*TAXPAYER SERVICE DIVISION*

# *FYI – For Your Information*

## *Priority - Credit For Tax Paid Other State*

When a construction contractor has purchased building materials in another state that are resold in this state, that are manufactured into other building components that are resold in this state, that are installed into a construction project in this state, or that are placed in inventory and then withdrawn for one of those other three uses at a later time, a credit against sales or use tax owed to this state up to the amount of tax owed shall be allowed as follows:

a) for sales tax paid upon the initial purchase of building materials in the other state;

b) for use tax paid upon the withdrawal of the building materials from inventory in the other state

See also Special Regulation 10.1 "PRIORITY - CREDIT FOR TAX PAID OTHER STATE."
This Special Regulation is located on the Web at *www.taxcolorado.com* under "Publications/Resources" then "Regulations."

***FURTHER INFORMATION***

FYI and commonly used forms are available on the Web at *www.taxcolorado.com*

For additional tax information visit the "Tax Information Index" at *www.taxcolorado.com*

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightfoward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.

Colorado Department
of Revenue
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Assistance:
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*www.taxcolorado.com*