



Out of City/State Tax-Exempt Organizations Doing Business in Loveland

GENERAL INFORMATION

Loveland allows tax-exempt organizations outside of the city boundaries to use the exemption certificate issued by their home municipality or state taxing authorities when doing business with Loveland vendors on an occasional basis.

Out-of-state tax-exempt organizations are allowed to make sales tax-exempt purchases upon providing the vendor with a tax exemption number or some other documentation of tax-exempt status from another state.

A titled representative of the organization should be prepared to assume full legal responsibility for the organization's tax-exempt purchases in Loveland should the city later determine that sales tax should have been paid. The representative will be required to sign an affidavit attesting to the organization's tax-exempt status and that the item or service purchased meets both requirements outlined below. The vendor might also request positive identification from the representative.

LIMITS TO THE SALES TAX EXEMPTION

Tax-exempt organizations may purchase otherwise taxable goods and services without paying Loveland sales taxes only if **both** of the following requirements are met:

1. Payment is made from the organization's funds and no reimbursement will be made to the organization through direct payment, collection or donation from any person(s) for the use or consumption of the goods or services; **and**
2. The items or services purchased are used in conjunction with your organization's normal religious charitable, educational or governmental activities.

If the item purchased does not meet both the above requirements, the vendor is legally obligated to charge the organization sales tax.

If a dispute arises between the vendor and the organization as to whether a sale is taxable, Loveland requires the vendor to charge the tax and the purchasing organization to pay it. The organization may file a claim for refund, which is available upon request from the City of Loveland or on the City of Loveland's Sales tax home page under the forms tab.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICIPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.