers, are tangible personal property whose retail sale is subject to sales tax. If such publications are sold within the City, then the subscription price is subject to sales tax. If the publication is printed in the City and delivered outside the City, then the sale is not subject to City sales tax. If the publication is printed outside the City and delivered into the city limits of Fort Collins, then the sales is subject to City sales or use tax.

Organizations which produce and distribute free trade publications and similar items are deemed to be the consumer of the item and are therefore responsible for paying sales or use tax on the purchase price of the tangible personal property consumed.

EXAMPLES:

1. Betty's Beauty Shop is located in the City and has a subscription to a daily newspaper and various magazines. Additionally, Betty purchases hairstyle books and a trade publication. Each month she sends out a leaflet to her customers. Sales and use tax would not be due on the subscription to the daily newspaper. However, Betty would need to pay sales tax or use tax on her purchase of the magazines, books, trade publication, and leaflet.
2. The Reader Newspaper is located in the City and purchased a machine used to fold newspapers from a business not required to collect the City of Fort Collins sales tax. This item is not exempt from sales or use tax; therefore Reader Newspaper would need to pay use tax on the purchase price of the equipment.
3. The Golden Classifieds is located in the City and produces a publication listing various items for sale. The publication is distributed to the public for free. Since the publication does not include information on current events and news of general interest, it does not meet the definition of newspaper. Therefore, Golden Classifieds would need to pay sales or use tax on the newsprint and printers ink used to produce the publication.
4. Nature's Expo is a magazine printed inside the city limits of Fort Collins and is sold to customers located in the city limits of Fort Collins. Since Nature's Expo is using the paper and ink to produce an item that is going to be resold, no sales or use

tax would be due on the purchase price of the paper or ink. However, Nature's Expo would need to collect sales tax on the selling price of the magazine.

RELATED TAX GUIDE TOPICS

Newspaper Inserts, Supplements, and Pre-Prints

City of Fort Collins Sales/Use Tax Ordinance

Section 25-71	Definitions.
Section 25-73	Imposition of the sales tax.
Section 25-74	Imposition of the use tax.
Section 25-123	Remittance of sales tax collected by retailer.
Section 25-124	Remittance of use tax.

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