



Certificate of Taxes Due

A *Certificate of Taxes Due* is issued by the City of Lakewood Finance Director to certify that a business is licensed with the City and is current with its taxes. The *Certificate* indicates whether any tax liability exists at the time of certification. It is generally used for the seller of a business to certify to potential purchasers that there are no outstanding taxes. It can also be used to certify to the City Clerk that taxes are current for liquor license renewal purposes.

Because this information is confidential, the *Certificate* must be requested by the taxpayer or a third party authorized by the taxpayer. A *Certificate* can be requested by contacting the City's Revenue Division. Separate *Certificates* are issued for sales and use tax and accommodations tax, and each cost \$10.

The taxpayer may be required to provide the selling price of the tangible personal property in the course of requesting the *Certificate*. This will assist the City in assessing any sales/use taxes that will result from the sale. The *Certificate* only certifies taxes known to be outstanding as of the date prepared. The City is not precluded from assessing taxes discovered through a subsequent audit or investigation.

In addition, purchasers should contact Jefferson County to ensure no other liens have been recorded on assets of the business.

Example

1. The owner of a Lakewood motel wishes to sell the motel. An interested purchaser is conducting standard "due diligence" research regarding the property and requires the seller to provide evidence that its taxes are current. The owner of the motel can file a request with the Revenue Division for a *Certificate of Taxes Due* and ask that it be provided directly to the interested buyer.

Related Topics

Business Registration & Licensing
Sale or Purchase of a Business
Sales Tax
Use Tax

Citations

Lakewood Municipal Code

- § 3.01.020 Definitions – "Sale or Sale and Purchase"
- § 3.01.120 Property and services taxed (sales tax)
- § 3.01.130 Collection of sales tax
- § 3.01.210 Property and services taxed (use tax)
- § 3.01.220 Collection of use tax
- § 3.01.260 Recovery of taxes, penalty, and interest
- § 3.01.270 Tax lien – Exemption from lien
- § 3.01.280 Tax deficiency
- § 3.01.290 Interest rate on delinquent taxes
- § 3.01.300 Interest on underpayment, overpayment, nonpayment or extensions of time for payment of tax
- § 3.01.310 Penalty interest on unpaid use tax

Regulations

- § 3.01.020(30) Sale or sale and purchase
- § 3.01.270(1)(d) Sale of business by owner

THIS GUIDANCE IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LAKEWOOD TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LAKEWOOD MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

Contact Us

For additional assistance, please contact us:

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www.lakewood.org