

The Louisville Municipal Code (LMC) imposes a sales or use tax on the full purchase price of a sale, lease-purchase, rental or storage of automotive vehicles to a resident of the City when required under Title 42 of the Colorado Revised Statutes to be registered at an address in the City. This includes automotive vehicles used by businesses with a principal office or location in the City.

If sales tax was not paid at the time of purchase, use tax will be due. The Boulder County Clerk is authorized by the City to collect the Louisville portion of the use tax prior to, or at the time of registration, before any certificate of title will be issued. **For information on vehicle registration fees and taxes, please contact the Boulder County Clerk's office.**

An automotive vehicle is defined in the LMC as any vehicle or device in, upon, or by which any person or property is or may be transported or drawn upon a public highway, or any device used or designed for aviation or for flight in the air. This includes but is not limited to motor vehicles, trailers, semi-trailers, or mobile homes. The term "automotive vehicle" does not include devices moved by human power or used exclusively upon stationary rails or tracks.

The taxable purchase price includes all mandatory fees when not separately stated such as finance charges (except the interest set out separately from the unpaid balance on the face of a note), insurance, extended warranties, dealer preparation, handling or delivery. The purchase price includes indirect federal manufacturers' excise taxes on automobiles, tires and floor stock.

Trade-Ins and Rebates

The taxable purchase price is reduced by the fair market value of an automotive vehicle taken in trade by the seller for which the seller has the full rights of ownership. Any money paid over and above the value of the exchanged property is subject to tax. The taxable purchase price may not be reduced by the fair market value of a leased trade-in.

Dealer incentives and rebates from the manufacturer do not reduce the taxable purchase price. These amounts are paid by the manufacturer as opposed to an actual reduction in the price by the seller. Tax should be calculated and paid on the full purchase price before any rebates or incentives.

Private Party Sales

No tax is paid at the time of a sale made between two private parties. The buyer will pay all state and local taxes and fees at the time of registration to the County Clerk's Office in which they reside.

Leased Automotive Vehicles

Leasing Companies must obtain a valid Louisville Sales/Use Tax License and collect the City tax in the monthly lease payments based on the total lease amount. If the leasing company does not have a City sales/use tax license, then the total amount of Louisville tax must be paid up front at the time of registration to the Boulder County Clerk's Office.

The information contained in the Tax Guide publications is intended to offer general guidance in layman's terms, for this topic, industry or business segment, and is not intended for legal purposes to be substituted for the full text of the Louisville Municipal Code rules and regulations. This guide does not constitute a city tax policy.