



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

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Tax Compliance Guide

Mixed Transactions

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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 a sales tax upon the purchase price paid for tangible personal property sold at retail in the City. Mixed transactions are those that include purchases of both taxable tangible personal property and nontaxable services.

invoice, sales contract, or similar document issued to the purchaser at the time of the sale

Definitions

Tangible personal property means personal property that can be one or more of the following: seen, weighed, measured, felt, touched, stored, transported, exchanged, or that is in any other manner perceptible to the senses.

Examples

1. XYZ Electrical has been contracted to install a new A/C unit at an Aurora residents' home. XYZ completes the work and charges Aurora resident \$5,000.00 for "Labor and Materials". As there is no separation of labor and materials and the entire transaction is lumped together, all \$5,000.00 of the purchase price is subject to Aurora sales tax.
2. ABC Plumbing has been hired as part of a home renovation project in Aurora and is tasked with installing a new kitchen sink and garbage disposal in a refurbished kitchen. After the work has been completed, ABC Plumbing bills its Aurora customer for \$1,500.00 in materials and \$500.00 in labor totaling \$2,000.00 for the entire project. As the materials and labor charges are separated, only the \$1,500.00 in materials would be subject to Aurora sales tax.

Taxable Transactions

- Sales/rentals/leases of tangible personal property
- Charges for taxable services (as defined in Tax Code)
 - Gas and Electric services
 - Pay Television and Entertainment Services
 - Recreation services
 - Telecommunications
 - Few other specific items

Exempt Transactions

- Labor or Installation charges – when separately stated
- Newspapers
- Prescription drugs
- Gasoline
- Deliveries outside the City
- Food for home consumption
- Few other specific items

Related Topics

Automotive Service & Repair
 Construction Equipment
 Construction Projects Not Requiring Building Permits
 Manufacturing & Fabrication
 Professional Services
 Repairs and Maintenance

Mixed Transactions Rule

When purchases are made that include both taxable and nontaxable tangible personal property or services, only nontaxable tangible personal property and services that are *separately stated* on the invoice provided to the buyer at the time of purchase are exempted. If no separation occurs, the entire transaction is taxable. This is commonly referred to as a "Lump-Sum" transaction.

Citations

Aurora Municipal Code
 § 130-31. Definitions
 § 130-33. Legislative Intent
 § 130-156. Taxable Items
 § 130-157. Items Exempt from Taxation

A charge is separately stated if it appears as a distinct line item apart from the overall price of the transaction, on a written receipt,

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>

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