



**TO ALL BUILDING PERMIT APPLICANTS:**

As a part of building permit issuance, you are required to pay a five percent (5%) use tax for the building materials you anticipate using in the course of your construction project.

The purpose and philosophy of use tax is to serve as an "in-lieu-of" sales tax to:

1. Make our local merchants more cost competitive because of lower sales tax rates charged elsewhere; and,
2. Capture tax revenues which might otherwise be lost to the Town due to purchase of construction materials outside of the Town but used in the Town.

Because two-thirds of general fund revenues are derived from sales tax, the Town has adopted a use tax to help pay for basic municipal services which you, as a property owner, deserve and expect from your Town.

**DO NOT PURCHASE ANY MATERIALS BEFORE PAYING USE TAX OR HAVING YOUR BUILDING PERMIT ISSUED TO YOU.** Please remember to show proof of payment for Grand Lake use tax to avoid being double taxed once you begin purchasing building materials for your project. When purchasing building materials, present your building permit (showing "use tax paid"). You should not be charged municipal (local) sales tax on these purchases by the vendor per Colorado Department of Revenue CRS 29-2-105(2).

In the event that you have purchased construction and building materials in which Sales Tax was paid to the retailer prior to issuance of a building permit by the Town, the Town is still obligated to collect applicable Town and County Use Tax in the manner previously described. If Sales Tax was erroneously paid to the retailer, it is the responsibility of the permit applicant to contact the retailer for their store policy relative to Sales Tax refunds. If they cannot get a refund from the retailer then the request for refund needs to be made through the State of Colorado Department of Revenue unless the sales tax is paid to a home rule, self-collecting jurisdiction, then they must contact them directly. [Sales Tax Refund | Department of Revenue - Taxation \(colorado.gov\)](#).

Because the collection of Use Tax is based upon an estimate of the complete project valuation please be advised; the permit applicant is responsible for any additional Use Tax due in the event the actual cost and/or value of project building and construction materials exceeds the estimate. If the cost and/or value of building and construction materials is less than the original estimated valuation, you may be eligible for a refund of a portion of the Use Tax paid or owe more. The Town may conduct an audit of the final project costs and impose additional use tax if it is determined that the original total cost estimate was incorrect.

Failure to submit all documentation on the project at the request of the Town or under budget refund request need to be received by the Town withing 90 days of the Town of Grand Lake or the Grand County Building and Sanitation Department has closed this permit. A receipt should be obtained when a request for reimbursement is received by the Town. Mailed requests **must** be sent certified, return receipt requested.

Please feel free to ask any questions about use tax prior to signing the acknowledgment below

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I, \_\_\_\_\_, who is requesting a Building Permit for construction at the  
(Print Name)

following site: \_\_\_\_\_

(legal description or street address)

have read the above and by my signature, agree and acknowledge that I understand the use tax procedures of the Town of Grand Lake. I further understand, per Municipal Code 4-3-33.

Signature \_\_\_\_\_