



FINANCIAL SERVICES DIVISION

Sales Tax Administration
200 Oak Street, Suite 4000
P.O. Box 1190
Fort Collins, CO 80522-1190
(970) 498-5935
Fax (970) 498-5942

Dear Contractor:

At the time you apply for a building permit, you are required to pay a use tax deposit. The tax deposit is determined assuming that 50% of the valuation will be comprised of construction materials. That amount is then multiplied by the County tax rate of .8% to calculate the deposit. The tax you pay when the permit is issued is merely a deposit.

Since the tax deposit is based on a material/labor ratio, it is important that actual costs be monitored and compared with the tax deposit. At the end of your project, a Project Cost Report (PCR) must be completed to compare the deposit to the tax due based on actual material costs. The outcome of the PCR may be that additional taxes may be due, or a refund could be issued.

To calculate the actual material costs, all material invoices are added to the materials from the subcontractors' invoices. It is preferred that actual material costs from the subcontractor be used when known, if not, fifty percent (50%) of the subcontractor's invoice will be used if a breakdown of materials and labor can not be provided. If labor cost account for more than fifty percent (50%) of the subcontractor's invoice, please provide a copy of the invoice or a subcontractor affidavit for back-up documentation. If claiming additional sales tax paid, a copy of the receipt must be provided.

Please note: Larimer County sales tax is not due on the purchase of construction and building materials at the time of sale IF the purchaser presents a building permit showing that the County use tax has already been paid.

For your convenience, a PCR is attached to your building permit. When submitting the completed PCR, a copy of the building permit, a final cost summary, copies of subcontractors' invoices, copies of material receipts, and any other back-up documentation to help support your claim should be included. The completed packet with applicable payment is due within 60 days from the issuance of the Certificate of Occupancy, Letter of Completion, finalization of project or at the expiration of the building permit. All PCRs submitted after the 60 days are subject to penalty and interest.

There is a possibility that the sales and use tax rate will change during the construction of your project. To ensure we use the correct sales/use tax rates, dates of the purchases must be provided. The easiest way this can be done is to provide copies of all your receipts. Or you can have the purchases individually listed out on your job cost worksheet. If dates of the purchases are not documented, the sales and use tax rate when the building permit was issued will be used to determine the taxability of the material used in your project.

If the building permit expires, a project cost report must be submitted on the work that was completed.

If you have any questions concerning project cost reporting requirements or need additional forms, please contact the Finance and Sales Tax Office at (970) 498-5930. Thank you in advance for your cooperation.

Sincerely,
Tracy Hines
Sales Tax Administrator
Finance Department



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Filling out the Project Cost Report

- Enter the building permit number(s).
- Enter contractor information and project location.

Sign Off Section (top box)

To sign off on the Project Cost Report, the following criteria must be met:

- The completed project is valued under \$400,000
- Cost of the building material used in the project is essentially the same as the estimated costs
- No refund is due
- Acknowledgment that a formal audit may be requested by Larimer County up to three years after the completion of the project

If the owner/contractor agrees to all four criteria, the project cost report may be signed, dated, and returned to the Larimer County Finance Division. No additional documentation is required.

Calculation Section (bottom box)

Line 1 – Enter taxes paid, include the total Larimer County sales/use tax paid on the building permit(s) and any additional County tax paid on construction or building materials. Please include copies of both the building permit and any invoices or other forms of proof of sales or use tax payment.

Credit for additional County sales tax will only be given if copies of receipts are provided.

Line 2 – Enter actual material costs from the job cost summary and multiply by 0.8% to calculate the use tax that should have been paid

To determine actual material costs, take 100% of materials purchased for the project and 50% of sub-contractor invoices if a breakdown of materials and labor can not be provided. (It is preferred that actual materials costs from the subcontractor are used if known. If labor accounts for more that 50% of the subcontractor's invoice, provide a copy of the invoice or a subcontractor affidavit for back-up documentation.) Additionally, if items such as driveways, sidewalks, parking lots and landscaping are included in the project contract, the material costs should also be included in your actual material cost.

There is a possibility that the sales and use tax rate will change during the construction of your project. To ensure we use the correct sales/use tax rates, dates of the individual purchases must be provided. This can be done by either listing the individual purchases on the job cost worksheet or by providing the copies of all your receipts. **If dates of the purchases are not documented, the sales and use tax rate when the building permit was issued will be used to determine the taxability of the material used in your project.**

Line 3 – If Line 2 is greater that Line 1, additional tax is due to Larimer County. Please submit a check for the difference to Larimer County at the above address.

Line 4 – If Line 1 is greater than Line 2, an overpayment of tax was made to Larimer County. When approved, a check will be issued by Larimer County.

All Project Cost Reports are reviewed and subject to a formal audit



SALES TAX ADMINISTRATION
 200 Oak Street, Suite 4000
 P.O. Box 1190
 Fort Collins, CO 80522-1190
 (970) 498-5930
 FAX (970) 498-5942

PROJECT COST REPORT

Building Permit #: _____
 Contractor's Name: _____
 Address: _____
 City, State, & Zip: _____ Phone: _____
 Project Location: _____

For projects under \$400,000 and not requesting a refund, complete this section:

By signing, I understand and agree to the following:

- the completed project is valued under \$400,000
- the cost of the building material used in the project is materially the same as the estimated costs.
- no refund is due
- an audit may be requested by Larimer County up to three years after the completion of the project.

 Signature Title Date

For Projects over \$400,000, requesting a refund, or submitting additional taxes, complete this section:

1. Use Tax paid on Building Permit plus any additional County taxes paid on receipts:
 _____ + _____ \$ _____

2. Actual material costs _____ X .008 _____ \$ _____
 If line 2 is greater than line 1, proceed to Line 3 - If line 2 is less than line 1, proceed to Line 4

3. UNDERPAYMENT OF TAX:

Line 2	\$	_____
Line 1	\$	_____
Difference – Additional Tax Due	\$	_____

4. OVERPAYMENT OF TAX:

Line 1	\$	_____
Line 2	\$	_____
Difference – Refund Due	\$	_____

Return this completed form along with a copy of the building permit, final job cost summary and copies of any documentation support claims for additional County sales tax paid or a different breakdown on subcontractor's billings. Please read Contractor's letter and instructions for examples of back up documentation. All Project Cost Project Cost Reports are due 60 after the issuance of the CO or letter of Completion. Any Project Cost Report submitted after the 60 days is subject to penalty and interest. Reports are subject to audit.

I, hereby certify, under penalty of perjury, that the statements made herein are to the best of my knowledge true and correct.

 Signature Title Date