

Tax Compliance Guide

Delivering exceptional value and quality of life

Previously Paid Sales/Use Tax Topic 353

Visit our website:

<http://www.westminsterco.gov>

(01/2026)

File Returns ∞ Obtain Forms ∞ Find Information

The *Westminster Municipal Code* allows a reduction in the amount of Westminster use tax due when the present owner or user has previously paid a legally-imposed sales or use tax on the transaction or item to another municipality. This reduction does not apply to construction materials used in a project requiring a City building permit. Note also that sales and use taxes are transactional and are therefore imposed upon each taxable transaction. In other words, the same item may be subject to sales or use tax multiple times. Use tax is reported on Schedule B/line 8 of the periodic City sales/use tax return.

The following method may be helpful in determining the use tax liability for most taxable transactions:

1. Has any sales/use tax been previously paid on the taxable purchase?

If no tax was paid on the taxable purchase, then the full City use tax is due on the purchase price paid for the taxable items/services.

If some tax was paid on the taxable purchase, proceed to step 2.

2. Was the tax legally-imposed?

Credit against City use tax is allowed only for previously paid sales/use tax that has been legally-imposed. Common examples of taxes that have not been legally-imposed include:

- ❖ Out-of-City vendors charging their home city's tax rather than collecting Westminster tax on deliveries into the City.
- ❖ Vendors collecting Westminster tax even though they do not have a valid Westminster sales/use tax license.

If the tax collected was not legally-imposed, then the full City use tax is due on the purchase price paid for the taxable items/services. If tax was improperly collected for another municipality, contact that municipality about obtaining a refund.

If the tax collected was legally-imposed, proceed to step 3.

3. Determine the correct combined sales/use tax rate

Westminster City sales/use tax is one component of the total sales/use taxes which may be due. Other taxes, which are not collected by the City, include State of Colorado, Regional Transportation District (RTD), Cultural District, and County taxes. The following table details the breakdown of the total Westminster combined tax rate as of January 1, 2026. The most current rate information is available in the *Westminster Tax Forms* section located in the Business tab on the City website or by contacting the Sales Tax Division.

	Adams County	Jefferson County
Westminster	4.25%	4.25%
State of Colorado*	2.90%	2.90%
RTD*	1.00%	1.00%
Cultural District (CD)*	0.10%	0.10%
County*	0.75%	0.50%
TOTAL	9.00%	8.75%

*Tax collected by the Colorado Department of Revenue. For more information, visit their website at www.taxcolorado.com or contact Taxpayer Services at (303) 238-7378.

If the tax collected is greater than or equal to the applicable combined rate, no additional City use tax is due. No refund, credit, or setoff is allowed for taxes in excess of the applicable combined rate.

If the tax collected is less than the applicable combined rate, proceed to step 4.

4. Subtract the rate of tax paid from the applicable combined rate.

If the difference is greater than or equal to the City tax rate, then the full City use tax is due on the purchase price paid for the taxable items/services.

If the tax collected difference is less than the City tax rate, then that is the rate of the use tax due on the purchase price paid for taxable items/services.

Use tax is reported on line 8 of the periodic City sales/use tax return. Schedule B does not allow for this reduction. If this reduction applies, simply report the total use tax due on line 8.

Examples

- 1 Business A has an office located in Westminster's Adams County. Business A purchased office supplies over-the-counter at Retailer B in Lakewood.
- 2
- 3 Because the business picked up the supplies in Lakewood, Retailer B properly collects Lakewood tax of 7.50%. Business A must report and pay a use tax of 1.50% - which is the difference between the combined Westminister, Adams County rate (9.00%) and Lakewood's rate - on the purchase price paid for the supplies.
- 4 Business A places an order with Retailer B who delivers the supplies to Business A's Westminister offices. Retailer B erroneously collects Lakewood sales tax of 7.50%. The full Westminister use tax is due on the purchase price paid for the supplies because the Lakewood sales tax is not legally imposed.
- 5 Business A places an order for computers with an out-of-state retailer. The retailer collects 4.0% (State, RTD, & CD) sales tax on computer parts and supplies. The full Westminister use tax (4.25%) is due on the purchase price paid for the supplies because the differential between the combined Westminister, Adams County rate and the tax collected exceeds the City use tax rate.
- 6 Business B has its headquarters in Lakewood and a field office in Westminister, Jefferson County. The business ships all of its computers to its headquarters for configuration. The computer vendor properly collects Lakewood sales tax of 7.50% on these sales. For those computers sent on to the Westminister office, Business B must report and pay a use tax of 1.25% on the purchase price paid. This amount represents the difference between the combined Westminister, Jefferson County rate (8.75%) and Lakewood's rate.

Related Topics

Prior Use of Property
Use Tax

Citations

Westminster Municipal Code

§ 4-1-3. Deductions & Credits

§ 4-1-7. Returns Required; Time for Filing and Paying Total Tax Liability

§ 4-2-3. Rate; Imposition and Collection; Distribution

§ 4-2-5. Transactions & Items Subject to Tax

§ 4-2-7. Exemptions from Use Tax

§ 4-2-12. Inception of Business; Initial Use Tax

§ 4-2-13. Use Tax; Method of Payment

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT WESTMINSTER 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 WESTMINSTER MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

Contact Us

For additional assistance, please contact us:

Sales Tax Division
4800 West 92nd Avenue
Westminster, CO 80031

Phone: (303) 658-2065

E-mail address: salestax@westminsterco.gov

Website: <http://www.westminsterco.gov>

From the Business menu, choose Westminster Taxes