



**CITY OF LAKEWOOD  
REVENUE DIVISION**

**SALES AND USE TAX RETURN INSTRUCTIONS**

Updated 11-2010

- Complete taxpayer identification at the top of the tax return, including your **license number**.
- Provide the appropriate reporting period and due date.
- List employment data. (Data is voluntary and used to analyze employment trends in the City of Lakewood only.)
- Follow the steps below to finalize your tax return.
- Submit a signed copy along with your payment to the City of Lakewood's Revenue Department.
- Round amounts under 50 cents down to 0 (zero) cents. Increase amounts from 50 to 99 cents to the next dollar.

<b>LINE 1</b>	Record all sales, both taxable and nontaxable, for the period covered including:  <ul style="list-style-type: none"> <li>• Retail and wholesale sales</li> <li>• Services and labor rendered</li> <li>• Rental and lease receipts</li> <li>• Public Improvement Fees collected</li> </ul> The sales tax return must be consistently filed on either a cash or accrual basis.	<b>LINE 5A</b>	Multiply Line 4 (TOTAL CITY NET TAXABLE SALES AND SERVICE) by 3%.
		<b>LINE 5B</b>	Multiply the room rental receipts included in Gross Sales and Service (Line 1) by 3%.
		<b>LINE 5C</b>	blank line
		<b>LINE 6</b>	Report tax collected in excess of the appropriate combined sales tax rate
		<b>LINE 7</b>	Add Lines 5A, 5B and 6
		<b>LINE 8</b>	blank line
<b>LINE 2A</b>	Report the bad debts collected in this reporting period that were deducted in any previous reporting period.	<b>LINE 9</b>	blank line
<b>LINE 2B</b>	Add lines 1 and 2A	<b>LINE 10</b>	Use tax is due for items that are purchased or leased for the businesses' own use and on which no city sales tax has been paid and no tax exemption exists. Transfer the total purchase price or lease amount from Schedule B (on the bottom of the return) and multiply by 3%.
<b>LINE 3A</b>	Deduct all services that are nontaxable (e.g. labor and professional fees, if separately stated on the invoice). Do not deduct fabrication labor, which is taxable.	<b>LINE 11</b>	Add Lines 7 and 10
<b>LINE 3B</b>	Deduct sales made to other <b>licensed</b> retailers who purchased your merchandise for the purpose of resale to the consumer.	<b>LINE 12</b>	If your return is postmarked after the due date, add a 10% penalty of Line 11 and the appropriate interest rate of 1.2% for 2009 and 1.0% for 2010 & 2011 per month of Line 11.
<b>LINE 3C</b>	Deduct all sales delivered or mailed to a purchaser outside the city limits of Lakewood.	<b>LINE 13</b>	Add Lines 11 & 12
<b>LINE 3D</b>	Deduct uncollected sales that were reported as taxable sales in a previous period. The sales must be "written off" and deemed uncollectible. If bad checks are deducted, only the portion of the returned check attributable to the purchase of taxable goods can be deducted.	<b>LINE 14</b>	Add or deduct any under or overpayment from previous periods on Line 14A or 14B. Please attach the "Estimate of Tax Due/Adjustment" showing the amount due or credit allowed.
<b>LINE 3E</b>	Deduct the value given for goods traded in that will be resold in the usual course of your business.	<b>LINE 15</b>	Add Lines 13 and 14 A & B. Make check or money order payable to the City of Lakewood.
<b>LINE 3F</b>	Deduct all sales of gasoline and cigarettes.	<b>SCHEDULE C</b> (Not applicable to Colorado mills and Creekside retailers)	
<b>LINE 3G</b>	Deduct all sales to <b>qualified</b> exempt organizations. Documents that support the exemption must be kept on file.	<p><b>CONSOLIDATED RETURNS</b> - Businesses operating at two or more locations in the City of Lakewood must obtain a separate sales tax license for each location. However, one consolidated return may be filed upon approval of the Revenue Division. Please request to file a consolidated return with the Revenue Division in writing.</p> <p>Upon approval from the Revenue Division please complete Schedule C of the Sales/Use Tax Return, which details the gross sales and net taxable sales from each location. Each location must have sales reported separately. <b>The City allows filing of consolidated returns as a convenience for the taxpayer, however if the return is not filled out completely and accurately, the privilege may be revoked.</b></p>	
<b>LINE 3H</b>	Deduct the sales that were returned by the purchaser and were reported as taxable sales in a previous reporting period.		
<b>LINE 3I</b>	Deduct all qualifying sales of prescription drugs and prosthetic devices.		
<b>LINE 3J</b>	Deduct any grocery food sales sold for home consumption		
<b>LINE 3K</b>	Deduct any Public Improvement fees that are not subject to sales tax.		
<b>LINE 3L</b>	List any other deductions not listed above	<p><b>NOTE</b> - A sales and use tax return must always be filed for each reporting period, even when there is no tax due. Sales tax information is reported on Lines 1 through 7; use tax information is reported on Line 10 and Schedule B. All returns must be signed.</p>	
<b>LINE 3</b>	Add Lines 3A through 3L		
<b>NOTE: ALL DEDUCTIONS MUST BE PROPERLY DOCUMENTED OR THEY MAY BE DISALLOWED.</b>			
<b>LINE 4</b>	Subtract Line 3 (TOTAL DEDUCTIONS) from 2B		