

General Sales Tax Information in Colorado

In Colorado, **state law requires anyone engaged in selling tangible personal property or certain taxable services** to collect, report, and remit sales tax to the Colorado Department of Revenue (CDOR). This applies to all vendors, whether operating through a physical store, mobile setup, or at temporary event locations.

Key Principles:

- **Taxable Sales:**

Any sale of tangible personal property, certain digital goods, and specific services deemed taxable by Colorado law.

- **Mandatory Collection:**

If a vendor has a valid Colorado sales tax license or a special event sales tax license, they are **legally obligated to collect sales tax on all taxable sales** made within Colorado.

- **Registration Requirement:**

Before making taxable sales, **vendors must register with the Colorado Department of Revenue** and obtain either a **permanent sales tax license** and/or a **special event sales tax license** if participating in temporary or event-specific sales.

- **Special Event Sales Tax License:**

- This license is **required for vendors participating in temporary events, festivals, markets, or fairs** where they will be selling taxable goods or services outside their regular business location.
- It is **location and event-specific**, usually valid only for the duration of the event.
- Even if you already have a **permanent sales tax license**, you **may need a separate special event license** for each different location or event outside your registered address.

- **Tax Rate:**

The applicable sales tax rate includes the state rate plus any additional local taxes (city, county, district) based on the sale location.

- **Tax Collection Responsibilities:**

Vendors are responsible for accurately collecting the correct amount of sales tax, keeping detailed records, and remitting collected taxes to the state and local jurisdictions at deadlines set by law.

- **Sales Tax Return Filing:**

Vendors must file sales tax returns via Colorado Revenue Online, reporting total sales and collected tax. Be aware that Colorado sales tax filings and special event sales tax filings may follow different processes and due dates.

- **Use Tax:**

If taxable property is purchased outside Colorado for resale or use and then sold or used within Colorado, vendors may owe use tax.

Legal Responsibilities Summary

- Register for a **sales tax license** and/or a **special event sales tax license before** engaging in taxable sales.
- Collect the **correct sales tax** at each sale location.
- Maintain accurate, detailed records of sales and taxes.
- **File** sales tax returns **timely** and remit the taxes collected.
- **Display your license** at your place of business or event.

***In Colorado, sales tax is legally required on taxable sales**, regardless of the payment method—cash, credit, or debit. Informing customers that they can avoid paying sales tax by paying cash is considered fraudulent and can lead to severe penalties or legal consequences for the seller.

Sales tax laws mandate that vendors must collect and remit the correct sales tax on taxable sales, and any attempt to circumvent or deny this obligation is illegal. Vendors are responsible for accurately collecting sales tax regardless of how the customer pays.

Key Point:

- It is illegal and unethical to advise customers that they can avoid sales tax because of the payment method.
- Doing so can result in fines, penalties, or criminal charges for tax evasion.
- It's always best to comply with all applicable laws and to clearly inform customers that sales tax is included in the price or will be added at checkout.

***Failure to comply** with your legal responsibilities can result in penalties, interest, and legal actions. Always verify your specific requirements with the Colorado Department of Revenue or a qualified tax professional.

Sales Tax Licenses

How Does it Apply to Applewood Arts Festivals Vendors?

Who needs it:

Everyone! Crafters, makers, food vendors, anyone who sells tangible property or certain services subject to sales tax. *Food vendors, depending on the food type, whether selling prepared or packaged food may require additional licenses or certifications (e.g., food handler permits).

Applewood Arts requires that each vendor has a valid sales tax license prior to being able to sell at each event. Additionally, a representative from the Colorado Department of Revenue typically visits the events to check for valid sales tax licenses for vendors selling taxable items. This enforcement visit is to ensure compliance with state laws and prevent unlicensed vendors from selling taxable goods.

MAKE SURE YOU HAVE YOUR SALES TAX LICENSES!

Sales Tax License vs Special Event License/Temporary Sales Permit

Based on your circumstances, you'll need to identify which sales tax licenses are necessary for you to participate in an event. Below is a summary highlighting the key differences and requirements between a standard Sales Tax License and a Special Event License.

State Sales Tax License:

- The Colorado sales tax license is tied to the business owner's primary address or place of business.
- If you have a permanent storefront or business location in Colorado, your sales tax license is registered to that address.
- For mobile vendors, makers, or crafters without a fixed storefront, you may still need to register your business address or location where sales are conducted regularly.
- **Note:** If you sell at multiple locations, some local jurisdictions may require additional local permits or licenses tied to those specific locations.

Special Event License:

- This license is **specific to a location and date**—generally tied to the event venue or local jurisdiction where the event is held.
 - If you participate in multiple events across different areas, you may need a separate special event license for each location unless the event organizer has granted a blanket license or permit.
 - The license is typically valid only for the duration of the event and is not a substitute for a permanent sales tax license unless you have a fixed place of business.

Summary Chart - State Tax License vs Special Event License

Feature	State Sales Tax License	Special Event License
Purpose	Permits ongoing, general retail sales of taxable goods/services	Allows vendors to sell at a specific event temporarily
Duration	Valid for ongoing business operations	Valid only for the duration of the event or specific dates
Scope	Required for any permanent, ongoing sales of taxable goods	Typically limited to event-related sales, may be jurisdiction-specific
Application	Filed with Colorado DOR (online or in person)	Obtained thru Colorado DOR (online or in person)

When Do You Need a Special Event License?

- You are **participating in a temporary event or market** where you will be selling taxable goods or services, **and you do not have a permanent business location**.
- The event organizer **does not provide a blanket or temporary license** covering all participants, requiring each vendor to obtain their own.

- You **are selling in a jurisdiction** where a local permit or license is required, in addition to the state license.
 - The event **takes place outside your usual business location** or in a different city/county each time, making registration at each venue necessary.
 - **Selling at fairs, festivals, farmers markets, craft shows, or other temporary events** where local and state licensing statutes apply.
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How to Apply for a Special Event License

If you plan to sell goods at a special event, you will need to obtain a Special Event License in advance of the event. To apply for a Special Event License, download the [Special Event Sales Tax Application for Single or Multiple Events \(DR 0589\(opens in new window\)\)](#). **Submit the completed application, applicable fees, and a copy of your government-issued photo ID to the Colorado Department of Revenue.**

Be sure to retain a copy of your completed Special Event Sales Tax Application for your records. This copy will serve as your temporary license until you receive your official license.

Fee Schedule for Single or Multiple License

License Type	Fee Amount
Single Event License	\$8.00 per event
Multiple Event License	\$16.00 (last 2 years)
Special Event License When Business Already Obtained a Standard Sales Tax License	\$0.00 (no charge)

Important:

- Registration is mandatory before conducting taxable sales in Colorado.
 - Local requirements vary by city or county; some jurisdictions may have additional licensing or permit requirements.
 - Always check with local authorities or event organizers before selling, as rules and requirements can vary widely across jurisdictions.
 - If you plan to sell at multiple events or locations, it's often easier to have a permanent sales tax license and inquire whether you need a temporary or special event permit for each event. And consider obtaining a multiple special event license.
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Colorado Sales Tax Resources

A great resource for Colorado sales tax information is the official Colorado Department of Revenue and Colorado Department of Revenue (CDOR) websites, which provides comprehensive guidance on registration, collection, filing, and applicable laws.

- <https://cdor.colorado.gov/>
- [https://www.colorado.gov/revenueonline/ /](https://www.colorado.gov/revenueonline/)

These sites include detailed information on:

- How to register for a sales tax license
 - Guidelines for collecting and remitting sales tax
 - Filing and payment instructions
 - Special event and temporary permits
 - Local tax jurisdictions
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