

# FYI – For Your Information

## Motor Vehicle Daily Rental Fee

**NOTE:** All links to DOR forms referenced in this document require you to have the free Adobe Acrobat Reader software.

### GENERAL INFORMATION

Effective July 1, 2009, daily rentals of motor vehicles used to transport persons or property are subject to a \$2.00 fee for each day each vehicle is rented pursuant to §43-4-804(1)(b)(I) C.R.S.

### DEFINITION

Motor vehicle means any self-propelled vehicle which is designed primarily for travel on the public highways and which is generally and commonly used to transport persons and property over the public highways. This includes motor-cycles, motor scooters, cars, trucks, neighborhood electric vehicles, and recreational vehicles(RV's). This does not include motorized bicycles.

### APPLICATION OF THE FEE

This fee is applicable to motor vehicle rentals of less than 45 days. For such rentals the fee applies for each day each vehicle is rented. The fee is paid by the customer and should be separately stated on the rental contract as the Colorado Road Safety Program Fee. This \$2.00 fee should not be included in the amounts subject to state and local sales tax. If a vehicle is separately rented to more than one customer in a given day, the \$2.00 fee should be charged to each customer.

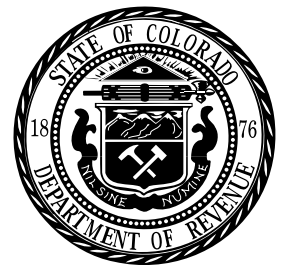
### EXCEPTIONS

Rentals made to the federal government for official use are **not** subject to this fee. The fee does apply to rentals by state and local governments. The fee does apply to rentals made by charitable organizations.

Vehicles that are complimentary are not subject to this fee. For example, vehicles provided at no charge to persons having their car repaired are not subject to this fee.

Rentals made by vehicle share and ride share associations are not subject to this fee under the following conditions:

- (A) Under terms of the arrangement, the organization provides passenger vehicles for the use of members of the organization who have paid a membership fee to the organization and charges an additional fee for each use of a passenger vehicle;
- (B) A member of the organization is not required to enter into a separate written agreement with the organization each time the member reserves and uses a passenger vehicle;
- (C) The average paid usage period for all passenger vehicles provided by the organization during the prior calendar year was six hours or less;
- (D) At least three-quarters of all passenger vehicle rentals made by the organization during the prior calendar year in each municipality or county in which the organization does business were made to members of the organization who maintain a residence within the city or county;



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)

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(E) Fuel and full insurance coverage are included in the member usage rates; and

(F) Passenger vehicles provided by the organization are stationed in self-serve locations throughout the county or municipality in which the organization does business.

### ***FILING REQUIREMENTS***

Collections of this fee are to be reported and paid by the 20<sup>th</sup> of the following month using Form DR 1777. The Department of Revenue will mail forms to those businesses that have indicated they make such rentals. A return must be filed even when no fee is collected for a particular month. Failure to collect and remit this daily rental fee may result in the seizure of the business's rental vehicles.

### ***FURTHER INFORMATION***

FYIs and commonly used forms are available on the Web at [www.taxcolorado.com](http://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 the authority to bind the Department, has not formally reviewed and/or approved these FYIs.