

**Town of Berthoud
Building Department
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TOWN OF BERTHOUD USE TAX COLLECTED ON BUILDING PERMITS

Please be advised, the Town of Berthoud has collected a "Use Tax" based upon the dollar cost and/or value of all building and construction materials intended to be used and/or consumed within the Town as a part of your project under the building permit issued to you. Use Tax is collected pursuant to provisions of Town of Berthoud Ordinance No. 651 "An Ordinance amending Ordinance Numbers 338 and 507, Sales and Use Tax Ordinance of the Town of Berthoud" and by authority granted to Colorado statutory municipalities through Colorado Revised Statutes (C.R.S.) 29-2-105.

The amount of Use Tax collected by the Town is determined based on the dollar cost of all new building and construction materials purchased at retail and on the value of existing and/or used building and construction materials.

Because the Building Department has no specific knowledge as to the exact dollar cost and/or value of all materials you may use in your project, Use Tax collected is considered an estimate. For the purposes of estimating Use Tax, the Town normally bases the estimate upon one-half (50%) of the complete project valuation. Project valuation means: the value of all labor, materials, equipment, profit, and commissions, to complete the project for which the building permit is issued. In instances where a materials only estimate is provided by the building permit applicant, Use Tax is collected on the total cost and/or value of building and construction materials. Use tax is collected on building and construction materials (taxable items) *only* and not on labor, profit or commissions (non taxable items). The Town recognizes sometimes construction and building materials do not always comprise 50% of the project valuation. In these instances, the Building Department reserves the right to determine Use Tax on a case by case basis and may request the applicant provide a written cost breakdown, independent market appraisal or other information that will definitely establish the cost and/or value of building and construction materials to be used or consumed as a part of the construction project.

Town Ordinances establish a 4% Use Tax. In addition, through an agreement with Larimer County, the Town collects Larimer County's portion of Use Tax, which is .80%. Please note, if the job site address (the address where work authorized under a building permit is to be performed) is located within Weld County, no county Use Tax has been collected as Weld County currently does not have any Use Tax requirements.

Please be advised, pursuant to CRS 29-2-105 (2), the Use Tax paid to the Town at issuance of a building permit is intended to be in lieu of or an "exemption" to the payment of any town, city and/or county Sales Tax normally collected at the time of retail purchase. This Sales Tax exemption applies to all Colorado towns, cities and/or counties whether statutory or home rule, regardless if the purchase is made in a different town, city, or county than the town, city or county that issues the building permit and collects the Use Tax. In order for you to avoid paying Sales Tax at the time of building and construction materials purchases, you must present a copy of the building permit to the retailer.