

## Indirect/Sales/Use:

### Colorado DOR Explains Imposition and Application of New Retail Delivery Fee as July 1

*Retail Delivery Fee*, Colo. Dept. of Rev. (5/22). The Colorado Department of Revenue (Department) issued guidance explaining that effective July 1, 2022, Colorado generally imposes a new “retail delivery fee” on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to Colorado sales or use tax. According to the Department, the retailer or marketplace facilitator that collects the Colorado sales or use tax on the tangible personal property sold and delivered, including delivery by a third party, is liable to collect and remit the retail delivery fee. Deliveries include when any taxable goods are mailed, shipped, or otherwise delivered by motor vehicle to a purchaser in Colorado. The Department notes that “if every item in a retail sale is exempt from sales tax, the delivery is also exempt from the retail delivery fee.” However, if one or more items in the transaction is subject to sales tax, the retail delivery fee is due. Furthermore, each sale for delivery is considered a single “retail delivery” regardless of how many shipments are needed to deliver the items purchased. The Department also explains that the new retail delivery fee generally is due at the same time as the Colorado sales tax return, but it must be reported and paid on a new return, the “DR 1786” form. The Department additionally provides that the retail delivery fee is collected statewide, does not need to be separated by jurisdiction, and is calculated per sale. Several answers to some frequently asked questions (FAQs) are included in the Department’s guidance. Please contact us with any questions.

**URL:** <https://tax.colorado.gov/retail-delivery-fee#:~:text=NEW%20RETAIL%20DELIVERY%20FEE%20COLLECTION,to%20a%20purchaser%20in%20Colorado.>

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