

CITY OF STERLING

2012

SALES & USE TAX RETURNS



KEEP THIS BOOKLET

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PLEASE FILE IN A SAFE PLACE

2012

JANUARY						
S	M	T	W	T	F	S
	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
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MARCH						
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APRIL						
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29	30					

MAY						
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JUNE						
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JULY						
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29	30	31				

AUGUST						
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SEPTEMBER						
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30						

OCTOBER						
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28	29	30	31			

NOVEMBER						
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DECEMBER						
S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

* Holidays when City Hall is closed are shaded in gray.

* Due dates for the previous month's sales taxes are in black boxes.

* December, 2012 sales taxes are due on January 22, 2013. (January 21 is a post office holiday.)

City Of Sterling

Sales and Use Tax Returns

GENERAL INSTRUCTIONS

FORMS FOR REPORTING: This booklet contains the forms you will need to report and send payments of City of Sterling sales and use tax for the calendar year. Sales / use tax returns printed with your business and billing names, address, and account number, plus the period covered and due date for each return will be supplied unless you request that none be sent. (However, many businesses prefer to use their own return forms, or those supplied by tax preparation services, and this practice is encouraged.) Please be careful to use the return with dates that corresponds to the period for which you are filing. Blank sales / use tax returns are available from the Sterling Finance Department, or on the City's website at www.sterlingcolo.com under the "Forms" tab.

NEW SHORT FORM FOR SALES/USE TAX: *New to this booklet is the optional simplified sales/use tax return. If you have no deductions from taxable sales (lines 4A through 4L on the standard return) you will find that this form is much simpler to complete. Feel free to copy it (or adapt it to a spreadsheet) and use it as you wish. Blank short form returns are available from the Sterling Finance Department, or on the City's website at www.sterlingcolo.com.*

KEEPING RECORDS: Records of both purchases and sales, including sales invoices and purchase orders, must be retained for a minimum of three years. Be sure to retain copies of sales / use tax returns. Records must be open for inspection by authorized auditors or other representatives of the Finance Director of the City of Sterling.

All the money paid by the purchaser to the seller as city sales / use taxes is, by law, public money which is the property of the City of Sterling. Failure to file a return and pay the taxes collected is a violation of the law, and will result in an assessment from the City for an estimated amount of taxes due. Therefore, it is important to file a return and pay all taxes collected on a timely basis, and to maintain sufficient records to prove the amount of taxes collected and paid. Sales / use tax returns must be filed even when a business has no sales activity and/or tax liability.

The burden of proof for exempt sales rests with the seller. A form entitled Claim For Exemption From Sterling Tax is included in this booklet. It is to be used by vendors to document deductions for exempt sales.

CHANGES OR CLOSURES: The Sterling city code requires that you must notify the city if one or more of the following occurs:

- (1) Change of business location.
- (2) Change of mailing address.
- (3) Change of business or trade name.
- (4) Sale of the business.
- (5) Merger of the business with another business.
- (6) Closure / termination of operation of the business.

In order to inform the city of changes, please place an "X" on the appropriate line in the boxes near the bottom of the sales tax return. If necessary, you may explain details in the space provided, or on an attached sheet of paper. You may use the Account Change or Closure Form, included in this booklet, to notify the city of any change in the business (or d/b/a) name, business or mailing address, or contact person, or to notify the city that you are no longer in business here, and need to close your sales / use tax account. If the business ownership changes, the new owner must apply for his/her own sales / use tax account. Please remember that a vendor selling or closing the business must still file a final sales / use tax return on or before the 20th day of the month following the close or sale of the business.

IMPORTANT POINTS TO REMEMBER

- A return (either the regular form or the short form) **MUST** be filed even when no tax is due.
- Please read the **SPECIFIC INSTRUCTIONS** (next page) thoroughly before completing your return form. Because of its simplicity, the short form has no instruction page.
- Be careful to use the return that corresponds to the period for which you are filing.
- You are welcome to send your completed and signed returns in the envelopes provided.
- Enclose your check, payable to ***City of Sterling***.
- **Please do not staple your check to the return.**
- All returns filed after the due date must be accompanied by the appropriate penalty and interest (see lines 10A and 10B of the regular return, or lines 6A and 6B of the short form return).
- Rounding amounts on returns to the nearest dollar is an acceptable means of completing your return. To use this method, round all amounts from 0 to 49 cents down to zero cents, and all amounts from 50 to 99 cents to the next dollar.

Returns must be filed with the City of Sterling at the address below, or in person at the Finance Department at City Hall, on or before the 20th day of the month following the close of the tax period. (If the 20th falls on a holiday or a weekend, your due date is the next available working day.) **Mailed returns must be postmarked by the due date, or late penalties and interest are due.**

FOR ADDITIONAL INFORMATION, CONTACT:

City of Sterling
Finance Department
P. O. Box 4000
Sterling, CO 80751

Telephone: (970) 522-9700
FAX: 970-521-0632

E-mail: salestax@sterlingcolo.com

The following pages are specific instructions for the standard Sales / Use Tax returns, a blank optional (simplified) return, your personalized standard returns, and other forms.

SPECIFIC INSTRUCTIONS FOR SALES / USE TAX RETURN

- LINE 1 GROSS SALES AND SERVICES:** Report all receipts for the period covered. This should include all sales, both retail and wholesale; services rendered; rent receipts; and all amounts both taxable and non-taxable, which you received doing business.
- LINE 2 BAD DEBTS COLLECTED:** Report the bad debts collected which were deducted on a previous return on Line 4D – “Bad Debts Charged Off.”
- LINE 3 TOTAL LINES 1 + 2:** Add Lines 1 and 2, and record the sum on this line.
- LINE 4 DEDUCTIONS:** The following items are exempt from taxation:
- A** Deduct all SERVICES that are non-taxable.
 - B** Deduct sales made to other STERLING-LICENSED RETAILERS who purchase such merchandise for the purpose of resale to their consumers.
 - C** Deduct all sales delivered to the purchaser outside the city limits of Sterling only if BOTH the following conditions exist: (a) the sale is to a purchaser who is a nonresident of Sterling AND (b) delivery is made by common carrier, by conveyance by the seller, or by mail to the purchaser at an address OUTSIDE the City of Sterling.
 - D** Deduct all sales WHICH WERE ORIGINALLY YOUR TAXABLE SALES, and which you now deem “uncollectible” or “bad” and have written off as such.
 - E** Deduct the value of property traded-in, only if it will be resold in the usual course of your business.
 - F** Deduct all your sales of gasoline and cigarettes.
 - G** Deduct all qualifying sales you made to tax exempt organizations.
 - H** Deduct all your sales that were returned by the purchaser and were reported as your taxable sales on a previous return.
 - I** Deduct all your qualifying sales of prescription drugs and prosthetic devices.
 - J – L** Deduct all other exemptions not covered on Lines 4A through 4I. OTHER DEDUCTIONS MUST BE IDENTIFIED in the space provided. Restaurant utility credits are presently not permitted in Colorado. If they are resumed, they must be submitted on Form DR 1465, filled out in their entirety and submitted with the appropriate return.
- TOTAL DEDUCTIONS:** Total all deductions claimed in Lines 4A through 4L.
- LINE 5 NET TAXABLE SALES & SERVICES:** Subtract “Total Deductions” from Line 4.
- LINE 6 AMOUNT OF CITY TAX:** Report the amount of sales tax calculated. The sales tax is calculated by multiplying Line 5 – Net Taxable Sales & Services – by the sales tax rate, which is currently 3% (multiply by 0.03).
- LINE 7 EXCESS TAX COLLECTED:** Report the amount of tax collected in excess of the 3% calculated rate of tax on Line 6.
- LINE 8 TOTAL SALES TAX:** Add Lines 6 and 7.
- LINE 9 USE TAX:** Use tax is assessed on items that are purchased for the business’ own use, and on which no city sales tax has been paid and no tax exemption exists. List all purchases on a separate sheet of paper as follows: Date of purchase, name and address of vendor, type of product purchased,

and purchase price. Enter the total purchase price of products in the blank labeled “Amount Subject to Use Tax” on Line 9. Then calculate the use tax by multiplying the total purchase price of products by the effective use tax rate, which is currently 3% (multiply by 0.03).

LINE 10 LATE RETURN PENALTY AND INTEREST: If your tax return was mailed or dropped off after the due date, you are required to pay a penalty and interest. The penalty is 10% of Line 8 + Line 9. The interest is 1% per month (or part of a month) of Line 8 + Line 9. Enter the total penalty and interest, and the sum of the two, in the appropriate spaces under Line 10.

LINE 11 TOTAL TAX, PENALTY & INTEREST: Add Lines 8, 9 and 10.

LINE 12 UNDERPAYMENT ON PRIOR RETURN: An error notice, delinquent letter, or Notice of Assessment will be sent to any taxpayer that is delinquent, or whose taxes are underpaid. Attach a copy of the notice to your return, and show underpayments due to the City of Sterling on this line.

LINE 13 OVERPAYMENT ON PRIOR RETURN: An error notice or notice of overpayment will be sent to any taxpayer whose taxes are overpaid. Attach a copy of the notice to your return, and show the overpayment due you.

LINE 14 TOTAL DUE AND PAYABLE: Add Lines 11 and 12 and subtract Line 13. Make your check or money order payable to the “City of Sterling.”

City Sales Tax # _____
 Vendor Name _____
 Address, City State Zip _____

 Period End Date _____ Due 20th of following month



P. O. Box 4000
 Sterling, CO 80751
 (970) 522-9700
 FAX (970) 521-0632

Sales / Use Tax Return

1. Gross Sales and Services	_____	_____	_____
2. Add: Bad Debts Collected	_____	_____	_____
3. Total Lines 1 + 2	_____	_____	_____
4. Deductions:			
A. Non-Taxable Service Sales (included in Line 1)	_____	_____	_____
B. Sales to Other Dealers for Resale	_____	_____	_____
C. Sales Shipped Out of City	_____	_____	_____
D. Bad Debts Charged Off	_____	_____	_____
E. Trade-Ins for Taxable Resale	_____	_____	_____
F. Sales of Gasoline and Cigarettes	_____	_____	_____
G. Sales to Government, Religious, Charitable	_____	_____	_____
H. Returned Goods	_____	_____	_____
I. Prescription Drugs	_____	_____	_____
J. Other (must be identified) _____	_____	_____	_____
K. _____	_____	_____	_____
L. _____	_____	_____	_____
Total Deductions (Lines 4A thru 4L)	_____	_____	_____
5. Net Taxable Sales & Services (Line 3 less "Total Deductions")	_____	_____	_____
6. Amount of City Tax: 3% (0.03) of Line 5	_____	_____	_____
7. Add: Excess Tax Collected	_____	_____	_____
8. Total Sales Tax (Line 6 + Line 7)	_____	_____	_____
9. Amount Subject to Use Tax \$ _____	_____	_____	_____
Times 3.0% of that (x 0.03)	_____	_____	_____
10. If Return is filed or Total Tax is paid after Due Date, add Penalty + Interest:			
A. Penalty: 10% (0.10) of Lines 8 + 9	_____	_____	_____
B. Interest: 1% (0.01) of Lines 8 + 9 per month or any portion	_____	_____	_____
Total Penalty & Interest	_____	_____	_____
11. Total Tax, Penalty & Interest (Lines 8 + 9 + "Total Penalty & Interest")	_____	_____	_____
12. Add: Underpayment on Prior Return	_____	_____	_____
13. Deduct: Overpayment on Prior Return	_____	_____	_____
14. Total Due and Payable (Lines 11 + 12 - Line 13)	_____	_____	_____

(Please make check or money order payable to "City of Sterling.")

<p>_____ Check here for permanent business closure. _____ Check here for change of address. _____ Check here for change of ownership.</p> <p>Date of change: _____</p>	<p>New business name, address, phone number, and/or owner:</p>
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I certify under penalty of perjury that the statements made hereon are to the best of my knowledge true and correct.

Signature: _____ Phone: _____
 Company: _____ Date: _____



P. O. Box 4000

Sterling, CO 80751

(970) 522-9700

FAX (970) 521-0632

Sales / Use Tax Short Form Return

Sterling Sales/Use Tax # _____

Vendor Name _____

Address, City State Zip _____

Period End Date _____ Due 20th of following month

You may copy and use this form if you have no deductions from taxable sales.

1. Amount of total sales and services

2. 3% Sales Tax: Multiply Line 1 by 0.03.

(NOTE: Lines 3 through 10 may be skipped unless they apply to you. Just enter this amount on line 11.)

3. Any excess Sales Tax collected

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4. Amount subject to Use Tax \$ _____ Multiply by 0.03.

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5. Total excess Sales Tax and Use Tax (line 3 + line 4)

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6. Are you mailing this form after the due date? If so add Penalty + Interest.

A. Penalty: 10% (0.10) of Line 2 + Line 5

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B. Interest: 1% (0.01) PER MONTH of Line 2 + Line 5

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7. Total of penalty and interest (line 6A + line 6B)

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8. Add: Underpayment on prior return.

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9. Deduct: Overpayment on prior return.

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10. Total additions/deductions (line 8 - line 9)

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11. Total due and payable (line 2 + line 5 + line 7 + line 10)

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(Please make check or money order payable to "City of Sterling.")

<p>_____ Check here for permanent business closure.</p> <p>_____ Check here for change of address.</p> <p>_____ Check here for change of ownership.</p> <p>Date of change: _____</p>	<p><u>New business name, address, phone number, and/or owner, or other information:</u></p>
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I certify under penalty of perjury that the statements made hereon are to the best of my knowledge true and correct.

Signature: _____ Phone: _____

Company: _____ Date: _____

Return one copy to Finance Department.

Keep one copy for your records.

ACCOUNT CHANGE OR CLOSURE FORM

Use this form to notify the City of Sterling of any change in the trade (or d/b/a) name, business or mailing address, or contact person, or to notify the city that you wish to close your sales tax account. If you are closing your account, please indicate the appropriate reason.

TRADE NAME OR ADDRESS CHANGE

CURRENT NAME AND ADDRESS	NEW BUSINESS NAME AND ADDRESS
Name	Name
Address	Address
City/State	City/State
	<input type="checkbox"/> Business Address <input type="checkbox"/> Mailing Address <input type="checkbox"/> Both

CHANGE OF OWNERSHIP/BUSINESS CLOSURE

LAST DAY OF BUSINESS:	NEW OWNERSHIP INFORMATION
Reason:	Name
<input type="checkbox"/> Ownership has Changed	Address
<input type="checkbox"/> Business has been permanently discontinued	
<input type="checkbox"/> Business has been sold	City/State

CHANGE OF CONTACT PERSON

CURRENT CONTACT PERSON	NEW CONTACT PERSON	
Name	Name	
Phone #	Phone #	
Fax #	Fax #	
Authorized Signature	Telephone Number	Account Number

If your retail business location changes during a filing period you must file a separate sales tax return for the taxes collected at each location.

CLAIM FOR EXEMPTION FROM STERLING TAX

Organization Name: _____

Address: _____

Phone Number: _____

Basis of Exemption: _____ - Charitable _____ - Governmental

Exemption Number or other evidence of Federal 501(c)(3) Status: _____

You must answer yes to all of the following statements for the purchase to qualify for the tax exemption.

Yes No

___ ___ The following purchase is included under and is part of the regular charitable functions and activities of the organizations, or purchased in a government capacity.

___ ___ The transaction is billed directly to the organization and payment is made directly from the organization funds.

Purchases of food or lodging by individuals do not qualify for the exemption even though the individual will be reimbursed by the organization or government.

___ ___ No reimbursement for this purchase will be received by the organization such as through the purchase of a ticket, payment of a registration fee, or receipt of a contribution or charge.

The exemption does not apply to food, beverage, or lodging where the recipient of the food, beverage, or lodging reimburses the organization in any way, such as by the purchase of a ticket, payment of a fee, or making an involuntary contribution.

The undersigned declares that the above statements are in fact true and that the exemption does apply.

Signature: _____

Date: _____

Name: _____
(Please Print)

Title: _____

.....
Vendor's Office Use Only

Verified direct billing to organization (documentation attached)

Date: _____

Initials: _____

Retain this form in your records for audit purposes for at least four years.