



Engaged in Business in the City

“Engaged in or doing business in the City” means performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for storage, use or consumption within the City of Lakewood. “Engaged in or doing business in the City” includes, but is not limited to, any one of the following activities by a person:

1. Directly, indirectly or by a subsidiary maintaining a building, store, office, salesroom, warehouse or other place of business within the City of Lakewood;
2. Sending one or more employees, agents or commissioned sales persons into the City of Lakewood to solicit business or to install, assemble, repair, service or assist in the use of its products or for demonstration or other reasons;
3. Maintaining one or more employees, agents or commissioned sales persons on duty at a location within the City of Lakewood;
4. Owning, leasing, renting or otherwise exercising control over real or personal property within the City of Lakewood; or
5. Making more than one delivery into the City of Lakewood within a twelve-month period by any means other than a common carrier.

Businesses that meet this definition are required to obtain a sales/use tax license from the City of Lakewood.

Retailer – Multiple Locations

A retailer doing business in two or more places or locations must set up each location separately under its tax account. Returns must be filed for each site individually, but payment can be made for the combined amount of tax due.

Seasonal Business

Businesses that operate in the City only during certain months of the year are considered seasonal and must apply for a sales and use tax license. The applicant must state the months during which the business is expected to operate in the City, as well as the location(s). Any changes from the initial application must be communicated to the City of Lakewood Revenue Division.

Examples

1. Business A is located outside of Lakewood, but has employees performing sales, installation and delivery services within Lakewood in connection with retail sales. Business A is engaged in business within Lakewood and is required to be licensed to collect and remit Lakewood sales tax on sales to Lakewood customers.
2. Business B of Beverly Hills, an out-of-state mail order catalog business selling women's apparel, sells and ships merchandise nation-wide via common carrier, including Lakewood. Business B does not currently fit the definition of “engaged in or doing business in the City,” as it does not have a presence in the City with employees, agents or physical location. However, Business B is planning to construct a showroom in Lakewood where customers can attend fashion shows and place orders. The merchandise will continue to be shipped from its Beverly Hills store. Once the showroom is built, Business B will fit the definition of “engaged in or doing business in the City” and must become licensed to collect and remit Lakewood sales tax on its sales to Lakewood customers.
3. Business C has a showroom and warehouse located outside of Lakewood. A customer purchases a new bed and requests delivery to her Lakewood home.
 - o Business C arranges delivery through D's Delivery, a third-party company (not a common carrier).
 - If this is the first delivery into Lakewood within a 12-month period (regardless of the carrier), then Business C is not considered to be engaged in or doing business in the City. As a result, Business C is not obligated to get licensed in Lakewood.
 - If delivery has been made two or more times within a 12-month period, then Business C is considered to be engaged in or doing business in the City and would need to be licensed.
 - o Business C arranges delivery and assembly through D's Delivery, a third-party company. This is the first delivery into Lakewood within a 12-month period. Because the delivery company is also assembling, an agency

relationship is created between D's Delivery and Business C. As a result, Business C should be licensed in Lakewood.

See *Tax Compliance Guide – Freight, Delivery, and Transportation*

4. Mary is a resident of Wheat Ridge and operates a small house cleaning service. One of her clients is a Lakewood resident. Mary does not need to obtain a Lakewood sales and use tax license because Mary is performing a non-taxable service and has no permanent place of business in Lakewood.
5. Law Firm E operates its offices in Lakewood. The law firm offers professional services only and does not make any retail sales. Law Firm E is required to obtain a City use tax license because it has a physical location in the City. Additionally, the law firm is required to annually remit any use tax it may owe on items used in the business (computers, office supplies, etc.) on which Lakewood sales tax or another lawfully imposed municipal sales tax was not paid.

Contact Us

For additional assistance, please contact us:
City of Lakewood
Revenue Division
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Lakewood, CO 80026

(303) 987-7630

www.lakewood.org

Related Topics

Business Registration & Licensing
Drop Shipments
Freight, Delivery, and Transportation
Sales Tax

Citations

Lakewood Municipal Code
§ 3.01.020 Definitions

Special Regulations

§ 3.01.020(17) Engaged in Business in the City
§ 3.01.130(1)(b) Filing Frequencies (seasonal filers)

THIS GUIDANCE IS A SUMMARY IN LAYMEN'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.