



COLORADO

Department of Revenue

Taxation Division

Office of Tax Policy
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GIL 25-005

August 21, 2025

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Via Electronic Mail: XXXXXXXXXX

Re: Taxability of Public Improvement Fees

Dear XXXXXXXXXX:

You submitted a request for a general information letter regarding whether Public Improvement Fees (PIFs) are included in the taxable purchase price and subject to sales tax. 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 public improvement fees (PIFs) are included in the taxable purchase price and subject to sales tax.

Discussion

Colorado imposes a sales and use tax on the purchase price paid or charged upon all sales and purchases of tangible personal property.¹ The purchase price is the price to the consumer, exclusive of any direct tax imposed by the federal government, any state, local, or special district sales tax, and any retail delivery fee and enterprise retail delivery fees imposed or collected as specified in section 43-4-218, C.R.S.²

A PIF is a private fee imposed on consumers making purchases at certain shopping complexes across the state by the developer or landlord of the property. The fee is intended to help pay for upkeep and public infrastructure improvements to the designated shopping complex, including

¹ Section 39-26-104(1)(a), C.R.S.

² Section 39-26-102(7), C.R.S.

landscaping and paving or maintaining parking lots and internal roads inside the designated area. Some local governments reduce their sales tax rates with respect to locations with PIFs.³

Because a PIF is not a direct federal tax; a state, local, or special district sales tax; or a retail delivery fee, it is included in the price the consumer pays to make a purchase. As a result, a PIF is included in the purchase price and is subject to sales tax.

Miscellaneous

This letter represents the good-faith opinion of Department personnel who are knowledgeable on state taxes 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.

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

³ *E.g.*, Lakewood Municipal Code § 3.01.410.H (2025).