

Colorado Direct Pay Permit Application



General Information

1. Reason for Filing This Application

☐ Original Application ☐ Renewal

2. Indicate Type of Organization

☐ Individual ☐ Corporation ☐ Trust
☐ General Partnership ☐ 'S' Corporation ☐ Non-profit 501 (c)(3) (Please enclose copy of the IRS letter of exemption.)
☐ Limited Partnership ☐ Association
☐ Limited Liability Company (LLC) ☐ Estate ☐ Other Non-profit
☐ Limited Liability Partnership (LLP) ☐ Government
☐ Limited Liability Limited Partnership (LLLLP) ☐ Joint Venture

Organization Information

1. Taxpayer or Partner Last Name or Corporate Name		First Name		Middle Initial
Permit Number L90 —		Period (MM/YY) - (MM/YY) ? —		
2a. Trade Name/Doing Business As (if applicable)			2b. FEIN	
3a. Address of Principal Place of Business In Colorado		City	State	Zip
3b. County	If business is within limits of a city, what city?		Phone Number	
4a. In Care of (c/o) Last Name		In Care of (c/o) First Name		Middle Initial
4b. Mailing Address (if different from above) (include unit number)		City	State	Zip
5. What products and/or services do you provide?			Phone Number	
6a. Owner/Partner/Corp. Officer		Title		
6b. Address		City	State	Zip
SSN	FEIN		Phone Number	
7a. Owner/Partner/ Corp. Officer		Title		
7a. Address		City	State	Zip
SSN	FEIN		Phone Number	
8. Enter the aggregate amount of Colorado purchase, which were made in the previous 12 months, subject to tax imposed by Article 26 of Title 39 C.R.S.			\$	.00



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See Next Page For Information Regarding Direct Payments of Sales Taxes

See Reverse Side For Requirements to Qualify For Direct Payment of Sales Taxes

Signature and Declaration:

An authorized employee, officer, partner, member or owner of the taxpayer identified above must sign and return this form. Attach any appropriate power of attorney statement.

I understand and agree to the terms of this statement. I understand this agreement incorporates any statements made in the application and attachments which limit the areas of use of this direct pay permit. I certify that the accounting system and procedures in place will adequately identify, individually report and remit all state, district and local sales taxes owed.

By		Title	
Printed Last Name	Printed First Name	Middle Initial	Date (MM/DD/YY) ?
Basis of Authority to Sign			
Mail to and make checks payable to: Colorado Department of Revenue, Denver, CO 80261-0013			
Office Use Only			
Approved By			Date (MM/DD/YY) ?

Information Regarding Direct Payment of Sales Taxes

The direct pay permit allows the holder to claim purchase point exemption from payment of Department administered sales taxes from the vendor. See form DR 1002 (*available on the Taxation Web site at www.TaxColorado.com*). All taxes avoided at the point of purchase must be remitted within twenty days of the close of the accounting period of the purchase, using a direct pay sales tax return on the direct pay account number assigned.

The direct pay permit issued by the Colorado Department of Revenue does not apply to sales taxes of any self-collected Colorado home rule municipality. Contact those municipal governments directly for their rules and requirements. The direct pay permit is not applicable to short term rental and local lodging taxes.

Requirement to Qualify for Direct Payment of Sales Taxes

Applicant, for the preceding 12 month period must have purchased at least \$7,000,000 of goods which would be subject to Colorado Sales or Use taxes, excluding purchases of resale inventory and commodities or tangible personal property to be erected upon or affixed to real property. [C.R.S. 39-26-103.5(a)]

For the past three years, or for the time in business in Colorado if less, applicant must have timely reported and remitted all taxes fees as required under Colorado tax statutes (C.R.S. title 39: sales, use, income, withholding, etc.).

Applicant has in place an accounting system that will enable the remittance and proper individual reporting of state, municipal, county or other local entity sales taxes the Department of Revenue collects. [C.R.S. 39-26-10(c)]

You must attach a brief explanation of how your accounting system will comply with and meet these state and local tax identification and remittance requirements. Explain any provisions you will make to limit the use of the direct pay permit to certain facilities or divisions and list the facilities and their locations. Explain how vendors who supply other facilities or divisions will be informed of limitations you apply to use of the direct pay permit, and how you will audit the vendors compliance to avoid municipal or county sales tax underpayment.

Permit holders must remit direct pay taxes for any local sales tax administered by the Department, if the seller

should have collected the local tax on the sale, or would have collected the local tax except for the presentation of the direct pay permit. Holders are liable for the tax avoided, even through unapproved actions of their employees and suppliers. Where a valid local sales tax is avoided by a direct pay permit holder, the local tax must be remitted as direct pay sales tax [C.R.S. §§29-2-106(3)(c)(II)]. Unpaid local sales taxes must be individually identified by local entity and amount per local entity on the spread sheet return. [C.R.S. §§39-26-103.5(l)(c) and related provisions, HB99-1005.] Timely payment of the tax is not a substitute for filing a timely detailed spreadsheet return reporting the local distribution of the tax remitted. Failure to inform the Department of the correct distribution of state and local tax dollars through the required spreadsheet return will be grounds for revocation of the permit and imposition of penalties and vendors fee denial.

Permit holders may only claim vendors allowances on direct pay sales tax remitted and reported timely on the appropriate direct pay sales tax return format. No taxpayer may report normal consumers use tax as direct pay sales tax and thereby claim a vendors fee on use tax remittance. Tax shall be deemed consumers use tax if:

- (1) before direct pay permission was granted, the taxpayer had properly avoided sales tax on purchases from a particular vendor due to another exemption, OR
- (2) it was not necessary for the taxpayer to present the direct pay permit or number to avoid sales tax charged by the vendor, OR
- (3) the vendor is not licensed to collect Colorado sales tax.

Steps Necessary to Comply with Remittance Requirements:

Permit holders must file direct pay state, city, county or district sales taxes in the manner and as frequently as specified by the Department, subject to periodic updates. Initial requirement will be for monthly returns on a computer spreadsheet (paper) return, based on an outline supplied by the Department. This direct payment of sales tax permit status may be canceled or revoked at any time based on any delinquency of complete return information. Delinquent returns, payments or returns which provide incomplete information for any direct pay sales tax may be assessed penalties, interest or denial of vendors fee by the Department. Any underpayments are subject to discovery on audit, assessment and collection.