



DO NOT SEND

DR 0440 (06/08/26)
COLORADO DEPARTMENT OF REVENUE
Tax.Colorado.gov

Lessor Registration for Sales Tax Collection

Instructions For Form DR 0440

Leases of Tangible Personal Property - In General

Generally, leases of tangible personal property in Colorado are retail sales subject to Colorado and state administered local sales taxes. Any lessor that leases property in Colorado and collects sales tax must comply with the following requirements:

1. They must obtain a Colorado sales tax license.
2. They must file form DR 0440 (Lessor Registration for Sales Tax Collection).
3. They must attach to the completed DR 0440 a list of the location/jurisdiction codes for each jurisdiction for which the lessor will be collecting sales tax.
 - See [Location/Jurisdiction Codes for Sales Tax Filing \(DR 0800\)](#) for a complete list of location/jurisdiction codes.

Different rules and requirements apply depending on whether the lease is a long-term lease or short-term lease.

Long-Term Leases

A long-term lease is any lease **exclusively to one lessor** for a term of **more than 36 months**.

Lessors must collect all applicable Colorado and state-administered local sales tax on long-term lease payments, **regardless** of whether the lessor paid applicable sales or use tax at the time of purchase.

A lessor may purchase property for a long-term lease tax-free only if that purchase falls within the definition of a wholesale sale as set forth in section 39-26-102(19)(a), and meets the requirements for exemption under section 39-26-713(2)(b), C.R.S. The wholesale sale exemption applies only if the primary purpose for acquiring the property, as determined by objective standards, is to lease the property in an unaltered condition and basically unused by the lessor.

If the lessor uses or intends to use the property, the exemption does not apply, and the lessor must pay sales tax on the full purchase price of the property at the time of purchase. See Department publication Sales & Use Tax Topics: Leases and Special Rule 46(3)(a) in 1 CCR 201-5 for additional information.

Short-Term Leases

A short-term lease is any lease for a term of **36 months or less**.

A lessor is not required to collect sales tax on lease payments for short-term leases if the lessor paid sales or use tax on the purchase of the property.

A lessor who wishes to acquire property for a short-term lease tax-free must comply with the following requirements:

- They must request permission from the Department in this form DR 0440 to acquire property for a short-term lease tax-free, **and**
- They must agree to collect all applicable Colorado and state-administered local sales taxes on the lease payments.
 - Permission must be requested **before** making the purchase.



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A lessor is **not eligible** to request permission to acquire property for a short-term lease tax-free if they use or intend to use the property. See Department publication Sales & Use Tax Topics: Leases and Special Rule 46(3)(a) and (3)(b) in 1 CCR 201-5 for additional information

If a lessor purchases property for short-term lease **after requesting permission** from the Department to purchase it tax-free, but **before receiving said permission**, then the lessor must pay the applicable tax on the acquisition of the property as follows:

- The lessor must pay all applicable Colorado and state-administered local sales taxes collected by the seller at the time of purchase.
- If the seller did not collect all applicable Colorado and local sales taxes, the lessor must remit the applicable Colorado and state-administered local use taxes to the Department.
- The lessor may request a refund of the previously paid Colorado and state-administered local sales or use taxes by filing form DR 0137 or DR 0137B, as applicable, with the Department.
 - Refund requests for taxes paid on any property purchased before submitting form DR 0440 **will not be considered**.

Aircraft Leases

Aircrafts purchased for short-term or long-term lease are subject to the general rules and requirements discussed above.

- Anyone who purchases or brings into Colorado an aircraft for their own use or for use by a related party must pay the appropriate sales or use tax.
- An aircraft's intended user may not avoid applicable sales or use tax on the acquisition or use of the aircraft by forming a trust, limited liability company, closely held corporation, or other legal entity for the specific purpose of purchasing and leasing the aircraft to that user. Similarly, arrangements designed specifically to satisfy FAA certification or registration requirements do not determine the taxability of an aircraft purchase.
- Any lessor filing form DR 0440 with respect to an aircraft must attach copies of the following documents and information:
 - (1) the purchase agreement,
 - (2) the FAA Dealer's Certificate, if the lessor holds one,
 - (3) the tentative lease agreement,
 - (4) a list of all entities entering into the lease agreement, with a statement attesting under penalty of perjury whether any of the entities are related parties, **and**
 - (5) a list the owner(s) or principal(s) that own(s) more than 50% of any entity entering into the lease agreement.
 - (6) Any documentation that demonstrates the regular business activities of the lessor involving the leasing of the subject aircraft, which may include advertisements and information from the lessor's website.

Additional Resources

For additional information, please see Department publication Sales & Use Tax Topics: Leases, Sales & Use Tax Topics: Motor Vehicles, and Sales & Use Tax Topics: Aircraft, available online at Tax.Colorado.gov.



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Lessor Registration for Sales Tax Collection

Lessor's Last Name

First Name

Middle Initial

Lessor's Trade Name, If Applicable

Phone Number

Business Address

County

City

State

ZIP Code

Mailing Address

County

City

State

ZIP Code

Colorado Tax Account Number (XXXXXXXX-XXXX)

Location/Jurisdiction Code

Length of Lease(s) - See Instructions

☐ The lessor will lease property in **short-term lease(s)**.

☐ The lessor will lease property in **long-term leases(s)**.

Tax on Property Acquired for Short-Term Lease, if applicable:

☐ The lessor requests permission to **acquire property for short-term lease tax-free and agrees to** collect sales tax on lease payments. If requesting permission only for a specific class of property, specify class of property here:

Class of Property

☐ The lessor will pay all applicable sales and use taxes on the lessor's acquisition of **all** property for **short-term leases**.



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Additional Requirements

Requirements for all lessors:

- ☐ The lessor has a sales tax license.
- ☐ The lessor has attached a list of the location/jurisdiction codes for each jurisdiction where the lessor will be collecting sales tax.

Required attachments for aircraft lessors:

- ☐ Aircraft purchase agreement
- ☐ FAA Dealer's Certificate, if the lessor holds one
- ☐ Tentative lease agreement
- ☐ List of all entities entering into the lease agreement with a statement attesting under penalty of perjury whether any of the entities are related parties
- ☐ List of owner(s) or principal(s) that own(s) more than 50% of any entity entering into the lease agreement
- ☐ Any documentation that demonstrates the regular business activities of the lessor involving the leasing of the subject aircraft, which may include advertisements and information from the lessor's website.

Officer or Representative Duly Authorized to Act on Behalf of Lessor

By filing form DR 0440, the lessor affirms and acknowledges the lessor's liability to collect state and state-administered sales taxes, to file periodic returns to report the correct amount of tax, and to remit all taxes with the filing of such returns. This form must be signed by an officer or representative duly authorized to act on the lessor's behalf.

Name of Officer or Representative

Signature of Officer or Representative

Date (MM/DD/YY)

Do Not Write in the Space Below - For Departmental Use Only

☐ Motor Vehicle Leasing
0150-750 (999)
\$0.00

☐ Non Motor Vehicle Leasing
0155-750 (999)
\$0.00

This form can be emailed to dor_motorvehicledistribution@state.co.us