



COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy
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GIL 26-001

June 9, 2026

XXXXXXXXXX

Via Electronic Mail: XXXXXXXXXX

Re: Claiming a Wholesale Exemption Without a Sales Tax License

Dear XXXXXXXXXX:

You submitted a request for a general information letter regarding how to claim a wholesale exemption without a sales tax license. The Colorado Department of Revenue ("Department") issues general information letters and private letter rulings. A general information letter provides a general overview of the relevant tax issues but is not binding on the Department. A private letter ruling provides a specific determination for a specific set of facts, is binding on the Department, and requires payment of a fee. For more information about general information letters and private letter rulings, please see 1 CCR 201-1, Rule 24-35-103.5.

Issue

Whether a wholesaler without a state-issued sales tax license may use the Multistate Tax Commission's *Uniform Sales & Use Tax Resale Certificate* to claim an exemption on purchases made in Colorado.

Discussion

Colorado imposes a sales tax on the retail sale of tangible personal property, unless a specific sales tax exemption applies.¹ For any sale of tangible personal property on which the purchaser claims an exemption from sales tax, the burden is on the seller to prove they are exempt from collecting the tax on the purchase.² The purchaser must provide information regarding the claimed exemption to the seller at the time of the sale, and the seller must exercise due diligence in verifying the information provided and determining the purchaser's eligibility for the exemption.³ If the seller cannot resolve any doubt the purchaser's eligibility for the exemption, the seller must collect the tax at the time of sale. Then the purchaser may request a refund from the Department by submitting form DR 0137B, *Claim for Refund of Tax Paid to Vendors*.⁴

When exercising its required due diligence, the seller must first obtain and retain sufficient information from a purchaser claiming a sales tax exemption.⁵ The seller may collect the

¹ Section 39-26-104(1)(a), C.R.S.

² Section 39-26-105(3)(a), C.R.S.

³ 1 CCR 201-4, Rule 39-26-105-3(1).

⁴ *Id.* at paragraph (2)(c)(ii).

⁵ *Id.* at paragraph (1).

required information by obtaining from the purchaser a completed Department form DR 5002, *Declaration of Wholesale or Entity Sales Tax Exemption*, or the Multistate Tax Commission's *Uniform Sales & Use Tax Resale Certificate*.⁶ Alternatively, the seller may obtain the required information in another format for its records.⁷

A purchaser may only use the Multistate Tax Commission's *Uniform Sales & Use Tax Resale Certificate* if it has a state-issued sales tax license or exemption certificate. The attestation on this form begins, "I certify that [the business]...is registered for sales/use tax with the below listed states and cities within which Seller would deliver purchases to Buyer..." By signing this form, the business' representative is attesting that they hold a valid sales tax license in those jurisdictions. If the business does not have a valid sales tax license in those jurisdictions, it cannot make the attestation and would not be eligible to use the Multistate Tax Commission's certificate.

Colorado does not require any person engaged exclusively in the business of selling commodities that are exempt from taxation to obtain a sales tax license.⁸ However, any person operating exclusively as a wholesaler may apply to the Department for a wholesale license using form CR 0100, *Colorado Sales Tax and Withholding Account Application*.⁹ Alternatively, a purchaser without a wholesaler license may complete form DR 5002. A seller may accept this form as part of their due diligence in verifying the purchaser's exemption eligibility.

As explained above, a wholesaler without a state-issued sales tax license may not use the Multistate Tax Commission's *Uniform Sales & Use Tax Resale Certificate* to claim an exemption on purchases because they are unable to make the attestation. However, a seller may accept Department form DR 5002 from a purchaser without a state-issued sales tax license.

Regardless of what form is used, the seller is obligated to exercise due diligence and verify the information provided and the purchaser's exemption eligibility. In general, a seller must verify that the purchaser's state-issued sales tax license or exemption certificate is valid and current, either by using the Department's online verification system or by inspecting a physical copy of the license or certificate and maintaining a copy for their records.¹⁰ For an out-of-state purchaser, a seller may accept an out-of-state resale license, exemption certificate, or other authorized documentation from the issuing state.¹¹ For a wholesale exemption, the seller must also reasonably conclude that the goods sold are reasonably for resale in the course of purchaser's ordinary business.¹² The purchaser must discuss with the seller what information they need to resolve any doubts about an exemption claim.

Miscellaneous

This letter represents the good-faith opinion of Department personnel who are knowledgeable about state tax issues. However, the Department does not make a specific determination on any of the issues raised, and the Department is not bound by this general information letter.

⁶ *Id.* at paragraph (2)(c)(i)(B)(I).

⁷ *Id.* at paragraph (2)(c)(i)(B)(II).

⁸ Section 39-26-103(6), C.R.S.

⁹ Section 39-26-103(8)(a), C.R.S.

¹⁰ 1 CCR 201-4, Rule 39-26-105-3(2)(a)(i).

¹¹ *Id.* at paragraph (2)(a)(ii).

¹² *Id.* at paragraph (2)(c)(i)(A).

The Department administers state and state-administered local sales and use taxes. This letter does not address sales and use taxes administered by self-collected home-rule cities. You may wish to consult with those local governments that administer their own sales or use taxes about the applicability of those taxes. Visit our website at Tax.Colorado.gov for more information about state and local sales taxes.

Thank you for your request.

Sincerely,

Office of Tax Policy
Colorado Department of Revenue