

Sales/Use/Indirect:

Colorado DOR Says Taxable Telecom Includes Call Conferencing and Stresses 30-Day Bundled Services Deadline

Sales & Use Tax Topics: Telecommunications, Colo. Dept. of Rev. (5/23). In released administrative guidance, the Colorado Department of Revenue (Department) explains that Colorado imposes sales tax on intrastate telephone and telegraph services and that telephone services subject to Colorado taxation includes transmission over circuitry “as well as call conferencing, routing, and switching.” However, the guidance does *not* specifically address web-based, video, and/or advanced conferencing services.

URL: https://tax.colorado.gov/sites/tax/files/documents/SUTT_Telecommunications_May_2023.pdf

Regarding bundled services, the guidance explains that when nontaxable services are aggregated with and not separately stated from taxable services, the provider of such services may collect the tax only on the taxable intrastate telephone and telegraph services if such provider follows Department procedures. To this end, the provider of such services must maintain for three years documentation of the allocation of services provided that are taxable and nontaxable, because such documentation is subject to audit and the service provider is liable of any uncollected tax. The guidance also explains that such provider must notify the Department of the percentages of taxable and nontaxable services in a package of aggregated services “within 30 days of use on any invoice.” Please contact us with any questions.

— Lance Williams (Denver)
Managing Director
Deloitte Tax LLP
lancwilliams@deloitte.com

Rick Heller (Morristown)
Managing Director
Deloitte Tax LLP
rickheller@deloitte.com

Metisse Lutz (Denver)
Senior Manager
Deloitte Tax LLP
mlutz@deloitte.com

Jeff Maxwell (Denver)
Senior Manager
Deloitte Tax LLP
jemaxwell@deloitte.com

Mikaela Neumuller (Denver)
Senior Manager
Deloitte Tax LLP
mneumuller@deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.