

## Request for Vending Machine Decals

(see information on the reverse side)



Account Number (state sales tax number)	Period (MM/YY-MM/YY)
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Name of Business Requesting Decals

Location Address	City	State	Zip
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**Decal Information**

<b>0190-190</b>	Number of decals requested		x 10 cents = <b>(999)</b> \$	
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If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

**Businesses Where Machines are Located**

Business Name

Address	City	State	Zip
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Business Name

Address	City	State	Zip
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Business Name

Address	City	State	Zip
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Business Name

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Business Name

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**Photocopy and submit additional pages as needed.**

# Instructions

## Definition

A vending machine is a money-operated (coins or bills) machine offering personal property and/or food to a consumer. Video games, pinball machines or pool tables are **not** included in this definition.

## Licensing

If you have the key to the vending machine money box and you collect the money from the vending machines, you must obtain a Colorado Sales Tax License.

If you plan to have machines at more than one location, the \$16 sales tax license fee will apply to your first or principle location **and** to all your branch locations. Only one license is required for all your locations. You may submit your application and fee to any Taxpayer Service Division District Office or mail the application and fee to the Colorado Department of Revenue, Denver, CO 80261-0013.

## Identification Decals

At the time you obtain your sales tax license, you are required to purchase identification decals for your machine(s). Each decal costs 10 cents. [39-26-714 C.R.S.] To obtain the decals you must complete a form DR 0235 (Request for Vending Machine Decals).

You must place one decal on each machine. The decal should be placed on the front or side of the machine and should be visible and accessible. The decal makes it possible for Department of Revenue agents to identify the machine and its owner.

## Taxability of Items

Items selling for 15 cents or less are exempt from sales tax. If the item vends for more than 15 cents, you may **not** calculate the sales tax you remit by subtracting the first 15 cents from the items you sell. For example, if the tax rate is 6.4 percent, a \$1.00 item **includes** the tax of six cents.

$(\$1.00 \div 1.064 = 94 \text{ cents}; .94 \times .064 = 6 \text{ cents.})$

## Exemption from Tax Liens

You may apply for tax lien protection only if you are leasing a vending machine. The lease must not give the retailer any right of ownership to the machine(s). If the retailer has part or full ownership of the machine(s), the vending machine(s) will not be exempt from tax liens on the retailer's property. [39-26-205(3) C.R.S.]

To qualify for the exemption, you must send the Department of Revenue a listing by serial number of your vending machines. The list must include your name, the name and address of your business, and your business telephone number.

You must also mark your vending machines using numbers or other identification marks. The numbers or marks you use on each machine must correspond to the list of vending machines you send to the department. You may choose your own numbering or marking system. The numbers or marks should be in an accessible location on the vending machine so that Department of Revenue agents can identify the machine as one that is protected from tax liens. These numbers or marks are different from the vending machine decals which you must purchase for your machines.