



City of
Golden

FINANCE DEPARTMENT
SALES TAX DIVISION

911 10TH ST
GOLDEN, CO 80401
303-384-8000
CITYOFGOLDEN.NET

**CITY OF GOLDEN
FINANCE DIRECTOR**

ADMINISTRATIVE DIRECTIVE REGARDING COMPLIMENTARY ITEMS TO LODGING SERVICES

With respect to complimentary items provided in lodging facilities, the following shall be utilized to determine taxability under Chapter 3.03 of the Golden Municipal Code. Complimentary items include but are not limited to breakfast included in room rate, coffee bars/snacks not sold separately from the room, free wireless/internet service, and other amenities/services included in the room rate.

Definitions:

Lodging services means the furnishing of rooms or accommodation by any person, partnership, association, corporation, estate, representative capacity or any other combinations of individuals by whatever name known to a person who for a consideration uses, possesses, or has the right to use or possess any room in a hotel, inn, bed and breakfast residence, apartment hotel, lodging house, motor hotel, guesthouse, guest ranch, trailer coach, mobile home, auto camp, or trailer court and park, or similar establishment for a period of less than 30 days under any concession, permit, right of access, license to use, or other agreement, or otherwise.

Use means the exercise, for any length of time by any person within the City of any right, power or dominion over tangible personal property or services when rented, leased or purchased at retail from sources either within or without the City from any person or vendor or used in the performance of a contract in the City whether such tangible personal property is owned or not owned by the taxpayer. Use also includes the withdrawal of items from inventory for consumption.

Use tax means the tax paid or required to be paid by a consumer for using, storing, distributing or otherwise consuming tangible personal property or taxable services inside the City.

Wholesale sales means a sale by wholesalers to retailers, jobbers, dealers or wholesalers for resale and does not include a sale by wholesalers to users or consumers not for resale; latter types of sales shall be deemed to be retail sales and shall be subject to the provisions of this chapter.

Wholesaler means any person doing an organized wholesale or jobbing business and selling to retailers, jobbers, dealers or other wholesalers, for the purpose of resale, and not for storage, use, consumption, or distribution.

3.03.030 - Transactions subject to tax.

(b) The use tax levied by subsection 3.03.010(b) shall apply to the purchase price for the privilege of using, storing or consuming inside the city the following:

- (1) Tangible personal property, services and rights for all items described in subsection 3.03.030(a) above, acquired by purchase, license, lease or rental without payment of the sales tax.
- (2) Tangible personal property purchased at wholesale or component parts purchased for manufacture which are subsequently used by the taxpayer, either personally or in business, including, but not limited to, goods given as samples or prizes for purposes of promoting business, sales or goodwill by persons engaged in business in the city.



City of
Golden

FINANCE DEPARTMENT
SALES TAX DIVISION

911 10TH ST
GOLDEN, CO 80401
303-384-8000
CITYOFGOLDEN.NET

Directive:

All businesses providing lodging services in the City (including hotels, bed and breakfasts, and residential properties rented through Airbnb, VRBO, or any other means) must be licensed with the City for sales and use tax. Sales tax must be collected as designated by the City of Golden Municipal Code. Use tax should be remitted on the cost of complimentary items that are provided with lodging, such as breakfasts, snacks, wireless and internet services (including the equipment to provide such services), etc., unless tax is collected by the vendor.

If a lodging vendor does not pay sales tax when they purchase items which will be provided at no charge to guests, then the lodging vendor must remit use tax to the City.

Examples:

1. A hotel provides a free or complimentary breakfast to anyone staying at the hotel. In purchasing their food items to provide the breakfast, the vendor does not charge tax or does not charge the correct amount of tax. Use tax would be due by the hotel on these purchases.
2. A hotel provides free internet access to all hotel guests. The cost of the equipment as well as the cost of the service is taxable. If the vendors do not collect sales tax, use tax would be due on these transactions. If the hotel provides internet service to guests at a fee, which is separately stated on the guest's bill, sales tax would need to be collected and remitted on the amount charged to the guest. If the hotel charges guests for internet access, and collects and remits tax on the transaction, the hotel's purchase of internet service from the internet provider would be considered a wholesale transaction.

Jeffrey A. Hansen

City of Golden Finance Director

Approved this 14th day of March 2018