



Tax Division
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Tax Compliance Guide

Prior Use of Property

(3/2024)

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 use tax upon the privilege of using, storing, distributing, or otherwise consuming tangible personal property and certain taxable services in the City. If Aurora sales tax is not paid to a vendor licensed to collect tax at the time of purchase, then a use tax must be remitted directly to the City.

Property purchased prior to being brought into the City of Aurora by a resident should be reviewed for use tax and whether additional use tax is due to the City of Aurora.

Aurora exempts from sales/use tax the use, storage, distribution or consumption of tangible personal property of a resident under the following criteria: such personal property was purchased and used for a longer duration than one-third of its depreciable life, using the straight line depreciation method, prior to the time the property was brought into the city, and if such property was used for the primary purpose for which it was acquired prior to the time it was brought into the city. This exemption does not apply to construction equipment, tools, and machinery.

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.

Construction Equipment

Please see the Aurora Tax Guide *Construction – Equipment* for information on the taxation of construction equipment. Construction equipment is subject to use tax under a separate City ordinance than described in this compliance guide.

Construction equipment is defined as any equipment, including mobile machinery and mobile equipment, which is used to erect, install, alter, demolish, repair, remodel, or otherwise make improvements to any real property, building, structure, or infrastructure.

Examples

1. Company A was previously located outside of Aurora. Having a need to expand, Company A leased office space in Aurora and intends to move most of its current furniture and office equipment, which had been in use for more than 4 years, into Aurora. Company A is not required to remit use tax on its current

furniture and office equipment since it has been used for longer than 1/3 of its depreciable life prior to the move.

2. Company B has commercial locations in several cities including Aurora, with its corporate headquarters in unincorporated Arapahoe County. When Company B purchases furniture for its headquarters, they correctly do not pay any municipal sales or use tax. After using the furniture at their headquarters for six months, Company B decides to move it to the Aurora office and purchase new furniture for their headquarters. Company B must pay Aurora use tax on the full purchase price paid for the old furniture upon locating it in Aurora since it has not been in use longer than 1/3 of its depreciable life.

Related Topics

Construction – Equipment
Previously Paid Sales/Use Tax
Use Tax

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-156. Taxable Items
§ 130-159. - Application to Sale of Automotive Vehicles
§ 130-196. – Levy
§ 130-198. – Exemptions
§ 130-199. - Use Tax Credit
§ 130-201. - Nonlocal Sales of Automotive Vehicles.

Contact Us

For additional assistance, please contact us:

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