

Sales made to public schools and nonprofit schools are generally exempt from state and state-administered local sales and use taxes. Additionally, sales made by these schools and certain affiliated clubs and organizations for the benefit of the school may also qualify for exemption from state sales and use taxes. However, sales made by schools, school clubs, and school organizations are not necessarily exempt from state-administered local sales and use taxes.

This publication is designed to provide general guidance regarding sales and use tax exemptions for sales made to or by schools and school-related organizations and to supplement the guidance provided in the [Colorado Sales Tax Guide](#). Nothing in this publication modifies or is intended to modify Colorado's statutes and regulations. Taxpayers are encouraged to consult their tax advisors for guidance regarding specific situations.

Local sales and use taxes

The exemptions discussed in this publication apply to sales and use taxes imposed by the State of Colorado, the Regional Transportation District (RTD), and the Scientific and Cultural Facilities District (SCFD). However, the applicability of certain exemptions varies for other state-administered local taxes. For additional information about exemptions allowed for state-administered local taxes, please see Department publication [Colorado Sales/Use Tax Rates](#) (DR 1002) and the Supplemental Instructions for Form DR 0100.

The information in this publication does not apply to any city sales or use taxes administered by any home-rule city.

Sales made to a school

Sales made to public schools and nonprofit schools are generally exempt from state and state-administered sales and use taxes. Other schools, such as private, for-profit schools, do not qualify for this exemption.

Sales made to a public school

Retail sales made to a public school are tax-exempt only if the public school is acting in its governmental capacity when making the purchase. Charter schools in Colorado are public schools and are eligible for this exemption. For additional information, please see Department publication Sales & Use Tax Topics: Governmental Entities, available online at [Tax.Colorado.gov/sales-use-tax-guidance-publications](https://tax.colorado.gov/sales-use-tax-guidance-publications).

Sales made to a nonprofit school

Retail sales made to a nonprofit school that holds a 501(c)(3) determination letter from the Internal Revenue Service (IRS) are generally exempt from state and state-administered sales and use taxes. The exemption applies only to purchases made in the conduct of the nonprofit school's regular charitable functions and activities. For additional information, please see Department publication Sales & Use Tax Topics: Charitable Organizations, available online at [Tax.Colorado.gov/sales-use-tax-guidance-publications](https://tax.colorado.gov/sales-use-tax-guidance-publications).

Sales made by a school or school-related organization

Sales made by Colorado schools and eligible school organizations are exempt from state sales and use tax. All proceeds, less only the actual cost of the commodity or service sold, must be donated to an eligible school or school-approved student organization. Qualifying costs include payment facility charges (rent for space, furniture, or equipment), labor (wages for security, independent contractors, employees), transportation, meals, and insurance.

Eligible schools

Eligible schools include both public and nonpublic schools in Colorado for students in kindergarten through twelfth grade or any portion of those school grades. Charter schools in Colorado are public schools and are eligible for this exemption. Preschools, trade schools, and post-secondary schools are not eligible for this exemption.

Eligible school organizations

Eligible school organizations include any of the following organizations, clubs, groups, or classes that make a sale that benefits an eligible Colorado school:

- an association or organization of parents and schoolteachers;
- a booster club or other club, group, or organization whose primary purpose is to support a school activity; or
- a school class or student club, group, or organization.

Sales made by public school PTOs and PTAs

Generally, sales made by a parent teacher organization (PTO) or a parent teacher association (PTA) will qualify for the sales and use tax exemption discussed above. However, PTO and PTA sales that do not qualify for the previously discussed exemption may nonetheless be exempt from sales and use tax if the following conditions are met:

- the sale is for the benefit of a public school, including any charter schools in Colorado, for organized public school activities, or to pay the reasonable expenses of the PTO or PTA; and
- the PTO or PTA is a charitable organization as described in Department publication *Sales & Use Tax Topics: Charitable Organizations*.

Sales made by a PTO or PTA supporting a private school do not qualify for this exemption.

Local sales and use taxes

The exemptions for sales made by schools and school organizations applies to sales taxes imposed by the State of Colorado, the Regional Transportation District (RTD), and the Scientific and Cultural Facilities District (CD), but does not apply to any city or county sales tax administered by the Department, unless the city or county has adopted the exemption by ordinance or resolution. For additional information about exemptions allowed for state-administered local taxes, please see Department publication [Colorado Sales/Use Tax Rates](#) (DR 1002) and the Supplemental Instructions for Form DR 0100.

Sales tax collection requirements

If a school or school organization is required to collect either state or state-administered local sales taxes on any of their sales, they must comply with all of the licensing, collection, and filing requirements applicable to retailers. Please see the [Colorado Sales Tax Guide](#) for additional information.

Additional resources

The following is a list of statutes, regulations, forms, and guidance pertaining to sales tax exemptions on school-related sales. 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

- § 39-26-704, C.R.S. Miscellaneous sales tax exemptions - governmental entities.
- § 39-26-718, C.R.S. Charitable organizations - association or organization of parents and teachers of public school students.
- § 39-26-725, C.R.S. Sales related to a school - definitions.
- Rule 39-26-718. Charitable and Other Exempt Organizations.

Forms and guidance

- [Tax.Colorado.gov](https://tax.colorado.gov)
- [Tax.Colorado.gov/sales-use-tax](https://tax.colorado.gov/sales-use-tax)
- [Colorado Sales/Use Tax Rates](#) (DR 1002)
- Supplemental Instructions for Form DR 0100
- [Colorado Sales Tax Guide](#)
- [Tax.Colorado.gov/sales-use-tax-guidance-publications](https://tax.colorado.gov/sales-use-tax-guidance-publications)
- Sales & Use Tax Topics: Governmental Entities
- Sales & Use Tax Topics: Charitable Organizations