

**CITY OF GOLDEN  
FINANCE DIRECTOR  
ADMINISTRATIVE DIRECTIVE REGARDING INTERPRETATIONS OF THE  
GOLDEN SALES AND USE TAX CODE REGARDING CONCESSION STAND  
TAXES**

Unless specifically exempted, the City of Golden imposes a sales/use tax on the sales/use of "food, prepared food, or food for immediate consumption." With respect to the sale of food at a "Concession Stand" the following interpretations shall be utilized to determine whether the Retailer may elect to include sales tax in the purchase price under Chapter 3 of the Golden Municipal Code:

Definition: A Concession Stand is defined as a mobile cart, food sold at a special event<sup>1</sup>, food sold at Splash Aquatic Park, mobile food services at Fossil Trace, and food sold at a live sporting event.

If the Retailer is operating a "Concession Stand" as defined above, the Retailer may elect to include the Sales Tax in the purchase price if the menu clearly states that all sales tax is included in the price or indicates the amount of sales tax paid in the total price. For example, if the purchase price is \$1.50, the menu must clearly state that all sales tax is included or break out the price as follows:

Price: \$1.50  
*included tax: \$0.10*

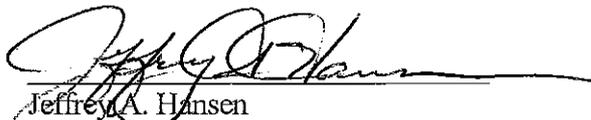
If a retailer elects to include tax in the total purchase price, the actual taxable purchase price is calculated by dividing the purchase price by 1+total tax rate. For example, the total combined sales tax rate on food for immediate consumption in the City of Golden is 7.2%. The following calculation would be used to determine the taxable purchase price of an item sold for \$1.50:

$$\$1.50/1.072 = \$1.40 \text{ (rounded)}$$

To determine the included tax, subtract the Total Sale Price from the taxable Purchase Price of the food:

$$\$1.50 - \$1.40 = \$0.10$$

Sales tax due to the City of Golden should be calculated on the total taxable sales at the Concession Stand by using the above methodology.

  
Jeffrey A. Hansen  
City of Golden Finance Director

Approved this 21<sup>st</sup> day of October, 2004

<sup>1</sup> Chapter 3 of the Golden Municipal Code requires Retailers to obtain a Special Event Tax License. This interpretation does not alter the requirements for a Retailer to obtain a sales tax license when participating in a Special Event.