

Instructions for Tax Exemption Affidavits

Page 1: "Affidavit of Exempt Event"

Please read the Affidavit of Exempt Event form carefully. The following may help clear up any questions:

Basis of Exemption Choice: Charitable, or Governmental?

Charitable organizations need to have a letter from the City and County of Denver to be exempt. Otherwise, they must pay the local taxes of 11.75%.

Statement 1: True(YES) or False(NO)?

Statement 2: True(YES) or False(NO)?

If the funds for the rooms/event is being paid DIRECTLY from the exempt organization's funds and is being billed DIRECTLY to the organization, then it is okay to mark true. ***If an individual pays, and then that individual is reimbursed, then you must mark FALSE.***

Statement 3: True or False?

The exemption is *not* allowed if ANY participants contributed to the cost of the rooms or the event. You may mark true on statement 3 only if NO outside contributions were made.

Page 2: Standard Municipal Home Rule Affidavit of Exempt Sale

This affidavit is very straightforward. You only have to fill out **one** section of the form in regards to payment depending on which applies to your organization. Then complete the Purchaser Information section. Seller Verification is for the Hotel Only. **If none of these statements on the affidavit apply to the form of payment that you are using, then we cannot exempt taxes. Please refer to page 3 for instructions.**

FEDERAL CREDIT CARDS

Travel Cards. Travel cards may be either a VISA or MasterCard, will be outlined in blue, will have a background picture of an airplane and a flag, and will be identified as being for official government travel only. For these cards, the 6th digit on the card must be examined.

If the 6th digit is a 0, 6, 7, 8, or 9, the card is billed directly to the governmental agency, so purchases made using these cards are exempt from Denver tax. If the 6th digit is a 1, 2, 3, or 4, the card is billed individually, so the purchases made using these cards are not exempt from Denver tax.

Please include a contact name, phone number, and an email address with the exemption request. **We must have a copy of the exempt organization's state issued tax-exempt certificate. The hotel needs to receive your request at least 7 days prior to arrival.** If we don't, we may be unable to process the exemption before your check out date. If we cannot exempt the taxes, the exempt organization may request a refund from the state, and from the City and County of Denver, separately. We have those forms available upon request. If you have any questions or concerns, please feel free to contact our Front Office management team at 303.436.1234 ext 50, or the City of Denver, Treasury Division, Tax Compliance, Audit Unit 720-913-9318 or via email at taxauditadmin@denvergov.org.

Please send completed requests to fax # 303-486-4540.



Affidavit of Exempt Event

This form is used by Denver exempt organizations to claim exemption from Denver sales, use or lodger's tax for an event held at a Denver hotel, motel or other event venue. The vendor (hotel, motel or restaurant) is required to maintain a completed form for each tax-exempt sale pertaining to the stated event.

Furnish this form to the seller. Retain this completed form for your records.
DO NOT RETURN TO THE DENVER TREASURY DIVISION UNLESS REQUESTED.

Organization/Agency Information			
Legal Name of Organization or Agency _____	Website _____		
Authorized Representative _____	Phone _____		
Address _____	City _____	State _____	Zip _____
Event Information			
Name of Event _____	Date of Event _____		
Description of Event _____			
Exemption Information			
The exemption does not apply to food, beverage or lodging where the recipient of the food, beverage or lodging reimburses the organization in any way, such as by the purchase of a ticket, payment of a fee, or making an involuntary contribution.			
Basis of Exemption <input type="checkbox"/> Charitable <input type="checkbox"/> Governmental			
ALL OF THE STATEMENTS BELOW MUST BE TRUE FOR THE PURCHASE TO QUALIFY FOR TAX EXEMPTION			
Indicate if all of the following statements are true for this event:			
<input type="checkbox"/> Yes <input type="checkbox"/> No	The purchase is included under, and is part of, the regular charitable functions and activities of the organization, or is purchased in a governmental capacity.		
<input type="checkbox"/> Yes <input type="checkbox"/> No	The transaction is billed directly to the organization and payment is made directly from organization funds. (Purchases of food or lodging by individuals do not qualify for the exemption even though the individual will be reimbursed by the organization or government.)		
<input type="checkbox"/> Yes <input type="checkbox"/> No	The participants at the event have not and will not reimburse the organization in any way for the event such as by purchase of a ticket, payment of a registration fee, or by making an involuntary contribution.		
Purchaser Information			
Under penalty of perjury, I swear or affirm that the information on this form is true and correct as to every material matter. I affirm that the items purchased tax-exempt will be used for official business of the above-named organization or agency. I accept that I remain directly liable for the taxes and any applicable penalty or interest if my purchase is found to not qualify for the exemption or if the information asserted in this form is deemed fraudulent.			
Purchaser's Signature _____		Date _____	
Print Name _____	Driver's License # _____	State _____	

For Use by Hotel/Motel/Restaurant or Other Vendor to Verify Exemption

This form should be completed in its entirety and retained, together with a completed "Standard Municipal Home Rule Affidavit of Exempt Sale" form and customer's letter of Denver exemption (issued to charitable organizations) for a minimum of four years to assist in documenting an exempt transaction.

Employee's Signature _____ Date _____

Denver Exemption Verified By _____
(Employee's Printed Name)



Standard Municipal Home Rule Affidavit of Exempt Sale

This form is provided by home rule municipalities within the State of Colorado to record supporting information for any transaction on which an exemption from tax is claimed. The form is maintained by the seller for tax-exempt sales.

Furnish this form to the seller. Do not return this form to the taxing jurisdiction.

Purchase Details

Purchase for resale - or - Purchase for wholesale (Qualifications may vary by jurisdiction – see instructions)

State license number (not FEIN number): _____ Expiration _____
 Local license number (if applicable): _____ Issuing municipality: _____
 I affirm items purchased are for resale/wholesale in the ordinary course of business. Initial _____

Purchase by charitable organization (Exemptions may vary by jurisdiction)

State tax-exempt number (not FEIN number): _____
 Local tax-exempt number (if applicable): _____ Issuing municipality: _____

Payment information (required to meet one of the following):

- Paid by cash and accompanied by a purchase order from the organization
- Paid by check drawn on funds of the exempt organization
- Paid by purchasing card bearing information of the exempt organization
 The embossed name of the card is: _____
- Paid by commercial card not a personal credit card - card's last four digits: _____

Purchase for federal, state, or local government

Credit card number (first six and last four only): _____ - _____ XX-XXXX - _____

Federal government (payment information – required to meet one of the following):

- GSA SmartPay3 card – fleet card with picture of a road
- GSA SmartPay3 card – purchase card with picture of an eagle
- GSA SmartPay3 card – travel card with picture of an airplane
- GSA SmartPay3 card – tax advantage card with picture of a hotel and car
- GSA SmartPay3 card – integrated card with picture of a globe

State and local government (payment information – required to meet one of the following):

- Paid by cash and accompanied by purchase order issued by the government agency
- Paid by check issued by and drawn on funds from the government agency
- Paid by government purchase card as designated on the card
 State tax-exempt number printed on the card (Colorado only): _____
 Check if the card states "for official state use only" or "tax exempt"

Purchase for foreign and diplomatic exemptions (required to meet the following):

- Purchaser presents a state department issued card with the name/photo of the bearer on the card.
 If presented with this card, documentation of form of payment is not required (excluding mission card).

Other qualified exemption

Nature of exemption: _____ Exempt number: _____

Purchaser Information

Legal Name of Company/Organization/Agency Name			Purchaser Name (Printed)	
Address		City	State	Zip + 4
Phone	State / Driver License #	Description of Normal Course of Business		

Under penalty of perjury, I swear or affirm that the information on this form is true and correct as to every material matter. I affirm that the items purchased tax-exempt will be used for official business of the above-named organization or agency. I accept that I remain directly liable for the taxes and any applicable penalty or interest if my purchase is found to not qualify for the exemption or if the information asserted in this form is deemed fraudulent.

Signature	Date
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Seller Verification

Seller Name	Location #	Date	Transaction ID	Employee ID# / Initials
Description of Items Purchased or Attach Duplicate Receipt/Invoice				Exempted Amount of Purchase



Instructions for Standard Municipal Home Rule Affidavit of Exempt Sale

These instructions are specific to the jurisdiction in which this purchase has been made. Qualifying for an exemption may be different for each jurisdiction, and these instructions are not intended to set forth the requirements of any jurisdiction other than the one indicated.

General Instructions

Purpose of Form

This form is used to certify to sellers that a purchase qualifies for exemption under DRMC 53-26, DRMC 53-97 & DRMC 53-172.

For Sellers, accepting and keeping this document helps you obtain correct information about the purchaser, which helps you prove this is an exempt sale during a tax audit.

For Purchasers, completing this document and giving it to seller helps to speed up your purchase process.

Reminders

Furnish to seller. This form should be furnished to the seller charging the tax. Do not send this form to the taxing jurisdiction. This form is not for organizations to request certification of their tax-exempt status.

Direct payment required. Purchases must be billed to and paid directly by the funds of the organization or agency in order to qualify for exemption. Payment in cash (without a purchase order) or by personal check or personal credit card disqualifies a purchase from exemption even if the purchaser is subsequently reimbursed. Purchases made on credit cards issued by the organization, but where the cardholder receives and pays the bill and is subsequently reimbursed, also do not qualify for exemption.

Reimbursement disqualifies exemption. If the organization or agency will be reimbursed, in whole or in part, the purchase is disqualified from exemption. For example, the purchase of food for a banquet for which the organization sells tickets as a fundraiser would not qualify for exemption.

Disputed tax must be collected. If there is a dispute between the purchaser and the seller as to whether tax applies, DRMC 53-42, DRMC 53-110 & DRMC 53-180 **requires** the seller to collect the tax. The seller must give the purchaser a receipt showing the tax collected. The purchaser may apply to the applicable municipality directly for a refund by filing a *Claim for Refund* form.

Signature required. The individual making the purchase must sign and date the form at the bottom. A separate affidavit may be required for each transaction. General purchaser or store information may be completed in advance and kept on file by the seller or purchaser for ease of use.

Purchaser Instructions

Purchase details. Identify the accurate qualified exemption reason and complete the required information for that exemption.

Purchaser information. Print the legal name of the organization or agency. Governmental agencies should include both the name of the government and the department or agency, for example, US Department of Transportation, Colorado Department of Education, or Adams County Human Services. Abbreviations such as "Dept." are acceptable but **do not use acronyms**. List the organization's or agency's mailing address, municipality, state, and zip code.

Expedite purchase. Purchase details and purchaser information may be completed in advance and the partially completed form kept on file by the purchaser for completion at time of each transaction.

Declaration of affiant. The individual making the purchase on behalf of the exempt organization or agency (the affiant) must complete the declaration.

Signature. You are swearing, under penalty of perjury, to the accuracy of the statements made in this affidavit. Carefully read and ensure that you understand each item before signing this affidavit. After reviewing the form for accuracy, sign and date the form. Furnish this form to the seller. Do not send a copy to the municipality.

Seller Instructions

Sellers have the burden of proving that a transaction was properly exempted. If an exemption is subsequently disallowed by the municipality, you (the seller) could be liable for the tax plus penalties and interest. This form is provided to help you determine if a sale qualifies for exemption. The sale is not exempt from taxes simply because this affidavit is completed. The responsibility for proper collection of taxes remains with the seller. You are encouraged to obtain this form for each transaction and complete all of the information in the lower *Seller Verification* section.

Resale/Wholesale transactions. To qualify as an exempt purchase for resale or wholesale, the items purchased must be reasonably deemed to be for sale in the ordinary course of business of the purchaser. For resale/wholesale transactions the seller is required to not only collect the applicable license information, but to exercise sound judgment and a reasonable amount of skepticism to ensure the items purchased are reasonably for sale in the purchaser's ordinary course of business. For example, a restaurant would not be allowed to purchase dish soap for resale because restaurants do not sell dish soap in the ordinary course of business, but rather use the dish soap in the operation of the business.

The affidavit needs to be completed in its entirety. Be sure information is complete, accurate and legible. Review the information, and particularly verify that the driver's license number and purchaser's name are correct. Also, be sure that the digits that are required from the credit cards are correct. Only record and keep those digits from the credit card that the affidavit requires. The signature of the purchaser should be the same as on the driver license.

Sellers should review guidance on accepting government credit cards. Not all cards qualify for exemption, even though they bear certain of the listed characteristics.

Collection of this form does not provide a safe-harbor from disallowance by the municipality. Retain this form for at least four (4) years.

Jurisdiction Specific Instructions

City and County of Denver Treasury Website.

Please visit www.denvergov.org/treasury for all Tax Guides, Tax Rules, DRMC and other resources.

Constructions Materials. Please see Tax Rule No. 5, "Rules Regarding the Assessment and Collection of Sale and Use Tax on Sales and Use of Tangible Personal Property Acquired by Construction Companies." Contractors are deemed to be the end user of construction materials; there are no exempt construction jobs in Denver.

Charitable Organizations. Denver does not issue exemption numbers for charitable entities. Instead, when granted exemption, they are issued a "Letter of Exemption." A copy of this letter should be retained with this completed affidavit. For further reference, please see Tax Guide No. 10, "Charitable Exemption."

Wholesale/Resale Transactions. In order for a wholesale sale to be valid, the seller must exercise care and good faith to insure the product sold is of a type normally resold, leased, rented, or incorporated as an ingredient or component part of a product manufactured by the buyer and then resold in the usual course of business. It is the seller's responsibility to collect sales tax on any questionable situations. Please see Tax Guide No. 24, "Exemption-Burden of Proof," Tax Guide No. 56, "Manufacturers;" and Tax Guide No. 86, "Wholesales Sales and Wholesale Dealers."

Additional Information. For additional information about the form please review a short video created by The Colorado Municipal League at: <https://youtu.be/mnplbX1lGU>