



# COLORADO

## Department of Revenue

Taxation Division

Office of Tax Policy  
P.O. Box 17087  
Denver, CO 80217-0087

DOR\_TaxPolicy@state.co.us

PLR 25-002

June 17, 2025

XXXXXXXXXX  
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XXXXXXXXXX

Via Electronic Mail: XXXXXXXXXXX, XXXXXXXXXXX,

Re: Firearm Excise Tax Applicability to Marketplace Facilitators

Dear XXXXXXXXXXX and XXXXXXXXXXX:

You submitted a request for a private letter ruling on behalf of XXXXXXXXXXX ("Company"), to the Colorado Department of Revenue ("Department") pursuant to 1 CCR 201-1, Rule 24-35-103.5. This letter is the Department's private letter ruling. This ruling is binding on the Department to the extent set forth in 1 CCR 201-1, Rule 24-35-103.5. It cannot be relied upon by any taxpayer other than the taxpayer to whom the ruling is made.

### Issue

Whether Company, as a marketplace facilitator, is a vendor responsible for remitting the Colorado firearms and ammunition excise tax levied on net taxable sales of firearms, firearm precursor parts, or ammunition.

### Conclusion

No. Company, as a marketplace facilitator, is not a vendor responsible for remitting the Colorado Firearms and Ammunition Excise Tax on sales of firearms, firearm precursor parts, or ammunition.

### Background<sup>1</sup>

Company is registered in Colorado as a marketplace facilitator ("MPF"). Company collects and remits Colorado sales tax on any sale delivered to a customer in Colorado. Sellers can make sales of tangible personal property, including sales of firearms and ammunition, through Company's website to customers across the nation, including to customers located in Colorado. Sellers on Company's marketplace are typically individuals or commercial businesses who use Company's site to expand their customer base. Sellers who sell ammunition through Company's marketplace can generally ship the ammunition directly to a customer like other tangible personal property. For sellers who sell firearms

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<sup>1</sup> Paragraph (4)(b)(ii) of 1 CCR 201-1, Rule 24-35-103.5 requires the request for a private letter ruling to include a statement of facts. This section generally recites the statement of facts provided in the initial request or in any supplement or amendment thereto, which is not an indication that the Department found such facts relevant to its analysis. Some relevant facts may be redacted or omitted to ensure confidentiality as required by section 24-35-103.5(5), C.R.S. The terms used in this section to describe the factual background are generally those of the requester.

through the marketplace, sellers must ship the item to an in-state entity who holds a federal firearms license ("FFL") for a background check before transfer to the buyer. The in-state FFL may charge a service fee to the buyer to conduct the background check and to process the paperwork before delivering the firearm to the buyer. The in-state FFL is generally not the seller in Company's transactions. Rather, the owner of the property is the seller of the property to a purchaser located in Colorado, and Company does not ever have title or possession of any item. Sellers (who may be a business or an individual) list items for sale and ship to customers (for ammunition sales) or to an in-state FFL (for firearms). Company never touches the product, i.e., does not take title to the product nor store the product in a warehouse. Company does not have any federal excise tax obligations nor is it subject to any federal excise tax, because it is not a seller of any firearms or ammunition.

### Discussion

As a marketplace facilitator, Company is not a vendor responsible for remitting the Colorado Firearms and Ammunition Excise Tax on sales of firearms, firearm precursor parts, or ammunition. Colorado imposes an excise tax on vendors in the amount of 6.5% of "the net taxable sales from the retail sale of any firearm, firearm precursor part, or ammunition in Colorado."<sup>2</sup> The vendor is responsible for remitting the tax to the Department.<sup>3</sup> For the purposes of this tax, vendors are defined as "a person doing business in this state as an ammunition vendor, firearms dealer, or a firearms manufacturer or any combination thereof."<sup>4</sup> For the purposes of this excise tax, "doing business in this state" is defined as "the selling, leasing, or delivering in this state,...of firearms, firearm precursor parts or ammunition by retail sale..." and a retail sale is defined as "all sales made within this state except wholesales sales."<sup>5</sup>

The term "marketplace facilitator" is a sales tax term.<sup>6</sup> A marketplace facilitator is generally subject to the duties and obligations of a retailer for sales tax purposes.<sup>7</sup> As a marketplace facilitator, Company contracts with marketplace sellers to offer for sale the seller's tangible personal property, commodities, or services, which include firearms, firearm precursor parts, and ammunition.<sup>8</sup> While Company facilitates these transactions through its marketplace, Company does not initiate transactions, nor does Company ever take ownership or possession of the property being sold. Rather, the marketplace sellers list items for sale and ships purchased items directly to customers (for ammunition sales) or to an in-state FFL (for firearms). As a result, the marketplace seller, and not Company, is the vendor. Because Company, as marketplace facilitator, is not the vendor in the transaction, Company is not responsible for remitting the excise tax due on sales of firearms, firearms precursor parts, and ammunition.

### Miscellaneous

This ruling is premised on the assumption that Company has completely and accurately disclosed all material facts, that all representations are true and complete, and that Company has otherwise complied with the requirements of section 24-35-103.5, C.R.S., and the rules promulgated pursuant thereto. The Department reserves the right, among others, to independently evaluate Company's facts, representations, and assumptions. The ruling is null and void if any such fact, representation, or assumption is incorrect and has a material bearing on the conclusions reached in this ruling. This ruling is binding on the Department, and is subject to modification or revocation, in accordance with 1 CCR 201-1, Rule 24-35-103.5.

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

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<sup>2</sup> Section 39-37-104(1), C.R.S.

<sup>3</sup> *Id.*

<sup>4</sup> Section 39-37-103(18), C.R.S.

<sup>5</sup> Section 39-37-103(3) and (16), C.R.S.

<sup>6</sup> Section 39-26-102(5.9), C.R.S.

<sup>7</sup> 1 CCR 201-5, Special Rule 44, paragraph (1).

<sup>8</sup> Section 39-37-102(5.9)(a), C.R.S.

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](http://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

**This ruling cannot be relied upon by any other taxpayer other than the taxpayer to whom the ruling is made.**