



Under certain circumstances, sales of tangible personal property and services to tribes and tribal members are exempt from sales and use taxes. Additionally, sales made to legal entities may also be exempt if a tribe or tribal member holds an interest in the entity.

This publication is designed to provide general guidance regarding the sales and use tax exemption for sales to certain tribes and tribal members and to supplement guidance provided in the *Colorado Sales Tax Guide*. Nothing in this publication modifies or is intended to modify the requirements of Colorado's statutes and regulations. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

The information in this publication applies to state and local sales taxes administered by the Department. The information in this publication does not apply to the sales taxes of any home rule cities that the Department does not administer. Please contact any applicable home rule city directly for information about their sales and use taxes.

Qualifying tribal purchasers

The sales and use tax exemptions discussed in this publication are allowed to qualifying tribal purchasers. As used in this publication, "qualifying tribal purchasers" means the Southern Ute Indian Tribe, the Ute Mountain Ute Tribe, or enrolled members of either tribe. Legal entities may also claim a full or partial exemption if the qualifying tribal purchaser has a partial or undivided interest in any type of legal entity. Please see *Sales and use tax exemptions*, later in this publication, for additional information.

Sales and use tax exemptions

All sales made to qualifying tribal purchasers are exempt from sales tax if the vendor is located on the Southern Ute Indian Reservation or the Reservation of the Ute Mountain Ute Tribe. The storage, use, or consumption of tangible personal property or a service on a reservation that is exempt from sales tax is also exempt from use tax. The sales and use tax exemptions also apply to any sale made by a vendor that is located outside of a reservation if the property or service sold is delivered to the tribe or the tribal member on a reservation in Colorado.

Motor vehicles

Any motor vehicle purchased or leased by the Southern Ute Indian Tribe, the Ute Mountain Ute Tribe, or enrolled members of either tribe who reside on a reservation in Colorado is exempt from state and state-administered local sales and use taxes if the vehicle is to be registered to an address on a reservation. The exemption applies regardless of whether the purchaser or lessee takes possession of the vehicle on or outside of the reservation. A seller may reasonably rely on a tribal member's certification of his or her enrolled membership status and residence. For additional information regarding sales and use tax on motor vehicles, please see Department publication *Sales & Use Tax Topics: Motor Vehicles*.

Full or partial exemption for legal entities

If a qualifying tribal purchaser has a partial or undivided interest in any type of legal entity, the sales and use tax tribal exemption applies to a sale of goods or services to such entity in proportion to the interest. To be eligible for the exemption, the tribe or tribal member must file a declaration with the Department that identifies the entity, each tribe and tribal member that has an interest in the entity, and the amount of each interest.

Retailer responsibilities

A retailer must exercise due diligence with respect to any sale for which a purchaser claims exemption from sales tax. If evidence readily discernible to the retailer at the time of the sale provides reason to doubt the purchaser's eligibility for the exemption claimed, the retailer must either obtain and retain sufficient information and documentation from the purchaser to resolve the doubt or must collect the applicable tax.

If a purchaser claims exemption as a tribal member, the retailer may reasonably rely on a tribal member's certification of his or her enrolled membership status and, for motor vehicle purchases, the tribal member's certification of his or her residence on Southern Ute Indian Reservation or the Reservation of the Ute Mountain Ute Tribe. Tribal members can provide this certification on the *Declaration of Wholesale or Entity Sales Tax Exemption* (DR 5002), which is available online at [Tax.Colorado.gov/sales-use-tax-forms](https://tax.colorado.gov/sales-use-tax-forms). Tax-exempt qualifying tribal purchasers may also present their tribal membership card to a retailer at the time of the sale to claim the exemption. With respect to a tax-exempt sale, the retailer must obtain and retain sufficient information and documentation from the purchaser to verify the eligibility of the sale for exemption.

Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to the tribal exemption. This list is not, and is not intended to be, an exhaustive list of authorities that govern the tax treatment of every situation. Individuals and businesses with specific questions should consult their tax advisors.

Statutes and regulations

- § 39-26-727, C.R.S. Tribal exemption.
- 1 CCR 201-4, Rule 39-26-105-3. Documenting exempt sales.

Forms and guidance

- [Tax.Colorado.gov](https://tax.colorado.gov)
- [Colorado Sales Tax Guide](#)
- [Sales & Use Tax Topics: Motor Vehicles](#)
- [Tax.Colorado.gov/sales-use-tax-guidance-publications](https://tax.colorado.gov/sales-use-tax-guidance-publications)
- [Tax.Colorado.gov/sales-use-tax-forms](https://tax.colorado.gov/sales-use-tax-forms)