

TOWN OF MOUNTAIN VIEW USE TAX GUIDELINES

Important: Present a copy of your *completed* Application for Building Permit to your vendors when purchasing building materials so you will not be charged any town or city sales tax.

- Give your subcontractors a copy of the *completed* Application for Building Permit. Subcontractors working under your building permit should also purchase their materials using a copy of the *completed* Application for Building Permit so they will not be charged town or city sales tax.
- Equipment and supplies separable to the structure **cannot** be purchased or rented tax-free such as furniture, removable fixtures, window coverings, tools, machinery, trees, etc.
- Vendors will most likely still charge State tax and other non-municipal taxes.
- If a vendor incorrectly demands that town or city sales tax must be charged to you or to a subcontractor even when the Application for Building Permit is presented to the vendor, please contact the Sales Tax Division of the city where the vendor is located (contact the appropriate city while at the vendor's location):

	<u>Phone Number</u>	<u>Email Address</u>
Arvada	(720) 898-7100	greg-b@ci.arvada.co.us
Aurora	(303) 739-7341	rjpeters@auroragov.org
Broomfield	(303) 464-5811	salestax@ci.broomfield.co.us
Boulder	(303) 441-3050	kaisere@ci.boulder.co.us
Castle Rock	(303) 805-3228	tax@ci.castlerock.co.us
Commerce City	(303) 289-3628	jjosifek@ci.commerce-city.co.us
Denver	(720) 865-7075	treasinfo@ci.denver.co.us
Englewood	(303) 762-2422	salestax@englewoodgov.org
Glendale	(303) 759-1513	crice@glendale.co.us
Greenwood Village	(303) 773-0252	cstorey@greenwoodvillage.com
Lakewood	(303) 987-7630	finance@lakewood.org
Littleton	(303) 795-3768	dpiz@littletongov.org
Parker	(303) 805-3228	salestax@ci.parker.co.us
Thornton	(303) 538-7400	jim.anderson@cityofthornton.net
Westminster	(303) 430-2400	salestax@ci.westminster.co.us

HOW TO PAY USE TAX

Use tax is paid on 50% of the **job material valuation**. This payment is due at the time a permit is issued, and is paid by the general contractor, building owner, or lessee. The estimated taxable materials percentage for building permits is 50% of the total valuation of the project.

Example:

Total valuation of job	\$100,000
Taxable percentage of valuation	<u>x 50%</u>
Taxable materials	\$50,000
Town tax rate (3%)	<u>x 3%</u>
Use tax due at time of permit	\$1,500

Use tax is paid up front in lieu of town or city sales tax being charged by vendors when materials are purchased. The **completed Application for Building Permit** must be presented to vendors when purchasing construction and building materials for the project to avoid paying the tax twice.

Alternatively, a contractor may elect to pay for the use tax on the materials using the actual cost of materials ("Actual Cost Method"), based upon a complete audit under the following conditions:

- (1) The contractor must declare prior to the issuance of the building permit that it will develop an actual materials valuation at the conclusion of the project upon which the use tax will be levied.
- (2) The use tax in the calculation prescribed in Option (1) above will be paid as a deposit at the time the permit is issued. Adjustments will be made after the project and the audit is complete.
- (3) At the completion of the project, the contractor must submit all receipts for construction and building materials in the project. These receipts will include construction and building materials supplied by all subcontractors and suppliers of construction and building materials used in the project. Failure to provide all receipts will disqualify the contractor from calculation of use tax under the above method.
- (4) The Town will conduct an audit. Out-of-town travel costs of the audit, if any, will be borne by the contractor.
- (5) Adjustment up or down from the deposit made will be made after the audit is complete.

HOW A PROJECT'S VALUATION IS DETERMINED

The determination of the value of the project is made by the Town Building Inspector. The value of the project is the total value of all construction work for which the permit is issued as well as all finish work, painting, roofing, electrical, plumbing, heating, air conditioning, elevators, fire-extinguishing systems, and any other permanent equipment. The valuation is based on the cost figures per square foot shown in the Building Valuation Data Chart published in the Building Safety Journal of the International Code Conference.

PURCHASES OTHER THAN CONSTRUCTION AND BUILDING MATERIALS

If other items besides construction materials are used or purchased for the Mountain View project, (e.g.: machinery and equipment rentals, tools, fencing, trees, asphalt, etc.) sales tax must be paid to the vendor on the items.

PREVIOUSLY PURCHASED MATERIALS: MOUNTAIN VIEW VENDOR

If you do not provide a copy of the *completed Application for Building Permit* to a Mountain View vendor and you are charged Mountain View sales tax on the construction and building materials, you may apply to the Town of Mountain View for a refund of the duplicate tax. Copies of all receipts showing that Town sales tax was paid to a Mountain View business must be submitted to the Town within three (3) years of the date of the purchase.

PREVIOUSLY PURCHASED MATERIALS: NON-MOUNTAIN VIEW VENDOR

If you purchased your materials in a city other than Mountain View and paid that city's sales tax, Mountain View will not issue a refund. You must apply for a refund to the business or to the city where the tax was charged.

ACTUAL MATERIALS LOWER OR HIGHER THAN REPORTED

- If the actual cost of construction and building materials is less than the estimated cost of materials, and if the Actual Cost Method was elected before a building permit was issued, you may apply for a refund of the overpaid use tax within three (3) years of the issuance of a Certificate of Occupancy for the last completed building within a project.
- If the actual cost of construction and building materials is more than the estimated cost of materials, and if the Actual Cost Method was elected before a building permit was issued, you must remit additional use tax within thirty (30) days from the date of: (a) the final Certificate of Occupancy for the last completed building within the project; or (b) the final inspection.

EXEMPT JOBS

Contractors who perform a job on any Federal, State, County, Town, or exempt institution job site in the Town of Mountain View need not pay use tax on construction and building materials. Jobs performed for quasi-governmental entities are not exempt. Contractors are considered the end users of items used on jobs.

PERMIT USAGE

Building permits are valid only for the project listed thereon. Improper or fraudulent use of a building permit is a violation of the Mountain View Municipal Code. Violators are subject to increased penalty and interest charges and criminal prosecution.

AUDITS

All projects for which a building permit is required are subject to audit by the Town of Mountain View. All invoices and project cost reports pertaining to the construction project must be kept for at least three (3) years after the later of either the (a) the final Certificate of Occupancy for the last completed building within a project, or (b) final inspection. If an audit reveals that a use tax was underpaid, the tax, along with the associated interest and penalty, shall be assessed to the either the General Contractor or Owner. A complete audit is performed on all refund requests.