



State of Colorado

Vacation Rental New Business Application Process

This material has been prepared for informational purposes only and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

Step 1. First, Determine if you can use the State's Online "Colorado Business Express."

- a. **Determine if your vacation rental is a Sole Proprietor or a Business Entity.**
 - i. **Are you operating your rental as a Sole Proprietor or General Partnership?**
 1. If you hold your vacation rental in your personal name or as a General Partnership (i.e. your name and your spouse's name, and do not have a corporate entity to handle the vacation rental property, rental income, etc., then your answer here is Yes.
 - a. **If Yes, proceed to Step #3 Below.**
 - ii. **OR, are you operating your rental as a Business Entity?**
 1. If you hold your vacation rental in a business entity name, for example "My Vacation Rental, LLC" then you would be a business entity vs. a Sole Proprietor or General Partnership
 - a. **If Yes, Proceed to Step #2 Below.**

Step 2. If you are operating your rental as a business entity, (see 1.a.ii above), you will need to first Register with the Secretary of State.

- a. *If you are operating as a Sole Proprietor or General Partnership (see 1.a.i above), skip to Step #3*
- b. Go to <http://www.sos.state.co.us/pubs/business/fileAForm.html>
 - i. **Click "File a form to create a NEW record."**
 - ii. Select the proper legal document to file. For example, if you have formed an LLC for your vacation rental, select "Limited Liability Company (LLC).
 - iii. Fill out the required form, pay the required fee, and then note the

Step 3. Go to: <https://www.colorado.gov/apps/jboss/cbe/>

- a. **Click the blue "Start Your Filing" button under "File Online with Step-by-Step Instructions"**
- b. **Have you registered with the Secretary of State?**
 - i. Answer Yes or No. Be sure to follow Step 1 above prior to proceeding with this process.
 1. If you are NOT a Sole Proprietor or General Partnership, you should select Yes here as you would need to register your business entity for your vacation rental through the Secretary of State first.

- ii. **Then, select the appropriate answer on the entity type choices that will become available:**
 - 1. Individual/Sole Proprietor
 - 2. General Partnership
 - 3. Other
 - a. (i.e., LLC, etc.)
- iii. Answer the additional questions appropriately based upon your answer.
- c. **Do you already have an unemployment account number for your business?**
 - i. Unless you have employees associated with your vacation rental, this should be “no.”
- d. **Do you already have a Sales Tax number for your business?**
 - i. No
- e. **Click Continue**
- f. **If you selected Yes under “Have you registered with the Secretary of State,”**
 - i. You will need to enter the business name or Secretary of State ID number you received in that process.
 - ii. After you enter your business, the application should provide you with the radial button choices from the Secretary of State
- g. **You may receive a message that states the following:**
 - i. **Colorado Department of Labor and Employment (CDLE)**
 - 1. You cannot register with the Colorado Department of Labor and Employment (CDLE) online because you may not be liable to pay unemployment insurance premiums. You are also unable to register for withholding at this time.
 - 2. There will be contact information for CDLE on this page as well.
 - 3. You can click Continue here, and if you have employees (talk to your tax advisor about this), you will not need to apply for a wage withholding account.
 - ii. **Click Continue Filing**
- h. **The next prompt for all business entity types will be an application form.**
 - i. Complete the form with all of your pertinent vacation rental contact and entity information.
 - ii. The next screen will prompt you for “Owner, Partner, Corporate Officer #1”
 - 1. Enter in the appropriate information.
 - 2. If there is more than one owner or partner, click “Add Another Person” at the bottom of the page.
 - a. Otherwise, click “Continue”
 - iii. **The next screen will read:**
 - 1. Will you be providing:

- a. Products and Taxable Services
 - b. Services
 - c. Both
 - 2. Select Option “a” above “Products and Taxable Services”
 - iv. On the next screen, there is a list with the types of products and services.**
 - 1. Click the green plus sign to expand the choices under “[72] Accommodations and Food Services”
 - a. Click the green plus sign to expand “[721] Accommodation”
 - i. Click the green plus sign to expand “[7211] Traveler Accommodation”
 - 1. Click the green plus sign to expand “[72119] All Other Traveler Accommodation”
 - 2. Click Continue
- i. On the next screen, answer all questions, paying particular attention to the below items:**
 - 1.** In the first question where you can detail your business activity, if you are located in a Colorado County with a state collected lodging tax (i.e. La Plata County), please be sure to note that your vacation rental is located in that county to ensure that the State sets you up properly for the lodging taxes for that county.
 - 2. Please answer YES to the last question on this page “Do you do rentals for 30 days or less.”
- ii. On the next screen, answer the question about the seasonal nature of your business.**
- iii. On the next screen:**
 - 1. Enter the first day of sales.
 - a. Note that the first date of Sales should indicate the first date of advertisement, vs. the first day of income. Most Colorado communities have adopted policies or Ordinances requiring the license as soon as the property is advertised vs. when the first income is received. See your local jurisdiction’s policies or Ordinances to confirm your jurisdiction’s ruling for this.
 - 2. Select “Retail – Sales” for the tax type.
 - 3. Indicate your anticipated sales tax collection.
 - a. You can look up your jurisdiction’s total tax rate at:
<https://www.colorado.gov/pacific/sites/default/files/DR1002.pdf>
 - b. In addition to the local collection, the State Sales Tax will also apply. This is currently 2.9% (as of

9/6/2016), but check the link above for current rates.

4. Click Continue
- iv. **The next screen will allow you to review and / or edit your application.**
 1. If done editing, Click Continue
- v. **The next screen is your Affidavit that the information is true and correct.**
 1. Click Accept, if you agree with the terms, and type your name as your digital signature
- vi. **The next screen will present your Statutory Filing Fee, which is calculated as follows per the CR0100.**
 1. If the first day of sales is:
 - a. January to June even-numbered years
2014,2016,2018 - \$16
 - b. July to December even-numbered years,
2014,2016,2018 - \$12
 - c. January to June odd-numbered years
2013,2015,2017 - \$8
 - d. July to December odd-numbered years 2013,
2015,2017 - \$4.00
 2. A deposit is required on a retail sales tax license of \$50.00
 - a. For example, if your first date your property was advertised is January of 2016, your license fee would be:
 - i. \$16 plus the \$50 deposit or \$66

Step 4. After you remit payment, you will receive your license in the mail, and / or any issues with your account.

- i. Once you receive the license, you can register to file your sales and lodging taxes online.
 1. Be sure to review your local jurisdiction's tax rates to ensure you are assessing the **complete Sales Tax and Lodging Tax rates** on your rental revenues.
 2. You can look up your tax rate for your location at:
<https://www.colorado.gov/pacific/sites/default/files/DR1002.pdf>