

Mt. Crested Butte Use Tax Information

Mt. Crested Butte collects a 3% Use Tax on construction and building materials as a portion of building permit fee schedules. Most municipalities have, as part of their sales tax code, an exemption from paying the local sales tax when a use tax has been collected with a building permit. A use tax certificate can be issued to the permit holder if requested.

Town of Mt. Crested Butte code language associated with use tax is copied below.

Construction and building materials shall mean tangible personal property which, when combined with other tangible personal property, lose its identity to become an integral and inseparable part of a completed structure or project, including public and private improvements. Construction and building materials include, but are not limited to, such things as: asphalt, bricks, builders' hardware, caulking materials, cement, concrete, conduit, electrical wiring, fixtures and connections, fireplace inserts, electrical heating and cooling equipment, flooring, glass, gravel, insulation, lath, lead, lime, lumber, macadam, millwork, mortar, oil, paint, piping, pipe valves and pipe fittings, plaster, plumbing fixtures, putty, reinforcing mesh, road base, roofing; and sanitary sewer pipe, sheet metal, site lighting, steel, stone, stucco, tile, trees, shrubs and other landscaping materials, wall board, wall coping, wallpaper, weather stripping, wire and wire netting, screen, water mains and meters and wood preservatives. The above materials, when used for forms or other items that do not remain as an integral or inseparable part of a completed structure or project are not construction materials.

Total valuation shall mean the cost of the entire project excluding land, design costs (architecture and engineering), water and sewer tap fees and building permit fees.

Sec. 19-105 Payment based on estimate.

(a) The tax shall be paid by estimate through the payment of the tax at the time permits are issued for building and construction.

(b) The applicant for such a permit shall provide an estimated total valuation for the work, which shall include the value of construction and building materials, for which the permit is being sought. The use tax shall be calculated by multiplying fifty (50) percent of the total valuation by 0.03 (three (3) percent use tax). The applicant may provide documentation to the building official proving the actual valuation of construction and building materials for the work for which the permit is being sought. The building official may use this actual valuation to calculate the use tax collected by multiplying the actual valuation by 0.03 (three (3) percent use tax). If in the opinion of the building official, the total valuation or actual valuation provided by the applicant is under-estimated, the permit shall be denied, unless the applicant can provide additional information supporting the detailed estimates of value which meet the approval of the building official. The final total valuation shall be determined by the building official. The building official reserves the right to require a financial audit and to request any and all applicable records related to the actual value of construction and building materials for which

the permit was issued. In the event the building official determines the actual value of materials is greater than estimated on the permit application, the applicant shall pay use tax on the additional value of materials. Use tax on the actual cost of materials may be subsequently determined through final reconciliation of the actual use tax paid to the amount of the estimate of use tax paid. The permit applicant shall have ninety (90) days beginning with the date of issuance of certificate of occupancy or the date of approval of the final inspection, if the issuance of a certificate of occupancy is not required, to file a final use tax return seeking such reconciliation. The permit applicant's right to final reconciliation under this section shall be deemed waived if a final use tax return is not so filed.

(Ord. No. 19-8, § 1, 12-3-19; Ord. No. 20-4, § 1, 7-21-20)

Sec. 19-21 Exemptions from sales tax.

(a) The tax levied by section 19-18(a) shall not apply to the following:

(21) Construction materials, if the purchaser of such materials presents to the retailer a building permit which evidences that a use tax on such materials has been paid or is required to be paid to the town or a municipality.