

Tax and Licensing Division
15151 E. Alameda Parkway, Ste. 5700
Aurora, Colorado 80012
303.739.7800



Tax Compliance Guide

Apartment Buildings & Property Management Companies

(2/2022)

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

Auroragov.org/tax

Owners and managers of apartment buildings and other rental residential or commercial properties in the City must obtain a General Business License and pay Aurora sales tax on items purchased, leased, or rented for use in their properties. If Aurora sales tax is not paid to a vendor licensed to collect the same, then a use tax must be remitted directly to the City on the next periodic return. Credit may be taken against Aurora use tax for legally imposed sales or use taxes paid to other municipalities. Such credit may not exceed the amount of Aurora use tax due.

Materials used in minor repair work (not requiring a building permit) are subject to sales and use tax. Labor charges for installing or repairing tangible personal property are not subject to sales and use tax, provided they are separately stated from charges for materials or parts. Sales of completed units of tangible personal property, such as appliances, water heaters, carpet, ready-made cabinets, heating/air conditioning systems, storm doors, sod, and similar items are subject to sales and use tax.

Residential and commercial rent charges are not subject to City sales or lodger's tax if the contract is for a period of at least 30 consecutive days. City sales tax applies to the sale or rental of tangible personal property, such as the utilization of furniture or equipment rental. Use of coin-operated laundry machines is not subject to sales tax as long as sales or use tax was paid on the purchase of the machine. Sales tax must be collected if the coin-operated machine dispenses property, such as detergent or fabric softener.

When a multi-family property is purchased or sold, sales/use tax is due on the portion of the purchase price attributed to tangible personal property in the contract or bill of sale. The greater of the fair market value or book value of the tangible personal property is used as the purchase price.

Examples

- Complex A contracts with Vendor B to install blinds in all units. Vendor B charges \$300 for each blind, plus \$50 freight, and a separate charge of \$150 for installation. The \$300 charge for each blind plus the \$50 freight is subject to sales and/or use taxes.
- Complex C has an on-site laundry facility that charges \$0.75 per wash and \$0.75 for detergent. The price for the wash is not subject to tax if Complex C paid Aurora sales or use tax on the purchase of the machine. The price for detergent is inclusive of

sales tax, and Complex C must report and remit taxes of these sales to the City.

- Owner D owns an office complex and rents fully furnished office spaces. Charges for furniture rental must be stated separately from monthly real estate rent, and City sales tax must be collected on these charges.

Related Topics

Coin-Operated Devices
Purchase or Sale of a Business
Mixed Transactions

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-156. Taxable Items
§ 130-157. Items Exempt from Taxation
§ 130-157.5. Short-term on premises rentals of tangible personal property
§ 130-161. Schedule of Taxes
§ 130-364. Exemptions (Lodger's Tax)

Contact Us

For additional assistance, please contact us:

City of Aurora
Tax and Licensing Division
15151 E. Alameda Parkway Ste. 1100
Aurora, CO 80012

Phone: (303) 739-7800

E-mail address: tax@auroragov.org

Website: <http://www.auroragov.org/tax>

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