



Notice: Local Tax Jurisdiction Nexus for Leased Property

posted Feb 10, 2015, 12:15 PM by DOR.TaxInfoEmail

The Colorado Department of Revenue is revising guidance on the collection of local sales and use taxes on leased tangible personal property.

Unlike mere delivery of goods by a common carrier into a jurisdiction, a lessor who leases property on a continuous basis in a local jurisdiction has a substantial business presence within that local jurisdiction. For a more detailed discussion of this issue, see General Information Letter [GIL-14-013](#). The department will apply this new guidance to leases made or renewed on or after July 1, 2015.

In a previous version of FYI Sales 56, the department stated that leased property within a local jurisdiction was not a business presence for purposes of nexus. As part of its on-going review of FYIs and other publications, the department reviewed this guidance and determined that it does not reflect Colorado statutes or contemporary legal precedence regarding nexus.

For information about setting up a local tax jurisdiction account, see the Colorado Taxation general information Web site, www.TaxColorado.com and view [Sales Tax | Account/ License](#), Add Locations (Sites) to Your Sales Tax Account: <https://www.colorado.gov/pacific/tax/sales-tax-account-license>