



Excise 14 Passenger Mile Tax

GENERAL INFORMATION

What is Passenger Mile Tax?

Colorado law requires payment of passenger mile tax when vehicles of a certain seating capacity carry passengers for compensation. [C.R.S. §42-3-304(13)]

A passenger mile tax account is required for owners and operators of commercial vehicles designed for fifteen or more passengers when operating either intrastate or interstate.

A vehicle carrying passengers that is registered in another state, and makes an occasional trip into Colorado, is allowed to pay the tax on a trip-by-trip basis. The fee shall be \$25, or the actual tax, whichever is greater. The formula used to calculate the tax is \$0.001 multiplied by number of passengers multiplied by number of Colorado miles.

NOTES:

- Passenger mile tax applies to vehicles designed to carry fifteen or more passengers, but the tax computation is based on the actual number of passengers carried at a given time. In other words, for a bus with a seating capacity of fifteen passengers, which on a given trip carried only five passengers, the passenger mile tax would be computed based on the five passengers.
- Passenger mile tax does not apply to passenger service rendered within the boundaries of a city, city and county, or incorporated town by a company engaged in the mass transportation of persons by buses or trolley coaches.
- In cases where both IFTA and passenger mile tax apply, both returns must be filed.
- Passenger mile tax does not apply to vehicles registered and used as recreational vehicles.

APPLICATION PROCEDURES AND LICENSE REQUIREMENTS

Operators must submit an Application for Passenger Mile Tax Account (DR 0278).

One license will be issued to each account. Operators are required to make copies of the license for each qualified vehicle. Any vehicle subject to passenger mile tax must have a valid license in the vehicle at all times. Failure to display a copy of the license will result in the operator being required to purchase a trip permit.

The license is issued for a calendar year. It will be renewed automatically, if the account is in good standing.

EXEMPTIONS

Passenger mile tax does not apply to miles driven within a city or an incorporated town. It does apply to miles driven in unincorporated areas, as well as to miles driven on federal and state highways.

Accordingly, if a bus first travels within a city then drives on a federal highway, then exits the federal highway to drive in a city again, passenger mile tax is due on the miles driven on the federal highway.

A similar result occurs if a bus travels from one city to another, passing through an unincorporated area.

Example: a bus capable of carrying fifteen passengers for hire drives through the city limits of Fort Collins. Upon reaching I-25, it travels southbound to Denver. There it exits at 38th Avenue. In such a circumstance, the distance traveled from the city limits of Fort Collins to the 38th Avenue exit, on I-25, would be subject to passenger mile tax.

BOND REQUIREMENTS

A bond will not be required, except in such cases that a licensee fails to file timely reports, fails to remit taxes as due, or when an examination of the account otherwise indicates that a financial guarantee is necessary [C.R.S. §42-3-309(4)(a)].

If required, the bond will be twice the estimated average net tax liability for a reporting period. The amount of the bond, if needed, will be determined by the Department of Revenue.

RECORDKEEPING

A complete record of all trips must be maintained. For audit purposes, all records must be retained for three years from the due date of the return or the date the return was actually filed, whichever is later.

For each trip, the following information must be recorded:

- date,
- vehicle identification number (VIN),
- origin,
- destination,
- miles traveled in Colorado,
- number of passengers,
- number of passenger miles.

The Passenger Mile Detail By Passenger Buses (DR 7011) can be used to track this information.

FILING REQUIREMENTS

Passenger Mile Tax Returns (DR 0133) are to be filed quarterly. The returns will be mailed to taxpayers near the end of the quarter, with a due date at the end of the following month. For example, a return for the period of April – June would be due on July 31.

Failure to receive the form does not relieve the taxpayer of his/her responsibility to file the return by the due date. Please notify the department if you do not receive a form.

PORT CLEARANCE

Buses with a seating capacity of fourteen or fewer passengers do not have to stop and clear Colorado Ports of Entry.

Commercially licensed buses with a passenger capacity of greater than fourteen are also not required to stop and clear a Colorado Port of Entry, if they are legally licensed and registered to operate in Colorado.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed, and/or approved these FYIs.