

City of Colorado Springs

Tax Guide

Freight and Delivery

CS CODE SECTION

2.7.104 Words and Phrases:
Engaged in Business
Purchase or Purchase Price
2.7.311, 2.7.312, 2.7.409,
2.7.419, 2.7.431

The Tax Guide provides an overview of specific subject matter and is not intended to be substituted for the full text of the City of Colorado Springs Tax Code

01/2019

Question? email us at:
salestax@springsgov.com

Taxable Delivery Charges

Freight, transportation, shipping, and other charges which affect the delivery of tangible personal property or taxable service from the seller to the consumer or purchaser is subject to city sales tax. Methods of delivery may include but are not limited to, the use of a common carrier, private carrier, electronically, or delivered by the sellers own vehicles.

When tangible property is sold and delivered "F.O.B destination," the tax shall be computed on the total amount, even if the delivery fee is separately stated on the invoice or charged separately.

Additional charges associated with the delivery of the tangible property imposed by the seller, such as handling fees, hazardous fees, fuel surcharges, or other added fees are also subject to city tax.

Transportation or delivery costs associated with the delivery of tangible property delivered outside the City are taxable if the property is intended to be brought back inside the City for use, storage, or consumption.

Taxation of tangible personal property may not be avoided when the tangible property is physically picked up inside the City, and only the packaging material is delivered outside of the City.

Non Taxable Delivery Charges

When tangible personal property is sold and delivered "F.O.B. shipping point" and the purchaser at that time assumes the risks of ownership, and transportation costs do not appear on the seller's invoice, the cost of transportation paid by the purchaser to the carrier is not subject to city tax.

Delivery charges for items shipped outside of the City, with the condition that the person permanently resides outside the City and uses or consumes the tangible property outside the City, are exempt from city tax.