



COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy
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GIL-09-014

July 7, 2009

XXXXXXXXXXXXXXXXXX
Attn: XXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

Re: Sales tax liability of intermediaries

Dear XXXXXXXXXXX,

This letter is in response to your request for a determination whether your client has sales tax obligations in Colorado. I apologize for the delay in responding to your request. The Department has promulgated a regulation governing the issuance of general information letters and private letter rulings. A general information letter provides a general overview of the applicable tax law, does not provide a specific determination, and is not binding on the department. A private letter ruling is a determination of the applicability of tax to a specific set of circumstances and is binding in the department. A party requesting a private letter ruling must provide certain information and remit a fee. For more information about general information letters and private letter rulings, please refer to the Department's regulation 24-35-103.5, C.R.S., which is available on our web site at: www.colorado.gov/revenue/tax.

Although you ask for a determination, your request does not contain the information required for a private letter ruling. I will initially treat your request as one for a general information letter. You may resubmit this request for a private letter ruling.

Issue

Does your client have sales tax liability in Colorado?

Background

You state that your client provides "third party intermediary services" to retailers throughout the country. Retailers, which require various repair or maintenance service, call your client, which will then locate a repair or maintenance contractor in the retailer's area. The client will enter into a contract with the contractor to perform the necessary repair or maintenance services for the retailer. For example, the retailer may require the replacement of a broken window or monthly window washing services. The client will pay the contractor, including any sales tax charged by the contractor. The client then will bill the retailer the cost of the contractor's invoice and an intermediary charge. The client does not charge sales tax on the intermediary fee or on the contractor's invoice.

Discussion

The department recently addressed the issues you raise in General Information Letter GIL-2009-001, a copy of which I enclose. As noted in that letter, it is not possible in the context of a general information letter to determine the relationship among the parties you have described. Moreover, the letter does not contain sufficient information to make such a determination. If you would like an specific determination regarding this mark-up charge, you must submit this request as a private letter ruling.

The department has a number of tax publications and other resources that are available to taxpayers. These are available on the Department's web site at: www.taxcolorado.org.

Miscellaneous

Pursuant to state law and department regulation 24-35-103.5, the Department will make public a redacted version of this letter. Your letter requesting this general information letter is not made public. I enclose a proposed redacted version of this letter. Please contact me within 60 days from the date of this letter if you have any questions, comments, or objection concerning the redacted letter.

Sincerely,

Office of Tax Policy
Colorado Department of Revenue