

FYI – For Your Information

Sales Tax on Bingo Equipment

GENERAL INFORMATION

The sale of "equipment" to a bingo-raffle licensee is exempt from Colorado sales tax and use tax. [§39-26-720 C.R.S.] It is also exempt from state-collected sales taxes levied by cities, counties and special districts (such as RTD). [§29-2-105, C.R.S.] This FYI does not address the local taxes of self-administered home rule cities. You must contact a home-rule jurisdiction to obtain its tax regulation to determine whether or not equipment is taxable in a particular locality.

EXEMPTION REQUIREMENTS

There are two requirements to qualify for this exemption. First, the sales must be to a valid bingo-raffle licensee that has been issued a license by the Colorado Secretary of State. Second, property sold must meet the definition of "equipment."

EQUIPMENT DEFINED

Equipment is defined as: The receptacle and numbered objects drawn from it, the master board upon which such objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the board or signs, however operated, used to announce or display the numbers or designations as they are drawn, public address systems, and all other articles **essential** to the operation, conduct, and playing of bingo or lotto; or, with respect to raffle implements, devices and machines designed, intended, or used for the conduct of raffles and the identification of the winning number or unit and the ticket or other evidence or right to participate in raffles. [12-9-102(5) C.R.S.]

ADDITIONAL INFORMATION

Bingo is a service, and bingo operators are considered to be the consumers of their supplies. Therefore, organizations that operate bingo games are taxed on their supplies. [Reg. 39-26-720.1]

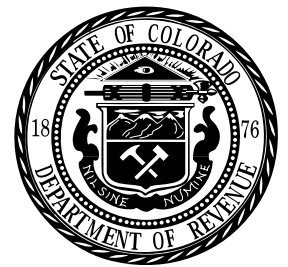
E-SERVICES FOR BUSINESS

The following services are accessible at www.taxcolorado.com under "Online Services."

Electronic Payment (EFT). Businesses can make payments on the Internet or by telephone. Register to make Electronic Payment via our no-cost ACH debit service. See Form DR 5785 "Electronic Payment Authorization" to sign up.

Sales Tax ZeroFile - Safely and easily file a Colorado Sales Tax Return (Form DR 0100) for state and state-collected local sales tax when you have zero net sales (line 3 of form DR 0100) and no sales tax due. Any filing period type (monthly, quarterly, annually, and seasonal) is eligible. Retailers with only one location and with net sales of zero and no payment due may use this system. There is no need to send a paper form. Also available by calling (303) 205-TAX0 (8290).

Sales Tax Account History - Allows businesses to review their tax account payments back to December 2002. Users will need their account number to obtain a PIN for security purposes.



Colorado Department
of Revenue
Taxpayer Service Division
1375 Sherman St.
Denver, Colorado 80261

Forms and other services:
(303) 238-FAST (3278)
Assistance:
(303) 238-SERV (7378)

www.taxcolorado.com

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The following services are available on the Web under *www.taxcolorado.com* "Sales Tax Information" as well as by telephone at (303) 238-FAST (3278):

Local Sales Tax Rates - A fast way to find sales tax rates for ANY local jurisdiction.

Sales Tax License Verification - Confirm whether a Colorado sales tax license or exemption certificate is valid. If you have a sales tax license or exemption certificate number, you can find this information quickly.

Retailers' Sales Tax Rates - Check on the sales tax rates at your specific business location(s).

FURTHER INFORMATION

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

For additional sales 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 straightforward 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.