

Grand Junction Sales and Use Tax FYI

Sales by Out-of-City Retailers

The City of Grand Junction Sales Tax Ordinances levies sales tax upon all sales, purchases, and leases of tangible personal property, unless specifically exempt, by persons engaged in business in the City of Grand Junction. Persons engaged in business in the City of Grand Junction must collect and remit the City's sales tax on all taxable transactions.

Engaged in business in the City means performing or providing services or selling, leasing, renting, delivering, or installing tangible personal property for storage, use, or consumption within the city. "Engaged in business in the City" includes, but is not limited to, any one of the following activities by a person:

- (1) Directly, indirectly or by a subsidiary maintains a building, store, office, salesroom, warehouse, or other place of business within the City;
- (2) Sends one or more employees, agents or commissioned salespersons into the City to solicit business or to install, assemble, repair, service or assist in the use of its products, or for demonstration or other reasons;
- (3) Maintains one or more employees, agents or commissioned salespersons at a location within the City;
- (4) Owns, leases, rents or otherwise exercises control over real or personal property within the City; or
- (5) Makes more than one delivery into the City within any 12-month period. (*Sec. 3.12.020*)

When an out-of-state retailer does not collect City sales tax on the sale of taxable, tangible personal property, the owner and end user of the tangible personal property must pay use tax directly to the City of Grand Junction. Use tax is a supplement for sales tax, and a use tax liability occurs when sales tax has not been paid to the vendor at the time of purchase. Use tax is remitted to the city by the person storing, using, distributing, or consuming the tangible personal property or taxable services. Use tax is a complement to sales tax, and its purposes are to equalize competition between in-city and out-of-city vendors and lessors of tangible personal property and services and to eliminate incentives for city residents to leave the city to purchase or lease tangible personal property and taxable services.

GJ FYIs are intended to provide general information concerning tax topics. Although the GJ FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the City of Grand Junction, nor does it replace, alter, or supersede the City of Grand Junction Ordinances or Resolutions.

The City of Grand Junction is a Home Rule City. This information is obtained from the City's sales and use tax laws and regulations. To view the City's Sales and Use Tax Ordinance and other sales and use tax guides and forms, please visit "Sales, Use and Lodging Taxes" at: www.gjcity.org.

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