

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

Prior Use of Property

(2/2022)

The *Aurora Municipal Code* imposes a use tax upon the privilege of using, storing, distributing, or otherwise consuming tangible personal property and certain taxable services in the City. If Aurora sales tax is not paid to a vendor licensed to collect tax at the time of purchase, then a use tax must be remitted directly to the City.

Aurora exempts from sales/use tax the use, storage, distribution or consumption of tangible personal property of a resident, if such personal property was purchased and used for a longer duration than one-third of its depreciable life, using the straight line depreciation method, prior to the time the property was brought into the city, and if such property was used for the primary purpose for which it was acquired prior to the time it was brought into the city. This exemption does not apply to construction equipment, tools and machinery.

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 Aurora use tax due.

Construction Equipment

Please see the Aurora Tax Guide *Construction – Equipment* for information on the taxation of construction equipment. Construction equipment is subject to use tax under a separate City ordinance than described in this compliance guide.

Construction equipment is defined as any equipment, including mobile machinery and mobile equipment, which is used to erect, install, alter, demolish, repair, remodel, or otherwise make improvements to any real property, building, structure or infrastructure.

Examples

1. Company A was previously located outside of Aurora. Having a need to expand, Company A leased office space in Aurora. Company A intends to move most of its current furniture and equipment, which had been in use for more than 4 years, into Aurora. Also, in anticipation of the move, it has several pieces of new equipment delivered to its current location outside Aurora. Company doesn't need to remit use tax on its current furniture but must remit use tax on the new equipment delivered to their current location and temporarily stored outside the City. Company A may take a credit against the

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Aurora tax due for any municipal sales or use tax lawfully paid on the new equipment.

2. Company B has commercial locations in several cities including Aurora, with its corporate headquarters in unincorporated Arapahoe County. When Company B purchases furniture for its headquarters, they do not pay any municipal sales or use tax. After using the furniture at their headquarters for a year, Company B decides to move it to the Aurora office and purchase new furniture for headquarters. Company B must pay Aurora use tax on the full purchase price paid for the old furniture upon locating it in Aurora since it has not been in use longer than one-third of its depreciable life.

Related Topics

Construction – Equipment
Previously Paid Sales/Use Tax

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-156. Taxable Items
§ 130-159. - Application to sale of automotive vehicles
§ 130-196. - Levy
§ 130-198. - Exemptions
§ 130-199. - Use tax credit
§ 130-201. - Nonlocal sales of automotive vehicles.
§ 130-202. - Proration as applied to certain construction equipment

Contact Us

For additional assistance, please contact us:

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