



Tax and Licensing - Frequently Asked Questions

Do I need a business license with the City?

Every person engaged in business in the City of Castle Pines must comply with the City's licensing and tax laws. The City follows the administrative rule for local business licenses promulgated by the State of CO in Senate Bill 22-032. Businesses with a **Physical Presence** in the City must register with the City by obtaining either a City business license or a contractor license. Businesses with **no Physical Presence or only an Incidental Presence** in the City are not required to apply for a City business license but should contact the City to obtain a tax account number to facilitate the remittance of the City's Sales Tax.

Physical Presence means performing or providing services or selling, leasing, renting, delivering, or installing tangible personal property for storage, use, or consumption within the City. Physical presence includes any of the following activities: (A) Directly or indirectly by a subsidiary maintaining a building, store, office, salesroom, warehouse, or other place of business within the City; (B) Sending one or more employees, agents, or commissioned salespersons into the City to solicit business, to install, assemble, repair, service, or assist in the use of its products, or for demonstration or other reasons; (C) Maintaining one or more employees, agents, or commissioned salespersons on duty at a location within the City; (D) Owning, leasing, renting, or otherwise exerting control over real or personal property sales within the City; (E) Engaging in activities within the City that are subject to other business, fire, zoning, or other regulations of the City; or (F) Being subject to taxable privileges other than the requirement to collect sales tax imposed by the City.

Incidental Presence by employees, agents, or commissioned salespersons within the City when not otherwise engaged in the activities set forth in subsections (A) through (F) of the above definition does not constitute physical presence.

What is the fee for a Business License and how long are they good for?

Beginning on October 23, 2023, the City eliminated its imposition of the business license fee for its biennial business license. Business licenses expire on December 31st of the year following the date on which the license is issued.

What is Sales Tax?

Sales tax is a "transaction tax" that is imposed upon the sale, purchase, and lease of tangible personal property and/or taxable services by persons doing business in the City.

What is the Sales Tax rate in the City of Castle Pines, CO?

The City's local Sales Tax rate is 3.75%. The below table provides a breakdown of the total tax rate imposed upon sales that are transacted within the City's taxing jurisdiction:

Taxes Imposed	Tax Rate
City of Castle Pines Tax	3.75%
State of Colorado Tax	2.90%
Douglas County Tax	1.00%
Scientific & Cultural Facilities District Tax	0.10%
Total Tax Rate	7.75%

**Where do I file my company's sales tax return?**

Beginning with sales made in January 2020, your sales tax return must be filed online using the City's online filing portal or the state's SUTS system. Filing online benefits your business by:

- ✓ Saving Money: Avoid late filing fees when you file online by the due date.
- ✓ Saving Time: No need to mail the tax return or visit us in person.
- ✓ Providing a Method for Quick Return Processing: Returns are more efficient when e-filed.
- ✓ Providing Ease of Tax Calculation: The software will calculate how much tax is due.

Can I file my company's Sales Tax return using a paper return form?

The City's Sales and Use Tax Return requires online filing. However, the City may allow exceptions to this requirement, but will impose a \$25.00 paper filing fee per return not filed online via the City's portal.

Do I have the option to file my City of Castle Pines Sales Tax online using the State of CO Sales and Use Tax Software (SUTS) system?

Yes. The City joined the Colorado Department of Revenue Sales and Use Tax Software (SUTS) system to streamline the process for businesses that file returns and pay taxes to multiple cities.

Businesses that collect City sales tax can file returns and pay the tax due to the City using either the City's Direct Online Portal or the SUTS Portal.

When is Sales Tax due?

Sales tax is due 20 days following the end of the reporting period, typically monthly, or the 20th of the following month. If the 20th falls on a weekend or federal holiday, the due date will be observed on the next business day.

What payment options are available when filing or licensing online with the City?

The City accepts payment via ACH Debit on the online portal for licensing and tax payments. The City also accepts ACH Credit payments for Tax payments and you can find the City's ACH Credit Instructions on the City's website. Credit card payments are not currently accepted for payment of taxes.

Does the City charge late fees for tax returns not filed by the due date?

Yes. Tax returns that are not filed and/or taxes not paid by the due date are subject to penalty and interest. Generally, the penalty is 15% of the total tax due and interest is 1.5% per month of the total tax due.

How do I amend my tax return?

If you made an error when filing your return, an amended return must be filed. You may file your company's amended tax return online.

Where can I view a copy of the City's Sales and Use Tax Ordinance?

The City's Sales and Use Tax Ordinance can be found on the City's website.

I am no longer doing business in the City of Castle Pines; how do I close my account/license?

Please complete the Account Closure Form on the City's website.

**How can I update my company's account/license information?**

You can update your company's information by completing the Account Update Form on the City's website.

Who do I contact if I have more questions?

We are happy to answer any questions regarding City taxes and licensing. You may contact our Tax and Licensing Division using the below contact information:

- Email: salestax@castlepinesco.gov
- Phone: (303) 376-3565