



Taxable Services

The Lakewood Municipal Code imposes a sales tax upon the purchase price paid for certain taxable services purchased at retail in the City. Retailers are responsible for collecting this tax on behalf of, and remitting to, the City. Retailers without a commercial establishment in the City may still be “engaged in or doing business” in the City and therefore responsible for the collection and payment of tax.

Accommodations

The entire amount charged to any person for rooms or accommodations, or lodging services is taxable. Accommodations tax will also be due in addition to the sales tax. Tax does not apply to the rental of restaurant lounges, banquet rooms and other meeting rooms offered in a hotel provided they cannot be used to provide overnight lodging.

Deposits paid in advance are not taxable. When rooms or accommodations are provided, any deposits previously paid are taxable. If rooms or accommodations are not furnished, then any deposits previously paid are taxable to the extent that such deposits are not refunded to the customer.

Admissions to a Movie

See *Tax Compliance Guide – Tax on Admissions*

Admissions to an Establishment Licensed to Serve Alcohol

See *Tax Compliance Guide – Tax on Admissions*

Gas and Electric Services

Gas and electric services, whether furnished or sold by municipal, public, or private corporations or enterprises, are subject to tax when furnished and sold for domestic or commercial consumption, but are not taxable when sold for resale.

All sales and purchases of coal, wood, gas, fuel oil, or coke sold, but not for resale, to occupants of residences for the purpose of operating residential fixtures and appliances which provide light, heat, and power for such residences are also taxable.

Steam, whether furnished for domestic, commercial, or industrial use, by public, private, mutual cooperative, or governmental corporations or

enterprises, is subject to tax unless purchased for resale in its original form.

Sales tax applies to all amounts paid for taxable gas or electrical services, irrespective of whether there is an actual consumption. The sales tax is imposed on all payments, whether in the form of a minimum charge, a flat rate, or otherwise.

Sales of electricity, coal, coke, gas, fuel oil, and nuclear fuel are exempt when sold for the following uses: construction, mining, refining, irrigation, telecommunication services and street and railroad transportation services.

The use of electricity, coal, gas, fuel oil, coke, and nuclear fuel in a continuing business activity of manufacturing or producing tangible personal property or services is subject to sales tax. Persons performing services, such as restaurants, laundries, and dry cleaners, as well as stores, office buildings and other commercial users, are not industrial users and are required to pay the sales tax.

Linen Services

See *Tax Compliance Guide – Linen Rental & Service*

Maintenance Services

See *Tax Compliance Guide - Maintenance Contracts*

Modified or Customized Computer Program Services

Modified or customized computer program services include, but are not limited to, analysis of the customer’s requirements, consulting, programming, testing, and updates, regardless of which vendor supplies each of the services. Modified or customized computer program services are taxable on the entire amount paid or charged, where:

- ❖ A software program is prepared to the special order or specifications of a single customer (custom); or
- ❖ A pre-written software is altered or enhanced by someone other than the purchaser to create a program for a particular user (modified).

Consulting service or analysis time charges are not

subject to sales or use tax, if a program is not purchased, modified, or created.

Security System or Sound System Services

The entire amount paid or charged for security system and sound system services is subject to tax, whether purchased or leased.

Sound system services involves the provision of broadcast or pre-recorded audio programming to a building or portion thereof. The term does not include installation of sound systems where the entire system becomes the property of the building owner or the sound system service for presentation of live performances.

Security system services includes the amount paid or charged for electronic monitoring whether the system is leased, rented or owned.

- ❖ Installation charges are not subject to sales tax, if separately stated.
- ❖ Materials and equipment of the service provider that are used in providing the services in Lakewood are subject to use tax, if the requisite sales tax has not been paid.
- ❖ If title of the materials or equipment is transferred to the customer, the transaction is deemed a retail sale and is subject to sales tax.

Shipping and Handling

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

Telecommunication Services

Telecommunication services are taxable for all intrastate telecommunication services if billed to a customer with a Lakewood address. If intrastate and interstate service charges are not separately stated on the invoice to the customer, then the full amount becomes taxable.

Mobile telecommunication services are taxable provided that the customer's place of primary use (PPU) is within the City. If the customer has not identified a PPU for the telecommunications provider, then the service becomes taxable if billed to a Lakewood address.

Carrier access services sold by local telephone exchange companies to providers of telecommunication services for use in providing intrastate or interstate services are taxable, if billed to a customer with a Lakewood address.

Television & Entertainment Services

Television and entertainment services sold, purchased, leased, rented, furnished or used are taxable. This includes any audio or visual content, that can be transmitted electronically by any means, for which a charge is imposed.

Warranty Services

See *Tax Compliance Guide – Warranties*

Related Topics

Accommodations Tax
 Freight, Delivery, and Transportation
 Linen Rental & Service
 Maintenance Contracts
 Sales Tax
 Tax on Admissions
 Warranties

Citations

Lakewood Municipal Code

§ 3.01.020 Definitions – Carrier Access Services, Linen Services, Modified or Customized Computer Program, Pay Television, Place of Primary Use, Price or Purchase Price, Sales Tax, Security System Services, Software Program (Custom Software Program, Pre-written Software, and Modified Software), Sound System Services, Telecommunications Service, Television & Entertainment Services, Use Tax
 § 3.01.120 Property and Services Taxed (sales tax)
 § 3.01.180(21) Exemptions (sales tax)
 § 3.01.210 Property and services taxed (use tax)
 § 3.01.220 Collections of use tax

Regulations

§ 3.01.020(29.2) Room, Accommodation
 § 3.01.120(C) Telecommunication: Intrastate, Mobile & Data
 § 3.01.120(4)(a) Gas, Electric & Steam Services Furnished
 § 3.01.120(4)(b) Gas & Electric Used by Residences
 § 3.01.120(10) Security System Services
 § 3.01.120(12) Warranty & Maintenance Contracts
 § 3.01.120(13) Modified or Customized Software
 § 3.01.180(21) Electricity, Coal, Gas, Fuel, Coke, or Nuclear Fuel Used for Mining

Special Regulations
Linen Services

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.

Contact Us

For additional assistance, please contact us:

City of Lakewood
Revenue Division
480 S. Allison Parkway
Lakewood, CO 80026

(303) 987-7630

www.lakewood.org