

Sales Tax Return for Unpaid Tax from the Sale of a Business

Instructions

General Instructions

Form DR 0155 is used to report and pay the sales tax on tangible personal property (other than resale inventory) acquired as part of the purchase of an existing retail business.

Sale and Purchase of a Retail Business

Anyone who purchases an existing retail business must withhold from amounts paid to the seller sufficient purchase money to cover any and all outstanding taxes the seller owes until the seller provides a tax status letter from the Department showing that all taxes due have been paid. The seller may request a tax status letter by submitting a completed form DR 0096 to the Department along with the required fee. The retailer purchasing the business assumes the liability for any sales taxes due, but not paid by the prior owner.

If a retailer selling their business does not collect and remit the required sales tax due for any tangible personal property, other than inventory, transferred to the purchaser as part of the sale, the retailer purchasing the business assets assumes the liability for the unpaid tax. The retailer who purchases the business may file this form DR 0155 to remit the sales tax due for the tangible personal property acquired as part of the sale. The sales tax is due by the 20th day of the month following the month in which the business assets were sold.

Other Business Purchases

If the business purchased was not a retail business, the purchaser is liable for use tax on the purchase price paid for any tangible personal property acquired. Consumer use tax is reported on form DR 0252. If the business purchased was located within a rural transportation authority (RTA), the purchaser must also file form DR 0251. For a list of RTA districts, their boundaries, and the applicable tax rates, refer to Department publication DR 1002 (Colorado Sales/Use Tax Rates). Taxpayers can search for the applicable jurisdictions by address at: <http://Colorado.gov/Revenue/GIS/>

Amended Returns

If filing a return to amend a previously filed return, mark the applicable box to indicate that the return is an amended return. If a taxpayer needs to amend previously filed returns for more than one filing period, a separate amended return must be filed for each filing period. The amended return replaces the original in its entirety and must report the full corrected amounts, rather than merely the changes in the amount of sales or tax due. If the amended return reflects a decrease in tax from the amount reported on the original return, file a Claim for Refund (DR 0137) along with the amended return to request a refund of the overpayment.

Specific Instructions

Line 1 Gross Price of Tangible Personal Property - Enter the gross purchase price of the tangible personal property acquired from the prior retail owner, including inventory, furniture, fixtures, and other equipment. Do not include the price paid for any buildings, land, receivables, good will, or other types of property.

Line 2 Inventory - Enter the purchase price paid for any resale inventory included on line 1.

Line 3 Line 1 less line 2 - Subtract line 2 from line 1. Enter amount on line 6 in all applicable columns.

Line 4 Location of Sale - Enter the county and city check the boxes of the applicable special districts for the location of the private residence at which the sale was made.

Line 5 Tax Rate - Tax rates can be found in Department publication Colorado Sales/Use Tax Rates (DR 1002). Taxpayers can search for the applicable rates by address at: <http://Colorado.gov/Revenue/GIS/>

Line 6 Net Taxable Sales for each Tax - Enter the amount from line 3.

Line 7 Sales Tax Due - Multiply the tax rate on line 5 by the net taxable sales on line 6 in each column.

Line 8 Penalty - If this return and remittance is postmarked after the due date, a penalty of 10% plus ½% per month (not to exceed 18%) is due. Multiply the tax on line 7 by the applicable percentage to determine penalty.

Line 9 Interest - If this return and remittance is postmarked after the due date, interest is due. Interest rates can be found in FYI General 11. Multiply the tax on line 7 by the applicable interest rate to determine interest.

Line 10 Total Each Tax - Add lines 7, 8 and 9 for each applicable column.

Line 11 Amount Owed - Total the amounts in each applicable column. This is the amount due with your return.

Payment Information

Send a separate check with each return submitted. Include the Social Security Number (SSN), Colorado Account Number (CAN), or Federal Employer Identification Number (FEIN) on your check to ensure proper credit.

Sign and date the return and mail it with your payment to:

**Colorado Department of Revenue
PO Box 17087
Denver CO 80217-0087**

Retain a copy of this return for your records.

