

Name: _____



Use Tax Information

The state of Colorado has included a line on the individual income tax returns requesting use tax information. Use tax is due if sales tax has not been paid. Most often this occurs on purchases made by internet, phone, and mail.

In order to calculate the total of purchases for which sales tax was not collected, we suggest you review the following documents:

- Your bank accounts and credit card statements for online/mail-order transactions and
- Your account histories for online out-of-state vendors

Amazon.com began collecting Colorado sales tax in February 2016 on transactions for which Amazon is the seller. Other third-party merchants who sell through Amazon.com are not obligated to collect sales tax.

Other top online retailers (without a physical presence in Colorado) are:

- Overstock.com
- QVC.com
- Zappos.com
- Newegg.com
- Ebay.com
- Amazon.com

For Amazon, Go to “Your Account” and select “Download Order Reports,” under Report type select “ordering and shipments”, on the right, under Quick Set Options, you can select “Last Year” and “Request Report” which will generate a file you can open in Excel. You are interested in the columns at the right titled “Tax Charged” and “Total Charged”. You will need a sum of your purchases, “Total Charged,” that show \$0.00 in the “Tax Charged” column (i.e., sales tax was not collected). Delete lines for gift cards and for purchases that were delivered outside of Colorado (for example, if you bought a gift for your mom and had it shipped to her in Arizona).

The use tax rate is a composite of a state rate of 2.9% and various special district assessments based on your address, but we expect the use tax rate for most of our clients to be 4%.

Amount of purchases for which sales tax was not paid _____