

Business & Financial Services

Tax Services



Collecting Sales Tax

Local Rates (01/01/22)

The State of Colorado sales tax rate is **2.9%**. State sales tax collected should be deposited into account 2420000-2020.

The City of Fort Collins sales tax rate is **3.85%**. City sales tax collected should be deposited into account 2420000-2022.

The Larimer County sales tax rate is **0.80%**. Larimer County sales tax should be deposited into account 2420000-2023.

The combined state, city and county sales tax rate is 7.55%.

The City of Fort Collins lodging tax rate is **3.00%**. City lodging tax collected should be deposited to account 2420000-2030.

Delivered Goods

Any retail sale that is made in Colorado is subject to Colorado taxation. Colorado uses destination sourcing, meaning that retail sales are sourced to the location where the purchaser takes possession of goods.

Colorado [Form DR 1002](#) provides rates of all taxing jurisdictions in Colorado. The Department of Revenue also provides a search by address **SALES TAX LOOKUP** tool <https://colorado.ttr.services/>.

When recording sales to other jurisdictions, please refer to the **Sales Tax Sub Object Codes** spreadsheet on Tax Services web page for use in determining the correct coding for depositing tax to KFS.

Regarding sales into other states: most states have an economic nexus reporting threshold of 200 transactions or \$100,000 gross sales. One notable exception to this generality is the state of Kansas, which recently enacted a (1) transaction (\$1.00) total sales value threshold.

Please contact BFS_Tax_Accounting@mail.colostate.edu with specific questions regarding collection of other state sales tax.

Documenting Exempt Sales

A retailer must verify that the purchaser's sales tax license or exemption certificate is current and valid, either by verifying online at [Colorado.gov/RevenueOnline](https://colorado.gov/RevenueOnline) or by inspecting a physical copy of the license or certificate for completeness and to ensure that it has not expired. The seller should retain a copy of the license or certificate for its records.

A Colorado sales tax license or exemption certificate entitles the bearer to an exemption from state-collected sales tax. Home-Rule cities have their own requirements. Please see [Form DR 1002](#) and/or check with specific municipalities (as needed) for details.