



## Construction And Contractor Information

Steamboat Springs' construction use tax is levied on all construction materials for use or consumption within the City of Steamboat Springs. This includes all materials, fixtures, fabrication labor, and charges to effect delivery.

Construction use tax is collected through the building permit process. A use tax deposit is paid when a permit is obtained based on estimated materials costs. At the end of the project a reconciliation is completed based on actual materials costs.

A city use tax deposit is computed by taking 50% of the estimated cost of construction times the current rate of tax (if 50% is materials and 50% is labor).

For factory-built housing a city use tax deposit is calculated on 52% of the purchase price. The site work is calculated at 50%.

When purchasing building materials and fixtures, both the General Contractor and its subcontractors should present the vendor a copy of the building permit with receipt showing that a city use tax deposit has been paid. The vendor may then charge only the State rate of 2.9%.

A construction use tax reconciliation must be completed before a Certificate of Occupancy/Certificate of Approval will be issued. Projects can receive a 90-day Temporary CO if all that is left to complete is a reconciliation.

### Reconciliation options available to the Contractor:

**Simplified Use Tax Reconciliation:** based on 50% of the total project cost applying the same calculation used to determine the initial deposit. To receive a refund, a Comprehensive Use Tax Reconciliation must be used.

**Comprehensive Use Tax Reconciliation:** based on actual costs of materials and fixtures including materials used by subcontractors with consideration for purchases on which City of Steamboat Springs sales tax was paid.

### Construction Use Tax Forms & Info

The City Tax Code determines what items are subject to building use tax. This includes building materials, fixtures, fabrication labor and charges to effect delivery.

**Building materials** include any item of tangible personal property that loses its identity to become an integral and inseparable part of the structure, such as but not limited to: bricks, caulking material, cement, conduit, drywall, electrical wiring and connections, flooring, glass, gravel & road base, insulation, lumber, millwork, mortar, paint, pipe & fittings, plaster, roofing, sand, sheet metal, siding, steel, stone, stucco, tile, trim, and wall paper.

**Fixtures** are items which are accessory to a building and do not lose their identity when installed, such as but not limited to: awnings & venetian blinds, boilers, burglar & fire alarms, cabinets, carpeting, conveying units, counters, electronic integration systems,

elevators, furnaces, heating & AC units, hoists, lighting fixtures, plumbing fixtures, and signs.

**Fabrication labor** is taxable and includes any operation or series of operations which change the form, state, or composition of tangible personal property. Reasonable charges for installing tangible personal property may be excluded from the taxable purchase price if separately stated.

**Transportation and other charges** to effect delivery of tangible personal property to the purchaser are taxable. Items on which City sales tax should be charged by the vendor include appliances and furniture, equipment rentals, consumables (sandpaper, masking tape, etc.), small tools (drill bits, saw blades, etc.), landscaping materials, and fencing.

Per Sec. 22-197(2)(d) of the Steamboat Springs Municipal Code, nothing shall preclude the City from performing an audit of the construction costs to ascertain the actual tax liability for construction materials.

Per Sec.22-105(b)(2) of the Steamboat Springs Municipal Code, use tax reconciliations and associated documents are confidential and no information relating thereto can be disclosed.

This information is not binding on the City of Steamboat Springs, nor does it replace, alter or supersede the Steamboat Springs Revised Municipal Code.