## GENERAL INSTRUCTIONS

### REPORTING FORMS:

This packet contains the forms needed to report and pay the City of Lamar sales and/or use taxes for the current calendar year. The sales tax returns are printed with your business account number, name, the period covered and the due date of the returns. These returns are placed in the packet in the order in which they should be used. Please be careful to use the return, which corresponds to the period for which you are filing.

### CHANGES OR CLOSURES:

If one or more of the following occurs:

1) Business moves
2) Mailing address changes
3) Business or trade name changes
4) Business is sold
5) Corporation merges with another corporation
6) No longer in business

You must inform this Division of such changes by completing the section(s) on the back side of any return. If the business ownership changes, the new owner cannot use the previous owner's reporting forms. The new owner must apply for his/her own business account number and personalized forms. Furthermore, a vendor selling or closing his business must file a final sales return within ten (10) days from the date of sale or closure.

### RECORDS:

Records of both purchases and sales, including sales invoices and purchase orders, must be retained for a period of three years. The burden of proof for exempt sales rests with the seller. Retain copies of sales tax reports. Records must be open for inspection by authorized representatives of the City of Lamar.

All sums of money paid by the purchaser to the seller as taxes shall be and remain public money and as property of the City. Failure to file a return and pay the taxes collected will result in an assessment from the City for an estimated amount of taxes due. Therefore, it is important to file a return and pay all taxes collected on a timely basis and to maintain sufficient records to prove the amount of taxes collected and paid as the ultimate burden of proof is upon the taxpayer. The absence of sales or tax liability does not excuse a taxpayer from their obligation to file a return for any reporting period.

### FOR ADDITIONAL INFORMATION CONTACT

CITY OF LAMAR
SALES TAX DIVISION
102 EAST PARMENTER ST
LAMAR, CO 81052
719-336-1368

**THE FOLLOWING PAGES ARE YOUR SPECIFIC INSTRUCTIONS**
**AND**
**SALES AND USE TAX RETURNS**

- Return must be filed even when NO tax is due.
- Read the SPECIFIC INSTRUCTIONS thoroughly before completing return.
- Be careful to use the return which corresponds to the period for which you are filing
- Be sure to complete both sides of the return.
- Make check or money order payable to City of Lamar.
- Return the completed and signed return in an envelope with the provided mailing label.
- Please do not staple check to return.

Returns must be filed with the City of Lamar, 102 East Parmenter St., Lamar, CO 81052, on or before the 20th day of the month following the close of the reporting period. Mailed returns must be postmarked by the 20th day of the month.

**SPECIFIC INSTRUCTIONS FOR SALES TAX RETURN**

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| LINE 1 | GROSS SALES AND SERVICE: Report all receipts for the period covered; include all sales, both retail and wholesale; services rendered; rent receipts; and all amounts both taxable and nontaxable, received in the conduct of your business. |
| LINE 2A | BAD DEBTS COLLECTED: Report the bad debts collected which were previously deducted on Line 3D – "Bad Debts Charged Off." |
| 2B | TOTAL LINE 1 AND 2A: Add lines 1 and 2A |
| 3 | DEDUCTIONS: The following items are exempt from taxation. |
| 3A | Deduct all services, which are nontaxable. |
| 3B | Deduct sales made to other city LICENSED retailers who purchase such merchandise for the purpose of resale to the consumer. |
| 3C | Deduct all sales delivered to the purchaser outside the City limits of Lamar if BOTH the following conditions exist:<br>(a) The sale is to a purchaser who is a nonresident of Lamar, and<br>(b) Delivery is made by common carrier, conveyance by the seller, or by mail to the purchaser OUTSIDE the City of Lamar. |
| 3D | Deduct all sales which were originally taxable sales and which you deem "uncollectible/bad" and have written off as such. |
| 3E | Deduct the value of property traded-in, which will be resold in the usual course of business. |
| 3F | Deduct all sales of gasoline and cigarettes. |
| 3G | Deduct all qualifying sales to exempt organizations. |
| 3H | Deduct all sales, which were returned by the purchaser and were previously reported as net taxable sales. |
| 3I | Deduct all sales of prescription drugs and /or prosthetic devices |
| 3J | Deduct all sales of farm equipment, parts, supplies, feed and accessories. |
| 3K | Other deductions (list) |
| LINE 3 | TOTAL DEDUCTIONS: Total all deductions claimed in Lines 3A through 3J |
| LINE 4 | TOTAL CITY NET TAXABLE SALES AND SERVICES: Subtract TOTAL DEDUCTIONS on Line 3 from Line 2B. |
| LINE 5 | AMOUNT OF CITY SALES TAX: Report the amount of sales tax calculated. The sales tax is calculated by multiplying Line 4 – "Net Taxable Sales and Services" by Lamar's 3.25% sales/use tax rate. |
| LINE 6 | EXCESS TAX COLLECTED: Report the amount of tax collected in excess of the effective rate of tax levied on retail sales. |
| LINE 7 | ADJUSTED CITY SALES TAX: Add lines 5 and 6 |
| LINE 8 | VENDOR'S FEE DEDUCTION – 3.33% OF LINE 7: Report a deduction equal to 3.33% of adjusted City sales tax due.<br>**THIS DEDUCTION IS ONLY ALLOWED IF TAX IS PAID ON OR BEFORE THE DUE DATE.** |
| LINE 9 | TOTAL SALES TAX DUE: Subtract Line 8 from Line 7 |
| LINE 10 | CITY USE TAX: Use tax is assessed on items that are purchased for the business' own use and for which no city sales tax has been legally paid and no tax exemption exists. Calculate use tax by multiplying the total purchase price from Schedule B on the reverse side by Lamar's 3.25% use tax rate. |
| LINE 11 | TOTAL TAX DUE: Add Lines 9 and 10. |
| LINE 12 | LATE FILING: Report the penalty assessed for filing after the due date. The penalty is 10% of Line 11. Report the interest, which is 1% per month of Line 11. Enter the total of penalty and interest in the appropriate space for Line 12. |
| LINE 13 | TOTAL TAX, PENALTY, AND INTEREST DUE: Add Line 11 and Line 12. |
| LINE 14 | ADJUSTMENTS FOR PRIOR PERIODS: A City Notice of Sales Tax – Error – Demand for Payment will be sent to any taxpayer who: (A) is delinquent, (B) underpaid taxes due, or (C) overpaid taxes due. **Attach copy of notice** to your return and show underpayments due the City of Line 14(A) and credits due to you on Line 14(B). |
| LINE 15 | TOTAL DUE AND PAYABLE: Make check or money order payable to City of Lamar. |