



Tax Division
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Tax Compliance Guide

Recreation Services

(05/2023)

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT AURORA TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE AURORA MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

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The *Aurora Municipal Code* imposes a sales tax upon Recreation Services, which are services relating to athletic or entertainment participation events and/or activities, including but not limited to pool, golf, billiards, skating, tennis, bowling, coin-operated amusement devices, video games, and video club memberships.

Aurora sales and use tax on recreation services is charged on the purchase price for participating in a taxable activity. For example, the amount a bowling alley charges for customers to bowl, or the amount a private golf course charges for a round of golf.

While still considered recreation services, health and athletic club memberships, where the goal of such groups is to improve the health of participants and offer no entertainment value, are exempt from Aurora sales tax. Common examples include, but are not limited to, gym memberships, group cardiovascular fitness classes, weight loss groups, or yoga classes.

Expenses and Business Purchases

Purchases of personal property and taxable services that are used to provide recreation services are subject to Aurora sales and use tax when purchased by the business. Businesses are required to pay Aurora sales and use tax on taxable expenses incurred in providing recreation services.

Admissions Tax

Admissions tax is a sales tax imposed on any charge or fee to gain admission to any place or event open to the public located in the city.

While similar, an important distinction between recreation services and taxable admissions is that charges to participate in the event are charges for recreation services, charges to gain entry to an event are admission charges and subject to admissions tax.

Examples

- Person A visits a local facility that charges \$10 per hour for use of their basketball courts. Person B is participating in a recreational service and the sale is subject to Aurora sales tax.
- Person B, while at a restaurant, notices a pinball arcade machine in the corner of the establishment. Person B pays \$1.00 to play the machine before returning to his table. Person

B has purchased a recreational service and the restaurant needs to include sales tax in the \$1.00 charge to play the pinball arcade machine.

- Person C attends a gymnasium that charges a \$40 monthly membership fee to use their facilities. These facilities include free weights, treadmills, and other exercise machines. Person C's membership fees to the health and athletic club are not subject to Aurora tax.
- Person D takes their family to an Aurora event center that offers an indoor play gym, trampoline park, slides, and video game arcade. The amounts charged by the event center for participation and entry are subject to Aurora tax.

Related Topics

Admissions Tax
Coin Operated Devices
Use Tax

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-33. (b) Legislative Intent
§ 130-196. Levy
§ 130-198. Exemptions
§ 130-196. Levy
§ 130-233. Tax levied. (Admissions)

Contact Us

For additional assistance, please contact us:

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