

SALES TAX SPECIAL REGULATIONS

Town of Vail SALES TAX SPECIAL REGULATIONS

These regulations are promulgated for specific businesses and specific circumstances. They shall apply in addition to and have the same effect as the numbered sales tax rules and regulations. Unless otherwise noted, all references herein to Title 4, Chapter 3 or any section or subsection shall refer to Title 4, Chapter 3 of the Town of Vail Municipal Code, and all references herein to rules or regulations shall refer to the numbered Sales Tax Rules and Regulations. These special regulations were adopted by the Town Manager pursuant to Title 4, Chapter 3, Section 1-8, which states: "The Town Manager may adopt rules and regulations in conformity with this Title 4, Chapter 3 for the proper administration and enforcement of this Title 4, Chapter 3".

Town of Vail

SALES TAX SPECIAL REGULATIONS

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These special regulations were adopted by the Town Manager pursuant to Title 4, Chapter 3, Section 1-8, which states: "The Town Manager may adopt rules and regulations in conformity with this Title 4, Chapter 3 for the proper administration and enforcement of this Title 4, Chapter 3".

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TOWN OF VAIL SALES TAX POLICY 88-1
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Photographers, Photofinishers, Prints, Film Services

TOWN OF VAIL SALES TAX POLICY 88-1

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Photographers, Photofinishers, Prints, Film Services

Photographers and photofinishers are primarily engaged in the business of selling tangible personal property to customers, and such sales are subject to tax.

Charges made for only the development of film is a service charge and therefore not subject to tax. If reproductions are made from developed negatives and sold to a customer, then tangible personal property has been sold, and the selling price is subject to sales tax. Tax applies to the sale of photographs or slides, whether or not produced to special order of the customer. (Example: A photographer shoots the Gore Range, and a customer buys one print from him; this is taxable.) Mounted negatives are subject to sales tax on the total price charged on negative and mount. Only the sale of developed negatives, such as movie film, would be exempt. A photographer who contracts to take photo's of an occasion for a set fee and provides one set of original photographs is providing a service, and this transaction is not taxable. Copies of this original set are taxable as tangible personal property being sold. "If the real object sought by the buyer is the service per se, then the transaction is not subject to sales tax even though some personal property is transferred."

Purchases of materials which become ingredients or component parts of the finished picture - mounts, frames, sensitized paper - are not taxable to photofinisher. Conversely, purchases of materials that do not become a part of the product sold to the customer such as chemicals, trays, films, plates, proof paper and cameras, are taxable to the photofinisher.



Rondall V. Phillips

RONDALL V. PHILLIPS

March 1, 1988

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-2
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Video Tapes Produced by Photographer, Master and Copy.

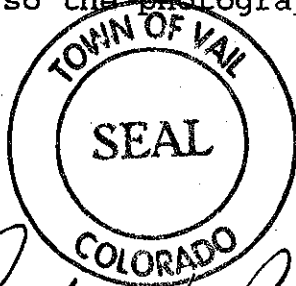
TOWN OF VAIL SALES TAX POLICY 88-2

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Video Tapes Produced by Photographer, Master and Copy.

If the real object sought by the buyer is the service per se, then the transaction is not subject to sales tax even though some personal property is transferred. (Example: A film company contracts to make a ski film for a firm owning a resort. The cost to the resort for the original film is \$25,000. Additional reels may be purchased for \$250 each. The \$25,000 charge for the first reel of film is not subject to tax as the film company is charging for their services in producing tangible personal property, the transfer of which is incidental to the performance of the service. The sale of additional reels at \$250, however, would be subject to sales tax.)

Sales tax must be paid on the purchase of the tape by the photographer, because the tape is incidental to rendering the service, so the photographer is the final consumer.



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March 1, 1988
EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-3

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Rental of Home/Condominium/Hotel Room/Accommodation

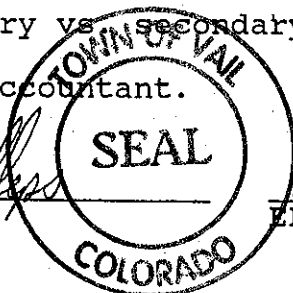
Rooms or accommodations permanently occupied and which occupancy is secured by a written agreement are exempt from tax. Permanently occupied is defined as being a period of sixty (60) or more consecutive days. A written agreement includes a hotel or motel registration or a rental receipt.

Accommodations include rentals of banquet rooms, meeting rooms, etc., especially set forth herein.

Deposits paid for rooms or accommodations are not taxable when paid in advance. When rooms or accommodations are furnished, then 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.

Basically, all room or accommodation rentals are taxable. It makes no difference to the average person if they are renting their primary place of residence, or an investment piece of property, both are fully taxable. The IRS does differentiate between rental of primary vs. secondary residence, so for IRS reporting, consult an accountant.

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March 15, 1988
EFFECTIVE DATE OF POLICY

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TOWN OF VAIL SALES TAX POLICY 88-3A

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Rental of Home/Condominium/Hotel Room/Accommodation

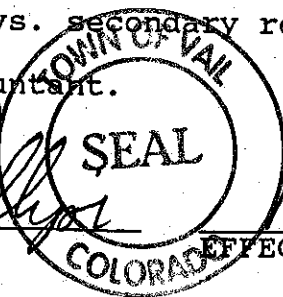
Rooms or accommodations permanently occupied and which occupancy is secured by a written agreement are exempt from tax. Permanently occupied is defined as being a period of thirty (30) or more consecutive days. A written agreement includes a hotel or motel registration or a rental receipt.

Accommodations include rentals of banquet rooms, meeting rooms, etc., especially set forth herein.

Deposits paid for rooms or accommodations are not taxable when paid in advance. When rooms or accommodations are furnished, then 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.

Basically, all room or accommodation rentals are taxable. It makes no difference to the average person if they are renting their primary place of residence, or an investment piece of property, both are fully taxable. The IRS does differentiate between rental of primary vs. secondary residence, so for IRS reporting, consult an accountant.

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September 1988
EFFECTIVE DATE OF POLICY

VOID

TOWN OF VAIL SALES TAX POLICY 88-4
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Exemptions

TOWN OF VAIL SALES TAX POLICY 88-4

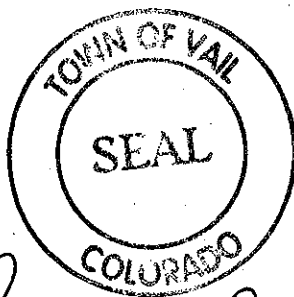
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Exemptions

The following are exempt from Town of Vail sales tax:

1. Rental of equipment with operator. This is exempt if at all times the said property is furnished, the control of the operation resides in the one furnishing the service.

2. Purchases made by contractors for a project that has been issued a building permit, if at the time the supplies are ordered, the building permit number is given to said supplier. Otherwise, tax shall be charged at the time of sale, and the contractor shall apply to the Town of Vail for a refund.



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March 1, 1988

EFFECTIVE DATE OF POLICY

TOWH OF VAIL SALES TAX POLICY 88-5
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Janitorial Services, Maintenance and Decorating Services

TOWN OF VAIL SALES TAX POLICY 88-5

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Janitorial Services, Maintenance and Decorating Services

Persons engaged in the business of rendering renovation services, such as painters and paper hangers, floor waxing services and others similarly engaged in repairing and servicing tangible personal property under a maintenance or service contract are rendering a service and are considered the users of the articles purchased and are subject to tax on such articles at the time that they are purchased.

No sales tax is applicable to the charges made for these services.

Items such as hand soaps, paper towels, toilet tissue, and disinfectants which are furnished under service contract and which are billed to the customer as a separate and distinct item from the service that is performed are considered retail sales of tangible personal property. Sales tax shall be collected from the customer and remitted by the janitorial service.

If such consumable items are not separately stated but are included in the janitorial service contract, then the janitorial service shall be deemed to be the user or consumer of the products and shall pay sales tax at the time of the purchase.

No sales tax is applicable to the charge for service rendered.

Example: If a maintenance company acting under a maintenance or service contract buys a piece of tangible personal property (such as a sink) not normally considered part of the maintenance or service contract to replace one at the business under contract, such purchase by the maintenance service shall be taxed. Then, the maintenance company shall charge tax to the ultimate consumer (the business) and the maintenance company should apply for a refund of tax paid to municipality paid, with evidence of resale.



Rondall V. Phillips

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March 1, 1988

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-6

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Exemptions

Sales to Religious, Charitable and Quasi-Governmental
Organizations.

The purchase price paid or charged on direct sales to, and direct purchases by religious, charitable and quasi-governmental corporations, in the conduct of their regular religious, charitable and quasi-governmental capacities only shall be tax exempt.

1. The organization shall have applied for, been assigned, and furnished to the vendor their Federal Exempt Institution License number and their State of Colorado Exempt Institution License Number. In the event no such exempt number is furnished, the vendor is to charge the tax.

2. For the purpose of Vail Sales Tax, "religious", "religious purposes" and "quasi-governmental", "quasi-governmental purposes", shall be defined as being charitable or for charitable use only.

a) The "religious" or "quasi-governmental" nature of all activities shall be equated, for the purposes of this Code, with the term "charitable" according to our rules of administration, and only to the extent that the items purchased are put to such direct charitable use will the exemption apply, consistent with the prime historical basis for such governmental exemptions from imposition of excise taxes as described in (b) following.

b) "Charitable" requires the dispensation of charity and benevolence resulting in the rendition of service to the community. Under the Town's interpretation of "charitable", any recipient to whom the benefit inures must not have contributed to the source of funds with which the purchase was made, or to the organization or interests of the organization which made the purchase or claims such exemption, either directly in the form of a donation or contribution, or indirectly in the form of an offering, tithe, "membership fee", etc.

3. Sales to ministers, priests, rabbis or other employees, staff members, faculty and students of religious or charitable organizations for their personal use are taxable. Internal groups, clubs and other organizations of charitable or religious organizations are taxable.

4. Sales to or sales by non-profit organizations or associations are taxable. Such organizations or associations are taxable. Such organizations or associations shall include, but not be limited to, business associations, labor associations, consumer associations, clubs, fraternities, sororities, country clubs, sporting associations, recreation associations, parent-teacher associations, student organizations, fraternal organizations, cooperatives, and all other professional, club, business and other such associations. All sales to the employees, faculty, staff, representatives, members, etc., of the above organizations are taxable to the full extent of the purchase price paid or charged.

5. Before the vendor may grant an exemption from the tax on the sale of any tangible personal property or taxable service,

a) he must be furnished with, and must record the Colorado exempt license number of the institution or organization seeking such a tax-free purchase; and,

b) the purchase must be paid for by the organization's drafts and must not be reimbursed to the organization by the member. Tax shall be charged on all purchases made with personal drafts.

If both (a) and (b) are complied with, then

c) the organization wishing to be tax-exempt shall contact the Town for a ruling on the exemption. The Town may require the organization's member to come to the Town offices and sign a form stating that the organization will not be reimbursed, and the member did not invest funds for this trip with the organization.

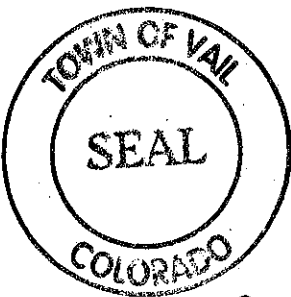
d) the Town shall issue a consent form to the organization stating that the Town has ruled this group is tax-exempt for this trip.

e) without a Town of Vail consent form, the vendor must charge tax on the sale. The purchaser thereafter may apply to the Town for a refund.

CRITERIA USED BY TOWN OF VAIL TO DETERMINE
TAX EXEMPTIONS FOR CHARITABLE ORGANIZATIONS

1. Group must have Federal Exempt Institution License Number.
2. Group must have State Exempt Institution License Number.
3. a) Is the purpose of this trip within the express purpose of the charitable organization? ANSWER
MUST BE
YES
- b) Does any direct benefit inure to the members of the charitable organization? NO
- c) Is the exemption sought for a staff person or a member of the organization? YES
4. Expenses must be paid for by organizational draft. If paid for by personal draft (even if to be later reimbursed) it is taxable.
5. Representatives of charitable organizations may be required to sign a form stating (under penalty of perjury) that there will be no reimbursement to the organization from members, and members invested no funds.
6. May require a statement of sources and uses of funds for trip from the charitable organization.

VOID



Rondall V. Phillips
RONDALL V. PHILLIPS

March 15, 1988
EFFECTIVE DATE OF POLICY

PROCEDURE FOR LODGING VENDORS TO FOLLOW TO
DETERMINE IF ORGANIZATION IS TAX-EXEMPT

First, ask these two questions:

1. Does the organization have a Colorado Exempt Institution License Number?

(Note number on reservations slip)

2. Will the organization be paying for all accommodations with a draft from the organization?

* If the answer to EITHER question is NO, the organization must pay sales tax on their accommodations.

* If the answer to BOTH questions is YES, the next step is to call the Town of Vail

The Sales Tax Administrator or Budget Officer will render a decision as to the tax exempt status of the organization. If the organization is deemed to be tax exempt for this visit, a Town of Vail Consent Form will be issued. The Vendor shall keep this form as proof of proper handling of the tax exempt group.

If no Consent Form is issued, the group must be charged sales tax, and the group can then apply to the Town of Vail for a refund of tax paid.

TOWN OF VAIL SALES TAX POLICY 88-7

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

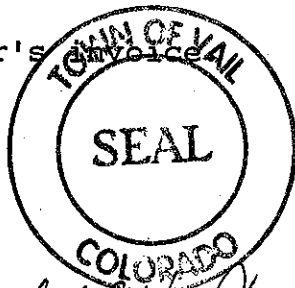
Sand, Gravel, Cement and Ready-Mix/Asphalt

Sand and gravel removed from the ground become tangible personal property and are subject to the sales tax that applies to retail sales of tangible personal property. Sales of sand and gravel are subject to sales tax unless sold to a vendor for resale or unless sold to a contractor who has a building permit. This also applies to Cement, Ready-Mix and Asphalt.

Tax must be imposed on the delivered price of sand and gravel including minimum load and transportation charges...Tax on charges for hauling materials to the customers destination may be avoided only if all of the following conditions are met:

1. Same price with or without transportation - transportation charges are stated separately.
2. Customer has option for transportation.

In both cases, standby charges after arrival at the destination are not subject to sales tax if segregated on customer's invoice



Rondall V. Phillips

RONDALL V. PHILLIPS

March 15, 1988

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-8
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
General Definition

TOWN OF VAIL SALES TAX POLICY 88-8

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

General Definition

Tangible Personal Property or Personal Property. Means corporeal personal property, which may be seen, weighed, measured, or felt or touched, or is in any manner perceptible to the senses and for the purposes of the Sales Tax and where referred to throughout this Chapter 3.40, shall also mean and does include the specific services set out as taxable in this Chapter 3.40.

Tangible personal property, for purposes of this Chapter 3.40, means all goods, merchandise, products, or corporeal things and substances, solid, liquid or gaseous, which are dealt in and capable of being possessed, measured, weighed, contained, transported or exchanged, and the services or labor ordinary or necessary or actually utilized to sell, rent, lease or convey that property to the customer in a usable form or manner and which are specified as taxable herein.

Not included in the definition of "tangible personal property" are: real estate or any interest therein; book accounts; stocks; bonds; mortgages; notes and other evidence of debt; insurance certificates or policies; business, professional, hunting, fishing or other licenses, or uncanceled United States postage or revenue stamps sold for postage or revenue purposes.

Prefabricated units and other property purchased for improvements to real estate, houses when detached from the land, and trailers or mobile homes not affixed to the land are all tangible personal property.

Property severed from real estate, or property capable of being severed from real estate without irreparable damage to the structure proper or to the property so severed is tangible personal property. This would include such items as furniture and fixtures, which would be taxable on their sale, lease or rental, for example in a real estate transfer or change in ownership. The term "fixtures" as used herein means things which are accessory to a building and which do not lose their identity as accessories when placed or installed.

Where referred to throughout this Chapter 3.40, tangible personal property shall also include and mean the specific services set out as taxable herein.

That property and specific services which are referenced throughout this Chapter 3.40 and regulations as tangible in nature, and/or taxable on its sale, lease, rental, storage, distribution or consumption shall be considered as defined by the Town as tangible personal property for the purposes of its Chapter 3.40 and regulations and shall be thus referred to throughout.


Rondall V. Phillips March 1, 1988
RONDALL V. PHILLIPS EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-9

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE

The linen service industry is comprised of companies who sell, rent, lease and service the following for industrial or private purposes:

- Diapers
- Bed Linen
- Table Linen
- Uniforms
- Runners and Mats
- Shirts and Smocks
- Cloth Towels and Dispensers
- Mops

Definition of "linen service":

For the purpose of taxation, linen service is defined as pick up, cleaning, mending and delivery of linen that is not the property of the linen service company.

TAXABLE TRANSACTIONS

Linen Rental/Linen Lease. "Linen rental and linen lease" infer that the linen is the property of the renter or lessor and that the linen is rented or leased in a clean state and is maintained and cleaned by the renter or the lessor. A sales tax applies to rentals and leases. If these linens are damaged or lost by the customer, the latter is charged at replacement cost. This transaction is considered a sale for all intents and purposes, therefore, is sales taxable.

Linen Sales. Linen sales are the outright sales of linen. This transaction is taxable sales of personal property unless bought for resale.

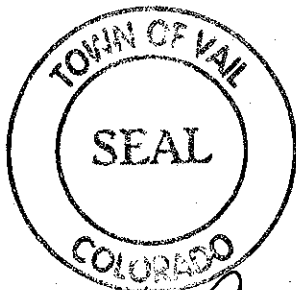
Other. Any tangible personal property items that are furnished under a service contract and are billed separately as a distinct item to the customer are considered retail sales and sales tax should be collected from the customer and remitted by the servicing company.

If such consumable items are not separately stated but are included in the service contract, the linen service shall be deemed to be the user or consumer of the products and shall pay sales tax at the time of purchase.

No sales tax is applicable to the charge for services rendered.

NON-TAXABLE TRANSACTIONS

Linen Service. The pick-up, cleaning, mending and delivery of linen that is not the property of the company providing the service is non-taxable.



Rondall V. Phillips
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March 1, 1988
EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-10

TO CLARIFY REPORTING REQUIREMENTS FOR
BUSINESSES WITH MORE THAN ONE BUSINESS
ACTIVITY

Per Section 3.40.70 of the Town of Vail Municipal Code:

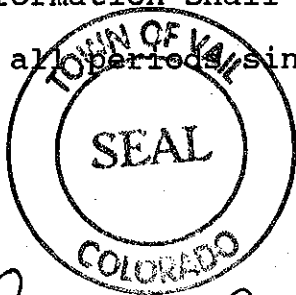
The Town Manager may adopt rules and regulations in conformity with this Chapter 3.40 for the proper administration and enforcement of this Chapter 3.40.

Ron Phillips, Town Manager, has decided that for the purpose of statistical analysis of business activity in the Town, that all businesses with more than one business activity shall report each type of activity on Schedule C - Consolidate Accounts Report, on the back of the Town of Vail Sales Tax Return Form.

The types of business activity to be separated are:

- 1) Lodging and Retail
- 2) Restaurant and Bar
- 3) Bar
- 4) Retail

This information shall be provided at the time the Return is filed and for all periods since the adoption of this Chapter 3.40.



Rondall V. Phillips
RONDALL V. PHILLIPS

March 1, 1988
EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-11
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
meals Served to Employees

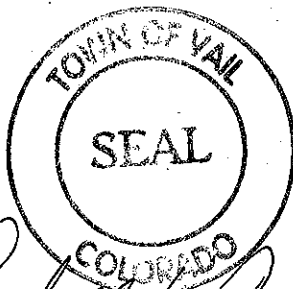
TOWN OF VAIL SALES TAX POLICY 88-11

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Meals Served to Employees

All sales of meals by any restaurant, eating house, hotel, drugstore, club, resort or any place at which meals or food are regularly sold or are required by law to have food or meals available for sale, to any employee (whether at full price or a reduced price) are taxable.

When employees receive meals at no charge, the tax does not apply.



Rondall V. Phillips

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June 1, 1988

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-12

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Medical Exemptions

First, the tax levied by the Town of Vail shall not apply to any supplies given, sold or consumed while an outpatient, inpatient, or emergency room patient at the hospital.

Second, if not being treated at the hospital, the tax levied by the Town of Vail shall not apply to the purchase price of prescription drugs or prosthetic devices.

Prescription drugs and prosthetic device defined:

Prescription Drug - means a substance for human consumption used in the treatment or prevention of disease or other illness, the sale of which is delivered on a written order, dated and signed by a licensed practitioner of the healing arts specifying the name and address of the patient for whom the medical substance is ordered and directions, if any, to be placed on the label or dispensed in the practitioner's office.

Prescription drug does not include any medical substance which may be purchased by the general public without a physician's prescription.

Prosthetic Device - means any artificial limb, part device or appliance for human use, which aids or replaces a bodily function; is designed, manufactured, altered or adjusted to fit a particular patient; and is prescribed by a licensed practitioner of the healing arts. Prosthetic devices include but are not limited to prescribed auditory, ophthalmic or ocular, cardiac, dental, therapeutic, or orthopedic devices or appliances, and oxygen with related accessories.

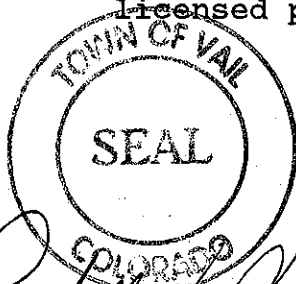
Licensed Practitioner of Healing Arts - anyone who passed the State requirements which include: testing, degree, residency or internship; who can legally prescribe drugs as defined herein.

The terms prescription drug and prosthetic device include but are not limited to the following:

- blood and blood products and derivatives
- contact lenses (corrective)
- crutches sold to patients under written prescriptions
- dentures and items designed to restore or replace a dental function, e.g. inlays, crowns, fillings and orthodontic wires and traction devices
- eyeglasses and frames (corrective)
- hearing aids and batteries
- hemodialysis products for use at the patients home
- hospital beds sold to patients with prescriptions
- insulin and insulin injecting and measuring devices
- oxygen and related equipment when prescribed
- pacemakers
- shoes, special when prescribed
- wheelchairs when sold to patients with a prescription
- drugs, ointments and medicines administered by doctors
- x-rays and film

The terms prescription drug and prosthetic device do not include medical equipment or supplies such as:

- contact lenses (cosmetic)
- contact lens chemicals and appliances
- crutches without a prescription or when sold to a licensed practitioner's office
- dietary supplements and special foodstuffs
- eyeglasses (cosmetic) such as non-prescription sunglasses
- hot tubs, whirlpools, mattresses, chairs and other similar "appliances"
- kits - urine, pregnancy, blood, etc.
- pregnancy prevention devices purchased over the counter
- ramps, special equipment and other facilitating devices used to aid mobilization of handicapped
- supplies consumed by licensed practitioners, e.g. tongue depressors, cotton swabs, etc.
- vitamins and vitamin supplements
- wheelchairs without a prescription or when sold to a licensed practitioner's office



Rondall V. Phillips
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June 1, 1988
EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 88-13
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Burglar Alarm Policy

TOWN OF VAIL SALES TAX POLICY 88-13

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Burglar Alarm Policy

A contractual relationship with alarm subscribers provides for two distinct economic transactions.

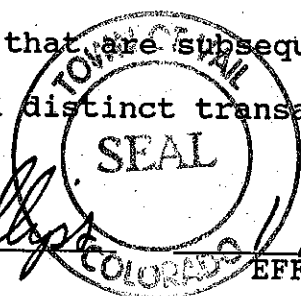
The first relates to the installation of the alarm system, and the second to the ongoing providing of system monitoring services to the alarm subscriber.

Consequently, subscribers may be billed in one of two ways:

1. The initial system components are billed as a retail sale of tangible personal property, and sales tax is charged on the full amount; any installation charges that are separately stated on the invoice are not subject to sales tax. If not separately stated, the full amount is subject to sales tax.
2. The subscriber is billed a monthly charge which includes a cost amortization of system components, installation of components, and a monitoring charge; if this method is used, the alarm company would be allowed to separate the installation and monitoring charge from the components, and these amounts would not be subject to tax.

Monitoring charges are not subject to sales tax, provided the amount charged monthly is strictly related to the providing of monitoring and certain other services to the alarm subscriber which are not in any way based upon the utilization or cost amortization of the initial system components.

Alarm systems that are subsequently resold are subject to sales as separate and distinct transactions.


Rondall V. Phillips November 1988
RONDALL V. PHILLIPS EFFECTIVE DATE OF POLICY

SALES TAX POLICY 88-15

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Repair Services

Under Section 3.40.120 of the Town of Vail Municipal Code, all sales, leases and rentals of tangible personal property are taxable with no deductions therefrom on account of labor, services, profit, cost of materials used or any other cost on the sale of such property.

Regardless that some business establishments that convey tangible personal property to the customer may be allowed under the laws or regulations of other taxing jurisdictions to consider themselves consumers (and not retailers) for the purpose of payment of tax, any business enterprise conveying tangible personal property in a combined sale of property and service to any customer shall, at the discretion of the Town of Vail Finance Director be considered a retailer under the Code and shall charge the tax to the customer on that combined sale of property and service, if not separately stated.

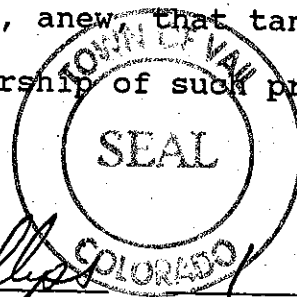
The tax will be charged on the total purchase or selling price to the customer without any deduction therefrom on account of the cost of the property sold, cost of materials used, labor or service cost, or any other expense whatsoever on any of the following types of repair, restoration, refinishing, and alteration. If such retailer fails to itemize the materials portion of that combined sale of property and service to the customer and charge the Town of Vail tax on the materials portion of the invoice to the customer, then that retailer must remit the tax at 4% on the total combined sale of property and service to the customer.

Examples of such above sales by repair services of tangible personal property, are as follows:

- Air conditioning, room unit repair
- Appliance repairing, any type of automobile repair
- Bicycle repair
- Bookbinding
- Carpet and rug repairing
- Clock repairing
- Compressor repairing
- Data processing equipment repairing
- Dishwasher machine repairing
- Electrical appliance repairing
- Electrical motor repairing
- Electronic equipment repairing
- Any engine repair
- Furniture repair, upholstering, or other refinishing
- Ice making equipment repairing
- Jacks repairing
- Jewelry repair and renovation
- Lamp repairing
- Laundry equipment repairing
- Lawn mower sharpening and repairing
- Locks and locksmith repairing and replacements

Luggage and leather goods repairing
Motorcycle and motor scooter repairing
Motor and transformer rewinding
Musical instrument repair
Office furniture and equipment repair and refinishing
Phonograph repairing
Photo retouching
Photographic equipment repairing
Piano refinishing, rebuilding and repairing
Plating and electroplating
Refinishing or finishing work
Radio and television repairing
Range and stove repairing
Refrigeration equipment repair
Sewing machine repair
Shoe and leather goods repair
Sign maintenance and repair
Stereophonic sound equipment repair
Storm window and door repair
Tennis racket re-stringing and repairing
Tire recapping, retreading and repairing
Tool repair work
Transmission repair
Truck repairing service
Vacuum cleaner repair
Watch and jewelry repair
Weaving and mending repair and clothing alterations and
repair work for which a charge is made
Wheel alignment, frame and axle servicing and repair

and any other remaking, remanufacturing, reprocessing, reforming, reshaping, refashioning, refabricating, reforging or other repair of tangible personal property as defined under this Code to bring to a state of usefulness, anew, that tangible personal property, regardless that the ownership of such property may reside in the purchaser.



Rondall V. Phillips November 1988
RONDALL V. PHILLIPS EFFECTIVE DATE OF POLICY

SALES TAX POLICY 88-16

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Reupholsterers of Furniture

General - Upholsterers generally perform four functions when completing a contract for their services:

- 1) The sale of materials and parts.
- 2) The fabrication of back and seat cushions and cutting and sewing of new material used for upholstery covering.
- 3) Labor for stripping old material and applying new material to tangible personal property.
- 4) Repair labor such as retying springs and refinishing the exposed wooden areas of furniture, i.e., arms, legs, etc.

Sales of Materials and Parts - Reupholsterers are the retailers of materials and parts they sell in connection with reupholstering jobs. These include but are not limited to: fabrics for furniture covering cushions, foam rubber, padding, burlap, dust covers, seat decking, spring units, legs, arms and casters. Reupholsterers also are the retailers of items with small unit values or furnished in small quantities on any particular job. These are commonly referred to as findings and include such items as braids, buttons, cardboard strips, edge roll, edge wire, glue, spring clips, tacks, tacking strips, thread, twine, web cord and varnish.

Fabrication Labor - Charges for fabrication labor are taxable. Cutting and sewing materials for coverings for furniture being upholstered, including back and seat cushions, are steps in the process of completing a new article and are fabrication labor. Labor for making new furniture from materials furnished directly or indirectly by the customer is fabrication labor.

Labor charges for repairing furniture and for applying new materials to furniture are taxable under the rules set in Sales Tax Policy 88-15.

An upholsterer who is engaged in the repair, recovering, upholstering or similar work on a customer's property is engaged in the sale of tangible personal property and accordingly, will charge his customer sales tax on the tangible personal property used in this service. The upholsterer must separately state the tangible personal property and the service or labor charges on his billing to his customer.

A sale by the upholsterer of upholstery material, manufactured articles, or other tangible personal property to a retail customer, without service rendered in connection with the sales, is taxable on the full selling price of the property.

An upholsterer who purchases property which he upholsters and then offers for sale is required to charge sales tax on the full selling price of such property.

Upholstery material and other items of tangible personal property that become a part of the upholstered item may be purchased tax-free, but he must pay sales or use tax on those items used or consumed that do not become a part of the completed upholstered property.



Rondall V. Phillips
RONDALL V. PHILLIPS

1 November 1988
EFFECTIVE DATE OF POLICY

SALES TAX POLICY 88-17
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Amusement Devices, Amusement Places, Carnivals, Etc.

SALES TAX POLICY 88-17

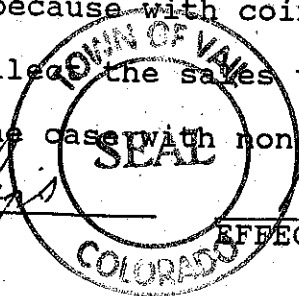
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Amusement Devices, Amusement Places, Carnivals, Etc.

The tax will be applied to the total amount charged for the use of any amusement device including bowling, billiards, carnival ride, or any other such devices which are non-coin operated, utilized in the town limits, for which a charge is made. The tax will fall on the gross proceeds of all such charges for utilization of such non-coin operated devices regardless that the charge falls below the minimal taxable bracket on which the vendor assesses the tax. These devices are also subject to the sales tax on their subsequent rental or lease to other persons and on the original purchase.

Coin operated amusement devices, where the object of the utilization of such devices is a short-term rental of the device itself, will be taxed either on the gross receipts from utilization or rental of such device, or the tax may be incorporated into the rental amount charged. Once the election is made, the owner, operator, or person must continue to report the sales tax in the elected manner. The Town of Vail allows alternative reporting procedures because with coin-operated devices the owner or operator cannot collect the sales tax from the customer renting such devices, as is the case with non-coin operated devices.

RONDALL V. PHILLIPS



November 1988
EFFECTIVE DATE OF POLICY

SALES TAX POLICY 88-18
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Cleaners OE Dry Cleaners OE Laundries

SALES TAX POLICY 88-18

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

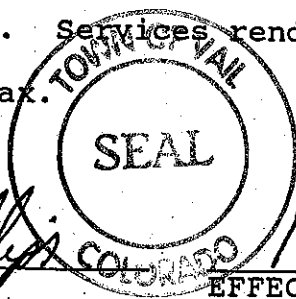
Cleaners - Dry Cleaners - Laundries

COIN-OPERATED

The Sales Tax will not apply to the purchase of coin-operated laundry, dry cleaning and cleaning machinery and equipment. Instead, the utilization of such coin-operated devices is considered a short-term rental of the devices. The Sales Tax may either fall on the gross receipts from utilization or rental of such device, or the sales tax may be incorporated into the rental amount charged. Once the election is made, the owner or operator of such devices must continue to report the sales tax in the elected manner.

NON-COIN OPERATED

The Sales Tax applies to all tangible personal property purchased by the owner or operator of non-coin operated laundries and non-coin operated cleaners, including dry cleaners to be used in the furnishing of services, machinery, equipment, repair parts, materials and supplies. Services rendered by such person are not subject to the sales tax.



Rondall V. Phillips
RONDALL V. PHILLIPS

1 November 1988
EFFECTIVE DATE OF POLICY

SALES TAX POLICY 88-19

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF
VAIL MUNICIPAL CODE

Computer Software

DEFINITIONS

1) Operating System. The internalized instruction code which controls the basic operations (i.e., arithmetic and logic) of the computer causing it to execute instructions contained in system programs, is an integral part of the computer. It is not normally accessible or modifiable by the user. Such internal code systems are considered part of the hardware and are taxable. The fact that the vendor does or does not charge separately for it is immaterial.

2) A software program is one in which instructions and routines (programs) are determined necessary to program the customer's electronic data processing equipment to enable the customer to accomplish specific functions with his EDP system.

The software may be in the form of:

1. Systems programs (except for the instruction codes which are considered tangible property in paragraph 1 above) - programs that control the hardware itself and allow it to compile, assemble and process application programs.

2. Applications programs - programs that are created to perform business functions, or control, or monitor processes.

3. Pre-written programs (canned) - programs that are either systems programs or application programs and are not written specifically for the user.

4. Custom programs - programs created specifically for the user.

EXEMPT

To be considered exempt "software", one of the following elements must be present:

a. Preparation or selection of the program for the customer's use requires an analysis of the customer's requirements by the vendor, or

b. The program requires adaptation, by the vendor, to be used in a specific output device. For example, a software vendor offers for sale a pre-written sort program which can be used in several computer models. Prior to operation, instructions must be added by the vendor which specify the particular computer model in which the program will be utilized.

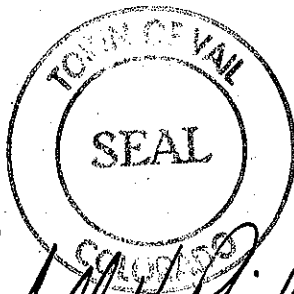
Software, meeting the criteria in (a) or (b) above, whether placed on cards, tape, disc pack, or other machine readable or entered into a computer directly is deemed to be intangible personal property and such sale is exempt from sales and use taxes. Software or programs which do not meet the criteria are subject to tax.

TAXABLE

The tangible personal property that is transferred to the customer in connection with the exempt service is subject to payment of the tax on the tangible personal property at the time the tangible personal property is acquired.

A company that leases a computer with exempt application programs and does not segregate in its billing the charge for the software lease is subject to tax on the entire charge.

A software retailer or supplier that sells prepackaged programs for use with home television games or other personal computer equipment, when such programs are fully usable by the customer's without modification, is considered to be a vendor of tangible personal property and subject to sales tax on the purchase price of such property.



Rondall V. Phillips
RONDALL V. PHILLIPS

1 November 1988
EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 90-1
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Special Accounting-Sales by Qualified Nonprofit Organizations

TOWN OF VAIL SALES TAX POLICY 90-1

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
Special Accounting-Sales by Qualified Non-Profit Organizations

Purchases of tangible personal property in the Town of Vail are taxable and the organization selling such property is liable for the collection of sales tax from the purchaser. Special accounting is allowed for those qualified non-profit organizations selling taxable tangible personal property for the purposes of fund raising to provide community services. This special accounting exempts qualified organizations from reporting and remitting Town of Vail sales tax collected.

Organizations eligible for reporting exemption include those organizations which have been authorized in writing by the Internal Revenue Service as a Section 501 (c) organization. The Town Finance Director may extend the reporting exemption to other organizations which are not for profit and whose fund raising activities are primarily for the providing of services which directly benefit the citizens of the Town of Vail by reducing the burden of the Town to provide such services.

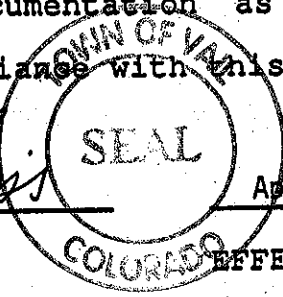
The total proceeds of qualified fund raising activities, as defined above, must be retained and expended by the qualifying organization to provide charitable services. Activities for which the organization receives less than 100% of the proceeds of taxable sales or is merely lending its name are not eligible.

An eligible fund raising activity shall not include those activities which constitute a trade or business that is regularly carried on and is not substantially related to the organization's tax exempt status. Activities which are conducted from a fixed or permanent location on a daily or weekly basis will be considered the operation of a trade or business for profit and thereby ineligible.

Organizations which have been qualified who conduct an activity which does not meet the qualifying criteria must report and remit the sales tax collected. Fund raising for the purposes of providing travel or entertainment to members of the organization unrelated to the providing of community services are ineligible and must be reported and remitted to the Town of Vail.

To qualify for reporting exemption the organization shall apply to the Town of Vail on forms prescribed by the Finance Director. The Finance Director will renew the application and may require any additional documentation as needed to determine qualification and past compliance with this ordinance.

Rondall V. Phillips



April 11, 1990

RONDALL V. PHILLIPS

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 90-2 TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL
MUNICIPAL CODE FIREWOOD

TOWN OF VAIL SALES TAX POLICY 90-2
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
FIREWOOD

All sales of firewood are taxable except when sold to a dealer for resale.



Rondall V. Phillips

RONDALL V. PHILLIPS

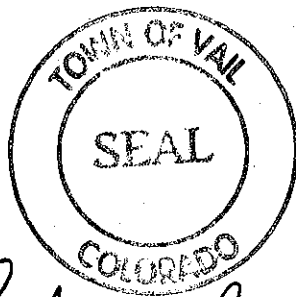
November 1, 1990

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 91-1 TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL
MUNICIPAL CODE FLORAL WIRE SERVICES

TOWN OF VAIL SALES TAX POLICY 91-1
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
FLORAL WIRE SERVICES

Floral wire services are taxed at the place of origin. Only the flowers are taxed, the wire service or delivery fee is not taxed if stated separately on the invoice. Outgoing wires are taxed by the Town of Vail but incoming wires are not.



Rondall V. Phillips

RONDALL V. PHILLIPS

5-1-91

EFFECTIVE DATE OF POLICY

TOWN OF VAIL SALES TAX POLICY 93-1
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
EXEMPT ORGANIZATIONS

Sales Tax Policy 93-1 replaces Sales Tax Policy 88-6. Policy 88-6 is void.

On October 19, 1993 The Town of Vail revised its policy regarding procedures for tax exempt status. An application for Town of Vail tax exemption is no longer required. The Town of Vail now follows the same criteria as the State of Colorado. You must obtain the organization's State of Colorado tax exempt number and record it on your invoice. The seven digit number begins with "98-" and is followed by five more digits. Out of state tax exempt organizations are allowed to make sales tax exempt purchases upon providing the vendor with a tax exemption number or some other documentation of tax exempt status from another state. Please record the exemption number on your invoice or attach the documentation they provide. Not all purchases made by tax exempt organizations are nontaxable. You may sell tax free tangible personal property or taxable services to a tax exempt organization only if all of the following requirements are met:

1. Payment for the item or service is made directly from the organization's funds rather than by an individual or individuals and the organization will not be reimbursed by any person(s) for the use or consumption of the item or service. Purchases by an individual do not qualify for the exemption even though the individual will be reimbursed by the organization or governmental agency.
2. The item or service is used by the organization in conducting its regular religious, charitable, scientific, literary, educational or governmental business.

Sales made by tax exempt organizations are taxable.




Larry Grafel

October 19, 1993
Effective Date of Policy

TOWN OF VAIL SALES TAX POLICY 94-1 TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL
MUNICIPAL CODE MANUFACTURING EXEMPTION

TOWN OF VAIL SALES TAX POLICY 94-1

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
MANUFACTURING EXEMPTION

ORDINANCE:

3.40.170 L. 1. Sales to and purchases of tangible personal property by a person engaged in the business of manufacturing, compounding for sale, profit or use, any article, substance, or commodity which tangible personal property enters into the processing of or becomes an ingredient or component part of the product or service which is manufactured, compounded or furnished, and the container, label or the furnished shipping case thereof, shall be exempt from taxation under this Chapter 3.40.

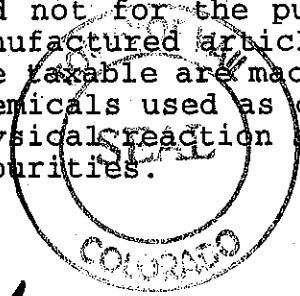
CLARIFICATION:


The sale of tangible personal property to a person engaged in the manufacture or compounding of a product or service, where such tangible personal property becomes a physical part of such product or service, is a wholesale sale and exempt from sales tax. Any container, label or shipping case used to encase or enclose such product may be purchased tax free by the manufacturer or compounder.

The purchase price paid or charged on the sales to and purchase of tangible personal property by a person engaged in manufacturing or compounding for use, profit or sale, shall be deemed a wholesale sale when it meets all of the following conditions:

- A. Is actually and factually transformed by the process of manufacture;
- B. Becomes by the manufacturing processes a necessary and recognizable ingredient, component and constituent part of the finished product; and
- C. Its physical presence in the finished product is essential to the use thereof in the hands of the ultimate consumer.

Tax applies to the sale of tangible personal property to the manufacturer or compounder that purchases it for use as an aid in manufacturing, producing or processing tangible personal property and not for the purpose of physically incorporating it into the manufactured article to be sold. Examples of such property which are taxable are machinery, tools, furniture, office equipment, and chemicals used as catalysts or otherwise to produce a chemical or physical reaction such as the production of heat or the removal of impurities.





Robert W. McLaurin
Town Manager

November 16, 1994

Effective Date of Policy


TOWN OF VAIL SALES TAX POLICY 94-2
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
FREIGHT, DELIVERY, AND TRANSPORTATION

TOWN OF VAIL SALES TAX POLICY 94-2

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
FREIGHT, DELIVERY, AND TRANSPORTATION

1. Where tangible personal property is sold "F.O.B. shipping point" and the purchaser at that point assumes the risk of ownership, and transportation costs do not appear on the seller's invoice, the cost of transportation paid by the purchaser to the carrier is not subject to the tax.
2. Where tangible personal property is sold "F.O.B. shipping point" and the invoice allows a credit for transportation charges paid or to be paid by the purchaser, the tax shall be computed on the total invoice charge.
3. Where tangible personal property is sold on a delivered or "F.O.B. destination" basis, the tax shall be computed on the total charges, even though the seller bills the purchaser separately for the freight charges.
4. Where the seller delivers the shipment and makes a charge which appears separately on the invoice, and in fact the seller assumes responsibility for loss and damage in transit, the tax shall be computed on the total invoice charge.
5. Where the seller has prepaid the transportation charges which appear on the seller's invoice as an additional charge, or a separate invoice charge is made, the tax shall be computed on the total charges unless satisfactory showing is made to the Finance Director that the seller was acting as a bona fide agent of the purchaser to effect transportation by the carrier of the purchased goods.




Robert W. McLaurin
Town Manager

November 16, 1994
Effective Date of Policy

TOWN OF VAIL SALES TAX POLICY 94-3
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
SALES TAXABILITY OF TIPS AND GRATUITIES

TOWN OF VAIL SALES TAX POLICY 94-3

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
SALES TAXABILITY OF TIPS AND GRATUITIES

GENERAL INFORMATION: Tips and gratuities are payments that should be separately paid to the persons providing the service (the server, waiter or waitress).

WHEN SHOULD THE TIP BE EXCLUDED FROM THE SALES TAX CALCULATION?

Tips and gratuities are not taxable when they are left on the table or location where the service took place or when they are added to the charge receipt after the price and tax are calculated. Tips and gratuities are not subject to tax when all of the following apply:

1. Tips/gratuities are separately stated on the bill and are optional for the customer.
2. No portion of the tip/gratuity is retained by, or for the profit of the business.
3. Tips/gratuities are given to the persons providing the service.


For a large group, if the tip is separately stated and meets all of the above requirements and the customer has the option not to pay the tip, the tip should not be included in the sales tax calculation.

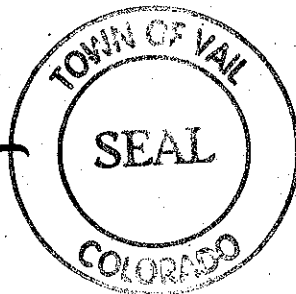
WHEN SHOULD THE TIP BE INCLUDED IN THE SALES TAX CALCULATION?

Sales tax must be paid on tips and gratuities that are included in the cost of food served by restaurants, banquet facilities, hotels and caterers, or in the cost of services provided. Tips and gratuities are subject to tax when:

1. They are not separately stated, or
2. They are collected by the employer and distributed as wages, or
3. Any portion is retained by the business, or
4. The business uses them to compensate other persons and not the service providers.

If a restaurant or other business is providing services for a large group and the tip, gratuity or "service charge" is included in the charge, the tip must be included in the sales tax calculation.


Robert W. McLaurin
Town Manager



November 16, 1994
Effective Date of Policy

TOWN OF VAIL SALES TAX POLICY 97 - 1

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE

LEASED DEPARTMENTS WITHIN STORES
AND
LEASED REAL AND PERSONAL PROPERTY

GENERAL INFORMATION: This sales tax policy addresses the sales tax remittance obligations of both lessor and lessee in stores that have leased departments and when the real property a business is run from is leased.

DEFINITION: A "leased department" is floor space within a store that is leased and run as a separate business from the company that manages the store. It does not matter whether customers are aware that a particular department is a distinct business. An example of a leased department might be a department store that contains a shoe department that is actually run by a different company. This second company owns and controls the stock within the shoe department, but leases the space from the department store. "Leased real and personal property" refers to businesses run from real property that is leased and not owned by the owner of the business that occupies the real property.

For the purposes of licensing under Town of Vail sales tax laws, the leased department is treated as a separate and distinct store, just the same as if such department were in a separate and distinct building. The fact that the department happens to be within a larger store does not alter the fact that the ownership and control of the merchandise is different in the leased department. Therefore, a leased department must have its own sales tax license. Businesses run from leased real property are also required to obtain a Town of Vail sales tax license, collect Town of Vail sales tax and remit the sales tax to the Town of Vail.

Where a store contains leased departments, each leased department must remit a separate sales tax return. The lessee must keep its books separately from the lessor's books, and make sales tax collections on retail sales. If the lessor store keeps the books on behalf of lessee departments, the lessor must fill out separate returns for each such department and remit the taxes due. In cases where the lessor keeps the lessee's books and remits the lessee's sales taxes, the lessee is not absolved of the ultimate responsibility for remittance of the taxes due.

FAILURE TO PAY:

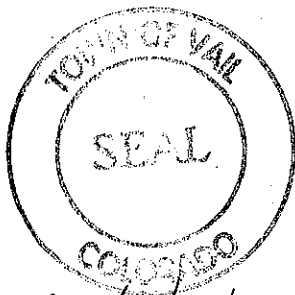
In cases where the leased department or leased real property fails to remit sales taxes and a distraint warrant is issued by the Town of Vail, the property of the lessor which is used by the lessee (e.g., furniture, fixtures, display cases, kitchen equipment etc.) is not immune from seizure even if the lessor does not control the leased department's books or the books of the business run from leased real property. The lessor may protect its tangible personal property from seizure in any one of three ways:

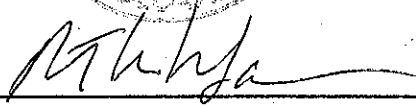
* File a copy of the lease with the county clerk in Eagle County.

SALES TAX POLICY 97-1
PAGE 2

- * File a memorandum of lease describing the leased property with the Town of Vail sales tax department.
- * Within ten days of seizure of the property by the Town of Vail, notify the Town of Vail of the existence of a lease, and provide a copy of it.

In all cases, the lease must list the tangible personal property in such a way as to be identifiable by Town of Vail employees.




Robert W. McLaurin
Town Manager

February 25, 1997
Effective Date of Policy

TOWN OF VAIL SALES TAX POLICY 97 - 2 TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE COVER CHARGES

TOWN OF VAIL SALES TAX POLICY 97 - 2

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE

COVER CHARGES

Sales tax does not apply to cover charges when the charge is for entertainment only. If the cover charge includes drinks or items that are otherwise sales taxable then the cover charge is sales taxable. When cover charges are taxable the sales tax can be included in the total cover charge.

Examples

Based on the Town of Vail 4% sales tax

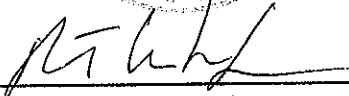
Non-Taxable
Entertainment Only

Cover Charge \$5.00
Sales Tax \$0.00
Total Charge \$5.00

Taxable
Entertainment plus a drink

Cover Charge \$4.62
Drink \$5.00
Sales Tax \$.38
Total Charge \$10.00




Robert W. McLaurin
Town Manager

February 25, 1997
Effective Date of Policy

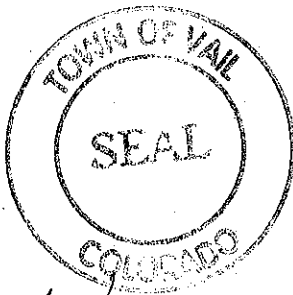
TOWN OF VAIL SALES TAX POLICY 97 - 3
TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE
SKI LOCKERS

TOWN OF VAIL SALES TAX POLICY 97 - 3

TO CLARIFY CHAPTER 3.40 OF THE TOWN OF VAIL MUNICIPAL CODE

SKI LOCKERS

The short term rental (less than thirty days) of ski lockers are sales taxable by the Town of Vail.
Long term rentals of ski lockers are not sales taxable by the Town of Vail.



A handwritten signature in black ink, appearing to read "R. W. McLaurin", is written over a horizontal line.

Robert W. McLaurin
Town Manager

February 25, 1997
Effective Date of Policy

TOWN OF VAIL SALES TAX POLICY 03-1
TO CLARIFY TITLE 4 CHAPTER 3 OF THE TOWN OF VAIL MUNICIPAL CODE
Rental of Home/Condominium/Hotel Room/Accommodation

TOWN OF VAIL SALES TAX POLICY 03-1

TO CLARIFY TITLE 4 CHAPTER 3 OF THE
TOWN OF VAIL MUNICIPAL CODE

Rental of Home/Condominium/Hotel Room/Accommodation

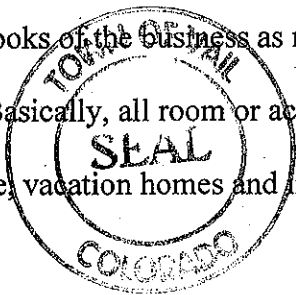
Sales Tax Policy 03-1 replaces Sales Tax Policy 88-3A. Sales Tax Policy 88-3A is void.

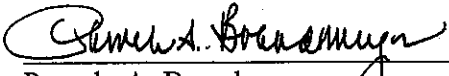
Rooms or accommodations permanently occupied and which occupancy is secured by a written agreement are exempt from tax. Permanently occupied is defined as being a period of thirty (30) or more consecutive days. A written agreement includes a hotel or motel registration or a rental receipt.

Accommodations include rentals of banquet rooms, meeting rooms, etc., especially set forth herein.

Any deposits forfeited by the customer and cancellation charges are taxable. Forfeited deposits should be reported on the taxpayer's tax return when they are recorded on the books of the business as revenue.

Basically, all room or accommodation rentals are taxable. Primary places of residence, vacation homes and investment pieces of property are all fully taxable.




Pamela A. Brandmeyer
Interim Town Manager

9-8-03
Effective Date Of Policy