

DEPARTMENT OF REVENUE

Division of Motor Vehicles – Title and Registration Section

1 CCR 204-10

RULE 30. RULES AND REGULATIONS CONCERNING THE PAYMENT OF SPECIFIC OWNERSHIP TAXES ON VEHICLES DESIGNATED AS CLASS B OR CLASS C PERSONAL PROPERTY WHICH ARE RENTED TO OTHERS

Basis: The statutory bases for this regulation are 42-1-204, 42-3-107(11) and 42-3-107 (12) CRS.

Definitions

1. Owner - Any person, firm, corporation, or other business entity who owns vehicles which are based in Colorado for rental purposes and whose primary business is the rental of such vehicles for periods of less than forty-five days, including renewals.

Requirements of Vehicle Rental Companies

1. Only vehicles rented for periods of less than forty-five (45) days may pay specific ownership tax by the 2% payment method. Lease vehicles may not be included in this program.
2. The owner shall submit the completed forms for Authorization Request and the Permit to Collect Sales Tax on a Rental or Lease Basis, to the authorized agent in the county where the vehicles are rented.
3. The Authorization Request shall include the name of the vehicle owner and the name of the rental company if they are different. The name of the rental company shown on the Authorization Request must be the same as it appears on the form, Permit to Collect Sales Tax.
4. The owner shall renew the Authorization Request annually. Failure to renew the Authorization Request annually will result in the cancellation of the owner's right to pay specific ownership tax by this method. Cancellation will require specific ownership tax to be paid by the regular procedure as defined in 42-3-107 (8) & (10).
5. The owner, upon receiving authorization approval from the County Motor Vehicle Office, shall collect from the user of a rental vehicle the specific ownership tax in an amount equivalent to 2% of the amount of the rental payment, or portion thereof, which is subject to the imposition of sales tax pursuant to the provisions of Part 1 of Article 26 of Title 39, C.R.S. Such specific ownership tax shall be collected on all vehicles owned by the owner which are rented from a place of business in Colorado.
6. Any owner collecting ownership tax using the 2% method shall title and register vehicles in the county where the vehicles are initially assigned for rental.
7. The owner shall, no later than the twentieth (20th) day of each month, submit the Monthly Vehicle Rental Report, together with the remittance of all taxes collected for the preceding month, to the County Motor Vehicle Office in the county where the vehicles are

rented. In addition, the owner shall submit a copy of the Monthly Vehicle Rental Report and the Combined Retail Sales Tax Return, to the Colorado Department of Revenue, Taxpayer Service Division, 1375 Sherman St., Denver, CO 80261.

8. The owner shall indicate monthly on the Monthly Vehicle Rental Report, all rental vehicles of the owner, rented from a place of business in Colorado, regardless of whether those vehicles were rented during the preceding month.
9. The owner shall report monthly, all vehicles that were sold, either by them or through consignment to an auction company, and indicate name and address of purchaser.
10. No credit shall be allowed for 2% specific ownership taxes previously submitted.
11. If the owner is found to have failed to remit the specific ownership taxes within the established time frames, or to comply with these rules and regulations, the County Clerk shall cancel the owner's right to collect taxes in this manner as defined in 42-3-107 (11) (d), and may collect delinquent taxes as defined in 42-3-107 (20).
12. In addition, failure by the owner to pay taxes as required by law may also subject the owner to a penalty as required in C.R.S. 42-3-111.
13. Any owner that is cancelled from this program may no longer pay ownership taxes by the 2% method anywhere in Colorado and will be required to pay specific ownership taxes by the regular procedure as defined in 42-3-107 (8) & (10).