



WESTMINSTER

Introduction to Sales & Use Tax

July 26, 2023

Agenda

Welcome & Intro – Economic Development

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Presentation - Finance

Patrick Espinosa | Sales Tax Auditor

Scott Jacobs | Sales Tax Auditor

Q&A

Business and Sales Tax License

- Required for all businesses *engaged in business* within Westminster.
 - *Engaged in business in the City* shall mean performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for storage, use or consumption within the City. (See W.M.C 4-2-2 Definitions)
- All businesses with a license must file at least annually.
 - This includes service-only businesses within the City.
 - Filing frequency delineations:
 - Monthly filers: \$500+ tax remitted annually
 - Quarterly filers: Between \$150 - \$500
 - Annual filers: Less than \$150

Types of Tax for Westminster

- Sales – 3.85% City Tax
- Use – 3.85% City Tax
- Accommodations – 7% City Tax
- Admissions – 3% City Tax

Types of Tax for Westminster

➤ Sales – 3.85% City Tax:

Tangible personal property shall mean personal property that can be one or more of the following: seen, weighed, measured, felt, touched, stored, transported, exchanged, or that is in any other manner perceptible to the senses. (See W.M.C 4-2-2 Definitions)

➤ Use – 3.85% City Tax:

Use tax shall mean the tax paid or required to be paid by a consumer for using, storing, distributing or otherwise consuming tangible personal property or taxable services inside the City. (See W.M.C 4-2-2 Definitions)

Types of Tax for Westminster (Con't)

➤ Accommodations – 7% City Tax:

Purchase price paid by any person or charged by any vendor on the lease, rental or other transaction of furnishing rooms or accommodations to any person who, for a consideration, uses, possesses, or has the right to use or possess, any room or rooms or other accommodations. (See W.M.C 4-4-2)

Types of Tax for Westminster (Con't)

- **Admissions – 3% City Tax** - Any charge for the right or privilege of admission to:
- A performance of a motion picture open to the public; or
 - An establishment open to the public that is licensed to sell, dispense or serve fermented malt beverages (three and two-tenths percent beer) or alcoholic beverages (liquor) pursuant to state law; or
 - Any public display of live animals and/or plants, including insects or fish.
 - Bowling alleys. (See W.M.C 4-2-2 Definitions)

Tips

- Check your invoices! Make sure you have paid use tax if you were not charged enough sales tax. Otherwise, you will pay interest on amounts owed if we audit your business.
- The City can audit a business back three years from a filing – SAVE YOUR INVOICES.
- FILE ON TIME! Interest accrues at 1% per month on tax due. Penalty is 10% of the tax owed.
- Westy does not recognize the State's charitable organization status. Make sure the organization is exempt with the City. Keep paperwork for audit.

Tips

- If you bundle items sold with labor, the whole amount is taxable. Labor must be itemized separately to be exempt from the sales tax.
- Feel free to check with us if you think a vendor might not be registered with the City.
- Returns are due by the 20th, unless it falls on a weekend or major public holiday, then it is due the next business day.

Sales Tax Links to Website

- [Sales Tax Compliance Guides](#) (scroll down page to guides)
- [Sales Tax Forms](#) (But we prefer that returns are filed online)
- [Online Tax Filing](#)
- [Business License Application](#) (processed by City Clerk)

Webinar Contact Information:

Economic Development

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Questions – Open discussion

Recording of this webinar and copy of the presentation will be posted in the Economic Development Training Library @

<https://www.westminstereconomicdevelopment.org/existing-businesses/existing-business-resources/business-trainings/>