

IMPORTANT INFORMATION REGARDING THE PURCHASE OF CONSTRUCTION MATERIALS

The Town of Timnath code 4-4-80 specifically exempts construction and building material from sales tax as follows:

Sec. 4-4-80. - Use tax assessed.

(a) Use taxes are assessed on the cost of construction materials only. Prior to the issuance of any building permit, all use taxes must be paid on construction materials.

(b) Use taxes are payable to the Town upon approval of a permit application by the Building Inspector and should also be paid prior to the purchase of construction materials. A receipt for the use taxes paid will be provided and should be presented upon purchase of construction materials so that the applicant will not be double-taxed for use taxes and sales taxes.

This exemption requires that the purchaser present a valid building permit and any other necessary documents at the time of the sale to receive the items tax exempt. If the proper documentation is not provided at the time of sale, the vendor is required to charge Town of Timnath sales tax.

If a dispute arises the Town of Timnath code 4-3-50 directs the retailer to collect the tax and the purchaser will need to follow the refund process outlined below:

Sec. 4-3-50. - Taxpayer (vendor and consumer) responsibilities.

(f) Disputed tax. When a dispute arises between a retailer and a purchaser who claims that the sale is exempt from the tax, the retailer shall collect and the purchaser shall pay such tax. The purchaser may then submit a claim for refund within 60 days of the date of the purchase. Any such tax refunded by the Town will be paid directly to the purchaser.

(g) Refund allowed if exempt. A refund shall be made, or a credit allowed, for the tax so paid under dispute by any purchaser who has an exemption under this Article; provided that such refund shall be made by the Director after compliance with the following conditions precedent: Applications for refund must be made within 60 days after the purchase of the goods whereon an exemption is claimed and must be supported by the affidavit of the purchaser accompanied by the original paid invoice or sales receipt and certificate issued by the seller; and be made upon such forms as shall be prescribed and furnished by the Director, which forms shall contain such information as the Director shall prescribe.

(h) Refund disallowed. Upon receipt of such application, the Director shall examine the same with all due speed and shall give notice to the applicant by order in writing of his or her decision thereon. Aggrieved applicants, within 15 days after such decision is sent, may petition the Director for a hearing on the claim in the manner provided in [Section 4-3-120](#) of this Article.

If you have any questions please contact Dezire Sanchez at 970-224-3211 extension 240