



## Sales & Use Tax System (SUTS)

### Local Government Frequently Asked Questions

#### State-Administered Local Jurisdictions

**1. Can sales tax for state-administered local jurisdictions be filed and paid using SUTS?**

Yes, taxpayers may use the SUTS System to file and pay sales tax for both state-administered local jurisdictions and participating self-collecting home rule jurisdictions. For a complete list of participating jurisdictions, visit the [SUTS Participating Jurisdictions](#) web page.

**2. Will remittance procedures change for our jurisdiction with the implementation of the Sales & Use Tax System (SUTS)?**

No, state-administered local jurisdictions will not see any changes to the sales and use tax remittance process with the implementation of SUTS.

#### Self-Collecting Jurisdictions

**1. Are home-ruled self-collecting jurisdictions required to pay for SUTS?**

No, there are no access fees for participating in SUTS. There is a \$1.00 per day batch bank processing fee, which will be prepaid for a year when you sign up at \$260. Each year in June, you will get an invoice to add funds to your account in order to return your balance to \$260. Review the [SUTS System User Agreement](#) for more information.

**2. How will audits work under this system?**

There is no change to the audit processes for self-collecting jurisdictions. Self-collecting jurisdictions will receive tax returns from the SUTS System, post them in their system of record, and include those returns in any audit process.

**3. What happens if a business tries to file taxes for a municipality that is currently not in the SUTS system?**

The business will receive a message that the home rule municipality is not a participating jurisdiction and the taxes cannot be remitted via SUTS at this time.



#### 4. What is the sales tax filing frequency for taxpayers using SUTS?

Department rules provide that a taxpayer with an average monthly tax of \$300 or more must file monthly. Taxpayers with an average monthly tax less than \$300 may file quarterly. If a taxpayer's average monthly tax liability is \$15 or less, and filing monthly or quarterly would prove a hardship, the taxpayer may request permission to file annually.

Retailers engaged in a seasonal business may request permission to file only for the months during which they operate. Also, retailers that keep their books on a basis other than a calendar month (e.g. retailers who account in 13 four-week cycles) may request permission to file according to their accounting schedule. The rule also provides for changes to the filing schedule 7/13 after it is approved.

#### 5. What if we need to change the filing frequency for a taxpayer, whom do we contact?

The Department is willing to accommodate requests by self-collecting home rule cities to increase the state filing frequency of taxpayers with a high volume of sales that are exempt for state purposes but taxable locally. Please register your request for a change in your filing frequency by emailing the Registration Group at [DOR\\_Multilocations@state.co.us](mailto:DOR_Multilocations@state.co.us).

#### 6. Can SUTS still collect tax on the food for home consumption and other sales tax exemptions for a home rule municipality, when the State has an exemption for that category?

Yes, the food for home consumption is an exemption that the state allows and some home rule municipalities do not. Businesses would declare those revenues in gross sales. On their state filing in SUTS, they would show an amount to exempt their sales that were for items that are food for home consumption. For the home rule municipality, they will not have an exemption for those same sales.



## Sales & Use Tax System (SUTS) & Geographic Information System (GIS) Frequently Asked Questions for Businesses & Tax Professionals

### SUTS Remittance Portal Questions

#### 1. What is SUTS?

SUTS is the Department's new Sales & Use Tax System. For more information, visit [Tax.Colorado.gov/SUTS-info](https://tax.colorado.gov/SUTS-info).

#### 2. How do I sign up to use the SUTS Remittance Portal?

Visit the Sales & Use Tax System (SUTS) Help web page for more information on how to sign up: <https://tax.colorado.gov/SUTS-help>.

#### 3. Will I need a license to use SUTS?

Yes. Every business will need to have a Colorado State Sale Tax License. If you do not have a state sales tax license, you may register for the license through the SUTS System.

#### 4. What type of payments can be used in SUTS?

Payments can be made using ACH Credit, Bank Account/E-Check, or Credit Card. The taxpayer will need to cover any applicable processing fees.

#### 5. What is the sales tax filing frequency when using SUTS?

Department of Revenue rules provide that a taxpayer with an average monthly tax of \$300 or more must file monthly. Businesses with an average monthly tax less than \$300 may file quarterly. If a taxpayer's average monthly tax liability is \$15 or less, and filing monthly or quarterly would prove a hardship, the taxpayer may request permission to file annually.

Retailers engaged in a seasonal business may request permission to file only for the months during which they operate. Also, retailers who structure their accounting periods on a basis other than a calendar month (e.g. retailers who account in 13 four-week cycles) may request permission to file according to their accounting schedule. The rule also provides for changes to the filing schedule after it is approved.



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At the request of a home-rule city, the Department may require a taxpayer using SUTS to file on a monthly basis even if the taxpayer is eligible for quarterly or annual filing at the state level.

**6. How soon will my Revenue Online account be updated when I pay using SUTS?**

Your return and payment will not show up on your Revenue Online account until the funds have cleared with SUTS, which is usually three (3) business days after payment.

**7. Will businesses be able to file use tax?**

Businesses will be able to report use tax to self-collecting home-rule municipalities that utilize a combined sales and use tax return. SUTS will not request the use tax details that are typically found on Schedule B. Businesses should maintain such detail in their records as required by local rules.

Businesses will not be able to file consumer's use tax returns (forms DR 0251 and DR 0252) for the state or any state-administered jurisdictions through SUTS. Visit the Consumer Use Tax and the Use Tax for Businesses web page for more information.

**8. Can I still use Revenue Online to file a sales tax return for state-collected jurisdictions, while also using the SUTS system?**

Yes, businesses could file just their home-rule filings in SUTS and their state filings in Revenue Online if they chose to do so. The system is flexible, so that each business can use SUTS as it best suits their needs.

**9. Can I cancel my sales tax licenses with the home-rule jurisdictions?**

Please reach out to the home-rule jurisdiction directly with licensing requirement questions. Each self-collecting home-rule jurisdiction establishes their own tax laws, rules and regulations.

**10. I already use Revenue Online, do I need to sign up again if I want to use SUTS?**

Yes, this is a new system.



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**11. Which home-rule self-collecting jurisdictions are participating in SUTS?**

Visit the SUTS Participating Jurisdictions web page to see which jurisdictions are participating: <https://www.colorado.gov/pacific/tax/SUTS-jurisdictions>.

**12. Do businesses have to use SUTS?**

No, there are other electronic filing methods available.

**13. Do home-rule, self-collecting jurisdictions have to participate in SUTS?**

No, participation in SUTS is voluntary for the home-rule, self-collecting jurisdictions.

**14. Can I add sites using SUTS?**

While there are plans to add this feature in the future, at this time you can add sites to your account by using your Revenue Online account (if you have set one up) or by emailing [DOR\\_multilocations@state.co.us](mailto:DOR_multilocations@state.co.us).

**15. Can you amend a sales tax return using SUTS?**

The Sales & Use Tax System (SUTS) does not currently support amended returns. To amend a sales tax return for a [participating, home rule, self-collecting tax jurisdiction](#), please reach out to the jurisdiction directly for additional information and instructions. Contact information for all home rule, self-collecting jurisdictions can be found in the [DR 1002 publication](#). For state and state-administered jurisdictions, information about how to amend a retail sales tax return can be found on the [Sales Tax Filing Information](#) web page.



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## Geographic Information System (GIS) Questions

### 1. What is the difference between SUTS and GIS?

SUTS (Sales and Use Tax System) is the name for the combination of the GIS (Geographic Information System) and the Remittance Portal. For more information on these systems, visit the [SUTS Information](#) web page.

### 2. What does the GIS do?

The Geographic Information System (GIS) allows businesses to look up the specific sales tax rate for an individual address. The GIS not only shows state sales tax information, but it also includes sales tax information for counties, municipalities, and special taxation districts. This system allows for a complete tax rate to be determined so the correct tax is collected from customers in real-time.

Also, if your internal point of sale system supports it, the GIS information can be accessed through an Application Programming Interface (API). This API can automatically reference current tax information directly from the CDOR. Please note that the Department will need to verify that you have registered for an account for the Remittance Portal before using the API. Additionally, in some instances, the base map from Google cannot resolve some queries where, for example, "county road" is abbreviated as C.R. This issue is being investigated by Google Maps staff and should be resolved shortly.

### 3. What is an API?

The new GIS includes an API, which is short for "application programming interface," which is a software intermediary that allows two systems to talk to one another. An API assists you in automating your point of sale (POS) system. The API automatically retrieves sales tax rate calculation information from the GIS database. It can also help integrate GIS database information into your online ordering and point of sale systems.



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## Tax Rate & Sourcing Questions

### 1. What is happening to the Hold Harmless databases from other vendors?

Retailers using third-party databases previously certified by the Department will need to ensure that their providers are using the most recent SUTS data in order to continue to be held harmless for errors and omissions in the jurisdictions returned by an address search.

### 2. Can I still use origin sourcing to determine sales tax?

Sales tax collection for the State of Colorado changed in 2019. At that time, exceptions to destination sourcing were given to small businesses. Destination sourcing means that sales tax is calculated based on the address where the taxable product or service is delivered to the consumer, not on your business location. Businesses with over \$100,000 in sales should already be using [destination sourcing](#) to determine sales tax rates.

Now that the Geographic Information System (GIS) is online and available for everyone to use, state statute requires Colorado-based businesses using the temporary origin sourcing exception to transition to destination sourcing by 90 days from the date the [Department announced that the system was live](#).

**This means that all businesses located within Colorado, regardless of their sales volume, must begin complying with the destination sourcing rules by July 1, 2021. The Department is not authorized to grant exceptions to this statutory requirement.**

For more information, visit the [Transition to Destination Sourcing](#) web page.

### 3. I am transitioning to destination sourcing on July 1, 2021. A customer ordered and paid for a taxable item before July 1, 2021, but the item will not be delivered to the customer until after July 1, 2021. Do the destination sourcing rules apply?

These rules will apply to sales occurring on or after July 1, 2021. A sale occurs when a seller transfers goods to a buyer for consideration. The Department generally relies on the invoice date as establishing the date when the good is transferred to the buyer. This means that, in general, to sales invoiced on or after July 1, 2021, but not to sales invoiced prior to July 1, 2021.



4. If a customer comes into my store and pays for something at the store, but has it delivered to their home in a different local taxing jurisdiction, which tax rates apply? What if the customer places an order over the phone?

In each scenario, the sale is sourced to the customer's home, because that is where the customer takes possession of the property. You would use the tax rate for their home address to determine what tax rate to use. The [Geographic Information System \(GIS\)](#) can assist you in determining the tax rate.

5. If a customer hires a carrier or we use a third party shipper (e.g. FedEx, UPS, DHL, etc.) to have their order delivered, will the sales tax be sourced to our facility or to the delivery location?

Possession by a shipping company on behalf of the customer does not constitute receipt, so the tangible personal property would not be considered received at your facility. The sales tax due will depend on where the customer takes possession of the tangible personal property, which in this case, is at their delivery location.

6. What local sales taxes do motor vehicle dealers have to collect? Does it matter whether the customer picks up the vehicle at the dealership or the dealer delivers the vehicle to the customer at the customer's location?

Motor vehicles are tangible personal property and are subject to Colorado sales and use taxes. However, special rules apply to the taxation of motor vehicles in Colorado. Additionally, the manner in which a motor vehicle is taxed varies depending on whether it is leased or purchased. Review the [Motor Vehicles - Sales Tax Topic](#) guidance publication for more information.

7. If a customer purchases a product in my store, then takes it home with them, what sales tax rate do I charge?

Transactions that take place within your store, where the customer receives the product at the time of purchase, are handled the same way as before. You would use your store's physical location to determine the sales tax rate.





## SUTS Informational Resources

### How to direct taxpayers to the website

- Non-Branded Links: To avoid using vendor names as a replacement for the names of the systems, these are the web addresses we are promoting:
  - <https://Colorado.gov/Revenue/SUTS>
  - <https://Colorado.gov/Revenue/GIS>

### Informational Website Links on [Tax.Colorado.gov](https://tax.colorado.gov)

- Main SUTS information landing page: [Tax.Colorado.gov/SUTS-info](https://tax.colorado.gov/SUTS-info)
- Business informational pages:
  - How to Use SUTS: <https://tax.colorado.gov/SUTS-help>
  - SUTS Participating Jurisdictions: <https://tax.colorado.gov/SUTS-Jurisdictions>
    - NOTE: the jurisdictions listed on that page are onboarded and can take returns via SUTS. For more information on home-rule participation, visit <https://tax.colorado.gov/SUTS-status-updates>
  - Frequently Asked Questions: <https://tax.colorado.gov/SUTS-FAQ>
- Local Government informational pages:
  - <https://tax.colorado.gov/SUTS-local-gov>
  - <https://tax.colorado.gov/SUTS-local-gov-FAQ>
  - New Local Government landing page: <https://tax.colorado.gov/local-government>
    - Note: the new landing page consolidates all of the information we have available for local governments, not just SUTS content.

### Support

- Dedicated SUTS Phone Support for Taxpayers: 720-795-7759
- Local Government Support: [dor\\_localgovsupport@state.co.us](mailto:dor_localgovsupport@state.co.us)
- Adding Multiple Locations: [dor\\_multilocations@state.co.us](mailto:dor_multilocations@state.co.us)
- General Sales Tax Inquiries: 303-238-7378 or [dor\\_taxpayerservice@state.co.us](mailto:dor_taxpayerservice@state.co.us)