

LARIMER COUNTY | FINANCIAL SERVICES DIVISION



Sales Tax Administration, 200 West Oak Street, Suite 4000, PO Box 1190, Fort Collins, Colorado 80522-1190, 970.498.5930

Dear Contractor,

When your building permit is issued, you must pay a use tax deposit based on 50% of the project's valuation multiplied by the County tax rate of 1.05%. This deposit is a prepayment of tax owed on the project.

When making purchases, you will not have to pay Larimer County sales tax on the construction materials if you present a building permit that shows you've already paid the use tax.

After you finish your project, you must submit a Project Cost Report (PCR). This report compares your deposit with the actual tax owed on construction material costs. A PCR form was included with your permit. Additional forms and help on how to fill out the PCR can be found on Larimer County's sales and use tax website: www.larimer.gov/finance/sales-tax/use-tax.

Submit your completed PCR, along with a copy of the permit, cost summary, invoices, and receipts, within 60 days of receiving your Certificate of Occupancy or when your permit expires. This will help you avoid penalties and interest. To submit a paper PCR packet, either mail it or drop it off at the address above. If you prefer to send it electronically, email your PCR packet to SalesTax@larimer.org.

If you have questions or need additional forms, please call the Sales Tax Office at (970) 498-5930. Thank you for your cooperation.

Sincerely,
Robin Byrne
Senior Sales Tax Technician
Finance Department

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Instructions for Completing the Project Cost Report (PCR)

Additional information can be found on the Sales Tax website www.larimer.gov/finance/sales-tax/use-tax

Provide Contact Information

- Enter the building permit number(s), the contractor's name, address, and the project location.

Sign-Off Section (Top Box)

To sign off on the PCR and not have to do the reconciliation, you need to meet these requirements:

1. The total completed project value must be less than \$400,000. If your initial project estimate is over \$400,000, you must provide a job cost summary to show the actual value below this amount.
2. The cost of building materials used in the project should be approximately half of the initial building permit valuation.
3. You do not expect to receive a refund.
4. You understand that Larimer County may request an audit within three years after completing the project.

If you meet all four requirements, please sign and date the Project Cost Report and return it to the Larimer County Finance Division.

Calculation Section (Bottom Box)

Line 1: Enter total taxes paid, including the Larimer County use tax on the building permit(s) and any additional county tax on invoices for building materials and taxable labor. Include copies of the building permit and any invoices or proof of tax payment. ***Note: You only get credit for additional county sales tax if you provide receipts.**

Line 2: Enter the actual material costs from the job cost summary and multiply by 1.05% to find the use tax that should have been paid. Provide a worksheet on how the actual material costs were calculated.

To calculate actual material costs:

- Include 100% of the materials purchased for the project. Provide copies of receipts to take out non-taxable costs such as non-taxable labor, miscellaneous expenses, or delivery fees.
- Include 100% of the taxable labor, including fabrication, shop, and production of articles.
- Include 100% of the materials from the subcontractors' affidavits or invoices. Provide copies of the invoices or subcontractors' affidavits.

Or

- Include 50% of subcontractors' invoices if you cannot provide a breakdown of materials and labor.

Line 3: If Line 2 is greater than Line 1, you owe additional tax to Larimer County. Please send a check for the difference to Larimer County at the address above.

Line 4: If Line 1 is greater than Line 2, you overpaid tax to Larimer County. Once approved, Larimer County will send you a refund.

Important Note: All Project Cost Reports are reviewed and may be subject to a formal audit.



LARIMER
COUNTY

FINANCIAL SERVICES DIVISION

SALES TAX ADMINISTRATION
200 Oak Street, Suite 4000
P.O. Box 1190
Fort Collins, CO 80522-1190
(970) 498-5930
FAX (970) 498-5942

PROJECT COST REPORT

Building Permit #: _____

Contractor's Name: _____

Address: _____

City, State, & Zip: _____ Phone: _____

Project Location: _____

For projects under \$400,000 and not requesting a refund, complete this section:

By signing, I understand and agree to the following:

- the completed project is valued under \$400,000
- the cost of the building material used in the project is materially the same as the estimated costs.
- no refund is due
- an audit may be requested by Larimer County up to three years after the completion of the project.

Signature

Title

Date

For Projects over \$400,000, requesting a refund, or submitting additional taxes, complete this section:

1. Use Tax paid on Building Permit plus any additional County taxes paid on receipts:

_____ + _____ \$ _____

2. Actual material costs _____ X .0105 _____ \$ _____

If line 2 is greater than line 1, proceed to Line 3 - If line 2 is less than line 1, proceed to Line 4

3. UNDERPAYMENT OF TAX: Line 2 \$ _____
Line 1 \$ _____
Difference – Additional Tax Due \$ _____

4. OVERPAYMENT OF TAX:
Line 1 \$ _____
Line 2 \$ _____
Difference – Refund Due \$ _____

Return this completed form along with a copy of the building permit, final job cost summary and copies of any documentation support claims for additional County sales tax paid or a different breakdown on subcontractor's billings. Please read Contractor's letter and instructions for examples of back up documentation. All Project Cost Reports are due 60 after the issuance of the CO or letter of Completion. Any Project Cost Report submitted after the 60 days is subject to penalty and interest. Reports are subject to audit.

I, hereby certify, under penalty of perjury, that the statements made herein are to the best of my knowledge true and correct.

Signature

Title

Date