

# Warehouse Options

## Warehouse Options Sales Tax Exemption Information

Warehouse Options is required to charge sales tax on all rentals, similar to a car or other rental equipment. The only exception is for a tax-exempt organization with a valid Colorado sales-tax exemption number or for a company that is re-renting the storage unit to another customer who will be paying sales tax. For-profit companies doing work on non-profit sites must pay sales tax on equipment rentals.

Below is some information from the State of Colorado's tax website ([www.revenue.state.co.us](http://www.revenue.state.co.us)):

- In order to not pay sales tax, tax-exempt organizations must provide their Colorado sales-tax exemption number. (This is a number starting with "98" and then followed by five more digits.) We are legally required to have this on file if we are not charging sales tax and if we do not have this number on file *we can be held liable for any sales tax we do not charge.* <sup>(1)</sup>
- Colorado State Statutes require that payments of more than \$100, by a tax-exempt organization, must be paid with the organization's check or credit card and cannot be paid with cash or with an individual's check or credit card. <sup>(2)</sup>
- Government agencies do not need to provide an exemption number, however, purchases of any value must be paid for by a Federal check, a Federal warrant, or a qualifying government credit card drawn on government funds. Government purchases cannot be made with cash, personal check or personal credit card. <sup>(3)</sup>
- For tax-exempt construction projects, the exemption applies only to materials that will become part of the final structure. The purchase or rental of equipment by the contractor is taxable. <sup>(4)</sup>
- Finally, if there is a disagreement about charging sales tax, we are required to charge it: "If there is a dispute between the buyer and the seller, as to whether a transaction is exempt from taxation, the seller must collect sales tax and the buyer must pay it. The buyer may then apply to the Colorado Department of Revenue for a refund of the taxes under dispute with a '*Claim for Refund*' (form DR 0137). The statute of limitations for these refund applications is 60 days. Remember, it is the *vendor* who is ultimately responsible for collection of sales taxes." <sup>(5)</sup>

For any additional questions, please contact the Colorado Department of Revenue at (303) 238-7378.

The above information is from the following website: <http://www.revenue.state.co.us/fyi/html/sales01.html>

1. See the section titled: Purchases by Charitable and Religious Organizations.
2. See the section titled: Purchases by Charitable and Religious Organizations.
3. See the section titled: Purchases by Government Agencies.
4. See the section titled: Tax-Exempt Construction Projects.
5. See the section titled: General Information.