To determine if a vendor must collect the City of Loveland’s sales tax the vendor must first determine if there is a “nexus” between the vendor and the City of Loveland. To have a nexus there must be a connection between Loveland’s taxing jurisdiction and a vendor before the City of Loveland may require the vendor to collect the City of Loveland’s tax.

The City of Loveland bases the establishment of Nexus if the vendor is engaged in business in the city by performing or providing services or selling, leasing, renting, delivering, or installing tangible personal property for storage, use, or consumption with Loveland. Engaged in business in Loveland includes, without limitation, any one of the following activities:

1. Directly, indirectly, or by a subsidiary, maintaining a building, store, office, salesroom, warehouse, or other place of business within the city;
2. Sending one or more employees, agents, or commissioned sales persons into the city to solicit business or to install, assemble, repair, service, or assist in the use of its products, or for demonstration, or for any other reason;
3. Maintaining one or more employees, agents, or commissioned sales persons on duty at a location within the city;
4. Owning, leasing, renting, or otherwise exercising control over real or personal property within the city; or

**Examples:**

1. A carpet store that is located outside the City of Loveland sells carpet and delivers and installs it for customers in Loveland. The store has created nexus by performing services inside the City. Therefore, the store is required to be licensed with the City of Loveland and collect sales tax.
2. A national women’s store that is located in Loveland sends out catalogues to Loveland residences. The catalogue warehouse is in California and all shipments will be made from there. The store will have to collect Loveland sales tax on deliveries shipped from California, because the store has created nexus by having a location in the City.
3. A computer leasing company located outside of the City of Loveland leases computer systems to Loveland vendors. The leasing company is required to have a sales tax license from the City, because it is renting personal property within the City.