



Tax Division
15151 E. Alameda Parkway, Ste. 5700
Aurora, Colorado 80012
303.739.7800

Tax Compliance Guide

Coin Operated Devices

(09/2023)

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.

Auroragov.org/tax

Devices Vending Tangible Personal Property

Sales of tangible personal property through "coin operated" devices also known as vending machines are subject to Aurora sales tax. Tax does not need to be charged or stated separately to the customer, but may be included in the price of the items sold. If the price of the item sold is thirty cents (\$0.30) or less the sale is exempt from tax.

Aurora sales tax must be paid on the purchase, lease, or rental of vending machines, and any repair parts or maintenance supplies used. If Aurora sales tax is not paid to a vendor licensed and authorized to collect the same, then a use tax must be remitted directly to the City. Credit may be taken against Aurora use tax for legally imposed sales or use taxes paid to other municipalities. Such credit may not exceed the Aurora use tax due.

Food items sold through vending machines are subject to Aurora sales tax and do not qualify as food for home consumption. Other tax-exempt items sold through vending machines remain exempt, such as newspapers.

Items sold through vending machines may be purchased exempt from Aurora sales tax as wholesale sale for resale.

Amusement and Other "Coin Operated" Devices

The city of Aurora applies sales tax to recreation services. The payment for the utilization of "coin operated" devices such as video games, pool tables, and juke boxes is considered a payment for recreation services and is subject to the city's sales tax. If the device is coin operated and tax cannot be separately stated, it may be included in the purchase price.

This sale is subject to tax regardless of the method of payment and collection, including credit/debit cards, pre-paid cards or vouchers, coins, currency or other substitutes therefor, or collection by an attendant.

Owners operating a business engaged in placing pool or billiard tables or other amusement devices in the city must also obtain an Amusement Device Distributor's License. A business that displays amusement devices in their place of business must obtain an Amusement Device Vendor's License. Devices that are capable of reimbursing the operator in coin, token, or money in excess of the

charge made for the operation of such devices are not permitted in the city. Coin pushers and simulated gaming devices that reimburse the operator are prohibited.

The payment for the utilization of "coin operated" games of skill or chance, which either dispense tangible personal property as prizes, or provide tickets, credits, or vouchers which may be redeemed for prizes, is similarly considered an amusement device and is subject to tax. The consideration surrendered by the player is for a recreation service and is not paid for the prize. This is evidenced by the fact that not every player obtains a prize for identical amounts of credit per play. Therefore, owners or operators of such devices must pay Aurora sales/use tax for the tickets, vouchers, and prizes purchased for use in the device or redemption by players thereafter. The prizes are not retail sales and cannot be purchased wholesale.

Amusement device operators must pay Aurora sales/use tax when purchasing the machines as they are considered to be used by the vendor in the provision of recreation services.

Car Washes and Laundromats

Car washes and laundry machines are "coin operated" devices. Therefore, payment for utilization of a car wash device constitutes a short-term rental of the wash device. Amounts paid for the utilization of these devices are considered short term rentals of tangible personal property. The city of Aurora allows for either collection of sales tax from the customer, or alternatively the business may pay sales/use tax on the equipment when it is purchased. If sales/use tax is paid when the equipment is purchased, then use of the equipment by the patron is not subject to Aurora sales tax.

Examples

1. Vending Company A sells soda and candy through a "coin operated" vending machine. Each soda sells for \$0.50 per can. Vending Company A must remit the tax collected as part of this price.
2. Pool Hall B operates a pool hall where customers pay an attendant to use the pool tables and equipment by the hour. This per hour charge constitutes provision of recreation services and is subject to sales tax.

3. Business C buys a car wash from Business D. Business C does not want to collect sales tax from customers using the car wash. Business C must pay use tax on the equipment purchased from Business D. Business C must also pay sales/use tax on all future, equipment, parts, supplies, and on all soap and wax purchased for use in the equipment. Business C must collect sales tax from all property vended through vending machines. Business C can purchase any items vended through vending machines tax exempt for resale.
4. Business E purchases a car wash from Business F. Business E chooses to collect sales tax from customers for use of the car wash as a rental of the equipment. Business E can purchase the car wash equipment and replacement parts exempt from city sales/use tax for resale as a rental since they are collecting sales tax from their customers. Also, all soaps and wax used in the equipment can be purchased tax exempt for resale.

Related Topics

Food and Related Items
Leased & Rented Property
Recreation Services
Purchase/Sale of Business
Wholesale sales

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-156. Taxable Items
§ 130-157. Items Exempt from Taxation
§ 130-157.5. Short-term on Premises rentals of Tangible Personal Property
§ 130-160. Responsibility for Payment
§ 130-161. Schedule of Taxes
§ 130-196. Levy
§ 130-199. Use Tax Credit

Contact Us

For additional assistance, please contact us:

City of Aurora
Tax Division
15151 E. Alameda Parkway Ste. 5700
Aurora, CO 80012

Phone: (303) 739-7800

E-mail address: tax@auroragov.org

Website: <http://www.auroragov.org/tax>

Filing: <http://aurorataxportal.gentaxcpc.net>

Licensing: <http://www.auroragov.org/bl>