



Tax Division  
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## Tax Compliance Guide

### Gas and Electric Services, Steam and Other Heating Services

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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 sales tax upon the purchase price paid for gas and electric services, and steam or other heating services.

Qualifying government, and charitable organization purchases of these services are exempt in the same manner as purchases of tangible personal property and other taxable services.

- Business B is a restaurant and bakery operating in the City of Aurora. In addition to serving meals, the restaurant bakes and packages dessert items for sale at local convenience stores.

Business B must pay Aurora sales or use tax on all purchases of gas and electric services.

#### Usage Based Exemptions

Some taxing jurisdictions provide a gas and electric services exemption for domestic/residential use, and certain other uses such as a commercial restaurant or manufacturing/industrial uses. The *Aurora Municipal Code* provides no such exemption, gas and electric services are taxable with no exemption based on the usage of the service.

#### Related Topics

Gasoline and Special Fuels  
Governments & Charitable Organizations  
Use Tax

#### Renewable Energy

The *Aurora Municipal Code* provides no exemption for electricity generated from renewable sources, nor does it provide an exemption for equipment used in generating renewable energy. Businesses installing equipment in the City to generate such electricity must pay sales/use tax on the cost of such equipment as well as collect sales tax on the price paid by electrical service customers in the City.

#### Citations

*Aurora Municipal Code*  
§ 130-31. Definitions  
§ 130-33. Legislative Intent  
§ 130-156. Taxable Items  
§ 130-157. Items Exempt from Taxation  
§ 130-160. Responsibility for Payment  
§ 130-161. Schedule of Taxes  
§ 130-196. Levy  
§ 130-199. Use Tax Credit

#### Examples

- Business A is a solar company. Business A makes agreements with property owners to install residential solar systems with no upfront cost. Upon installation, the property owner purchases the electricity generated by the system for the term of the agreement. At the conclusion of the agreement, Business A either removes the equipment, or sells it to the property owner for fair market value.

Business A must register with the City and pay Aurora sales/use tax on its cost of the system. Business A must also collect sales tax on the purchase price charged to the property owner for the electricity generated by the system. If Business A sells the equipment to the property owner for fair market value, Business A must collect sales tax on the price charged to the property owner for the equipment.

#### Contact Us

For additional assistance, please contact us:

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