Taxpayer Responsibilities – Unlawful Acts

The Louisville Municipal Code (LMC) sets forth the legal requirements of retailers and business owners and defines certain punishable offenses.

Public Trust Funds

City sales or use tax are public trust funds and are the property of the City to be used for municipal purposes as authorized by the residents of the City. Each retailer or vendor must hold any taxes in trust for the sole use and benefit of the City until paid to the City. It is unlawful to fail or refuse to pay all such taxes collected or owed.

If a retailer is suffering financial difficulty, or is delinquent in making payment of sales tax collected, or is apparently using City tax money collected for its own purposes, the Finance Director may require the trust funds to be kept segregated in a special account at a bank or other financial institution. Any withdrawals from the account would only be payable to the Finance Director. If a segregated account is not kept as required, all of the tangible personal property owned by the taxpayer will become the trust property of the City.

Duty to Keep Records

The LMC requires every taxpayer to keep and preserve for a period of three years, all books, accounts, records, original sales and purchase invoices, exemption certificates, and all other documents required to determine the amount of tax the taxpayer is liable to collect or pay under the rules of the LMC.

All records of the taxpayer shall be open for examination by the Finance Director upon demand. If records are maintained outside the City, then the taxpayer is required to make the records available at a suitable location in the City as determined by the Finance Director.

Violation/Penalty

It is unlawful to violate any provisions of Section 3.20 of the LMC. A person convicted of violating the section is subject to the general penalty provisions contained in Section 1.28.010 of the LMC unless otherwise expressly provided in Section 3.20. Each and every 24-hour period of violation of this Section constitutes a distinct and separate violation.

Prosecution of any person in violation of the LMC Section 3.20 does not reduce, eliminate or suspend any of the person’s obligation to fulfill the requirements or make payment of any taxes, penalties, fines or interest due, nor does it limit the ability of the City to proceed under this Section of the LMC to collect taxes under a civil suit or other method of collection.

Taxpayer Responsibilities – Tax Collection

The tax imposed by Section 3.20 of the LMC is in addition to all other taxes imposed by law, unless otherwise provided in the Section.

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.

Department of Finance – Sales Tax and Licensing Division
749 Main Street - Louisville, CO 80027
Office (303) 335-4514 – Fax (303) 335-4529
www.LouisvilleCo.gov
Taxpayer Responsibilities – Unlawful Acts

It is unlawful for any retailer to advertise or state to the public or to any customer, directly or indirectly, that the sales tax imposed by this chapter will be assumed or absorbed by the retailer or that if added, any part of the tax shall be refunded.

Except as provided for alcoholic beverage sales by the drink and coin-operated device sales, all other retailers shall add the tax imposed by the City to the sale price or charge, indicating the tax as a separate and distinct item. The tax charged becomes part of the purchase price and is a debt from the consumer or user to the retailer until paid and is recoverable at law in the same manner as other debts.

It is unlawful for any person to engage or be engaged in the operation, conduct, or carrying on of any trade, profession, business, or occupation within the City, regardless of whether or not goods and services are sold, without first having obtained a Sales/Use Tax License from the City.

The tax schedules contained in the LMC may be used by a retailer in determining amounts of tax owed; however, the use of any schedules does not relieve the retailer from liability for the payment of the full amount of tax imposed.

If any retailer collects as sales tax an amount in excess of the amount of the sales tax imposed by the LMC, the retailer must remit the excess amount in addition to the correct amount of tax to the City.

Any person liable for the payment of tax, penalties or interest owed the City that has issued three or more checks that have been returned for non-sufficient funds, may be required to pay the City by cash or other guaranteed funds as required by the Finance Director.

Unlawful Acts

It is unlawful for any retailer, consumer or any other person subject to Section 3.20 of the LMC:

To fail to file any tax return by the due date
To fail to make payment to the Finance Director by the due date of any taxes, penalties or interest due the City
To make any false or fraudulent tax return or any other filing under the LMC
To make any false statement on any return or in any other filing permitted or required by this Section of the LMC
To evade the collection or payment of any taxes, penalties or interest collected or due the City
To aid or abet another in any attempt to evade payment of tax, penalties or interest due the City
To issue the City a check in payment of any taxes, penalties or interest due the City that is returned for insufficient funds

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